

Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com



Agenda - Final

Tuesday, August 8, 2017

8:30 AM

Board of Supervisors Chambers

Board of Supervisors

John M. Vasquez (Dist. 4), Chair
(707) 784-6129

Erin Hannigan (Dist. 1), Vice-Chair
(707) 553-5363

Monica Brown (Dist. 2)
(707) 784-3031

James P. Spering (Dist. 3)
(707) 784-6136

Skip Thomson (Dist. 5)
(707) 784-6130

SOLANO COUNTY BOARD OF SUPERVISORS
HOUSING AUTHORITY, SPECIAL DISTRICTS,
SOLANO FACILITIES CORPORATION, AND
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

Temporary parking permits for the County Parking Garage are available from the Board Clerk for visitors attending the Board of Supervisors' meeting for more than 2 hours.

The County of Solano does not discriminate against persons with disabilities and is an accessible facility. If you wish to attend this meeting and you will require assistance in order to participate, please call the Office of the Clerk of the Board of Supervisors at 707-784-6100 at least 24 hours in advance of the event to make reasonable arrangements to ensure accessibility to this meeting.

Non-confidential materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the Solano County Government Center, 6th Floor Receptionist's Desk, 675 Texas Street, Fairfield, during normal business hours.

If you wish to address any item listed on the Agenda, or Closed Session, please submit a Speaker Card to the Board Clerk before the Board considers the specific item. Cards are available at the entrance to the Board chambers. Please limit your comments to three minutes. For items not listed on the Agenda, please see items from the public below.

AGENDA

CALL TO ORDER - 8:30 A.M.

ROLL CALL

CLOSED SESSION

- 1 [17-575](#) Conference with Labor Negotiators: Solano County representatives: Marc Fox, Jeannine Seher, Mark Love, Birgitta E. Corsello, and Nancy Huston. Employee organizations: Teamsters, Local 150 for Unit 1 (Attorneys); SEIU Local 1021 for Unit 2 (Nurses), Unit 5 (Health and Welfare Employees), Unit 7 (Regulatory, Technical and General Services Employees), Unit 8 (General Services Supervisors), Unit 9 (Clerical Employees) and Units 82, 87, 89, and 90 (Extra Help Employees); Solano County Deputy Sheriff's Association for Unit 3 (Law Enforcement Employees) and Unit 4 (Law Enforcement Supervisors); Public Employees Union, Local One for Unit 6 (Health and Welfare

Supervisors) and Unit 16 (Mid-Management Employees); Stationary Engineers, Local 39 for Unit 10 (Skilled Craft and Service Maintenance Employees); Union of American Physicians and Dentists for Unit 11 (Physicians, Dentists and Psychiatrists); Solano County Probation Peace Officer Association for Unit 12 (Probation Employees) and Unit 15 (Probation Supervisors); Solano County Sheriff's Custody Association for Unit 13 (Correctional Officers); Teamsters, Local 856 for Unit 14 (Correctional Supervisors); Solano County Law Enforcement Management Association for Unit 17 (Law Enforcement Management) and Unit 18 (Sheriff's Office Management); Professional and Technical Engineers, Local 21 for Unit 19 (Executive and Senior Management); Unit 60 Legislative Group; Unit 61 (unrepresented Executive Management Employees), Unit 62 (unrepresented Senior Management Employees) and Unit 30 (Confidential Employees)

In-Home Supportive Services Authority representatives: Marc Fox, Jeannine Seher, Mark Love, Gerald Huber, Nancy Huston and Birgitta E. Corsello. Employee organization: SEIU Local 2015

Conference with Legal Counsel - Existing Litigation: Solano County Orderly Growth Committee et al. v. County of Solano et al.

Conference with Legal Counsel - Potential Litigation: Two cases

Attachments: [A - Memorandum](#)

RECONVENE - 9:00 A.M.

REPORT OF ACTION IN CLOSED SESSION (IF APPLICABLE)

SALUTE TO THE FLAG AND A MOMENT OF SILENCE

ITEMS FROM THE PUBLIC

This is your opportunity to address the Board on a matter not listed on the Agenda, but it must be within the subject matter jurisdiction of the Board. Please submit a Speaker Card before the first speaker is called and limit your comments to three minutes. The Board will hear public comments for up to fifteen minutes. Any additional public comments will be heard at the conclusion of the meeting. Items from the public will be taken under consideration without discussion by the Board and may be referred to staff.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

APPROVAL OF THE AGENDA

PUBLIC COMMENT ON CONSENT CALENDAR

Each speaker shall have 3 minutes to address any or all items on the Consent Calendar.

APPROVAL OF THE CONSENT CALENDAR

The Board considers all matters listed under the Consent Calendar to be non-controversial or routine and will adopt them in one motion. There will be no discussion on these items before the Board votes on the motion unless Board members request specific items be discussed and/or removed from the Consent Calendar.

CONSENT CALENDAR**GENERAL GOVERNMENT**County Administrator:

- 2 [17-579](#) Approve a second contract amendment with William Bruce Wagstaff for \$44,400 for a new contract total of \$93,425 to continue the Workforce Development recommendations and implementation for the current period through December 31, 2017; and Authorize the County Administrator to execute the contract amendment

Attachments: [A - Second Amendment](#)
 [B - Links to Original Contract and First Amendment](#)

Auditor-Controller:

- 3 [17-564](#) Adopt a resolution and plaque of appreciation honoring Bette J. Hancock upon her retirement from the Auditor-Controller's Office with over 42 years of dedicated service to Solano County

Attachments: [A - Resolution](#)

- 4 [17-481](#) Accept the Follow-Up Review Report on the Probation Department's Juvenile Trust Fund & Juvenile Ward Fund Audit Report Issued on May 24, 2016

Attachments: [A - Probation Follow-Up Review Audit Report](#)
 [B - Management Response](#)

General Services:

- 5 [17-523](#) Approve an agreement for \$336,619 with R.L. Ziegenbein Construction, Inc. of Alamo for the Solano County Health & Social Services Building Improvements at 2101 Courage Drive; and Authorize the County Administrator or designee to execute the agreement and any amendments within the approved project budget

Attachments: [A - Agreement](#)
 [B - Bid Results](#)

Agricultural Commissioner/Sealer of Weights and Measures:

- 6 [17-565](#) Adopt a resolution authorizing the Agricultural Commissioner/Sealer of Weights and Measures to execute revenue agreements for a net total of \$316,511 with the California Department of Food and Agriculture, California Department of Pesticide Regulation; and Authorize the Agricultural Commissioner/Sealer of Weights and Measures to execute revenue contract amendments up to 15% over the approved contract amounts

Attachments: [A - Resolution](#)

HEALTH AND SOCIAL SERVICES

- 7 [17-556](#) Adopt a resolution and plaque of appreciation honoring Teresa Tomei-Klaman, Social Services Worker, upon her retirement from the Department of Health & Social Services, Older and Disabled Adults Services Division with over 29 years of dedicated service to Solano County

Attachments: [A - Resolution](#)

CRIMINAL JUSTICEPublic Defender:

- 8 [17-574](#) Adopt a resolution amending the List of Numbers and Classifications of Positions to add 0.5 FTE Social Worker II and 1.0 FTE Staff Analyst, and delete 0.5 FTE Social Worker III and 1.0 FTE Clerical Operations Manager in the Public Defender's Office to address departmental operational changes

Attachments: [A - Resolution](#)

MISCELLANEOUS ITEMSLibrary:

- 9 [17-562](#) Approve the appointments of Carole Nail, Ginger Emerson, Dotty Schenk, Kurt Overholt, Gloria Felder, Bruce DuClair and Kathryn Clark Silveira to the Measure L Library Sales Tax Measure Independent Oversight Committee for a four year term to expire on June 30, 2021

REGULAR CALENDAR

Rescheduled Consent Items

Consider the following:

- A)
- B)
- C)

GENERAL GOVERNMENT

Treasurer-Tax Collector-County Clerk

- 10 [17-572](#) Consider adopting a resolution authorizing the execution, sale, and delivery of the 2017 Certificates of Participation ("2017 Certificates") in a principal amount not to exceed \$90,000,000 for the refunding of the 2007 Certificates of Participation which were in turn a refunding of the 2002 Certificates of Participation that were issued to fund construction of the County Government Center, Parking Structure, Probation Building, and other County Facilities; Approve the form of the Site Lease, Lease, Trust Agreement, Continuing Disclosure Agreement, Escrow Agreement, Certificate Purchase agreement, and Preliminary Official Statement; Appoint Orrick, Herrington & Sutcliffe LLP as special counsel and appoint Hawkins, Delafield and Wood LLP as disclosure counsel; Delegate the County Administrator or her designee authorization to "deem final" the Preliminary Official Statement, negotiate the sale of Certificates of Participation, and Authorize county officials to take necessary actions related to the preparation and sale of the certificates

Attachments: [A - Resolution](#)
 [B - Site Lease](#)
 [C - Lease Agreement](#)
 [D - Trust Agreement](#)
 [E - Escrow Agreement](#)
 [F - Certificate Purchase Agreement](#)
 [G - Preliminary Official Statement](#)

OTHERSolano County Facilities Corporation:

- 11 [17-573](#) Consider adopting a resolution to approve the form of the Site Lease, Lease, Trust Agreement, Assignment Agreement, and Certificate of Purchase Agreement related to the execution and delivery of the 2017 Certificates of Participation ("2017 Certificates"); Authorize Corporation officials, Raymond James ("Underwriter"), Orrick, Herrington & Sutcliffe LLP, as special counsel, and Hawkins Delafield and Wood LLP, as disclosure counsel, to prepare all documents necessary for the transaction; and Authorize Corporation officials to execute and deliver all necessary documents

Attachments: [A - Resolution](#)
 [B - Site Lease](#)
 [C - Lease Agreement](#)
 [D - Trust Agreement](#)
 [E - Assignment Agreement](#)
 [F - Certificate Purchase Agreement](#)

Workforce Development Board:

- 12 [17-571](#) Receive a status report from Bruce Wagstaff on the continued progress of implementing the Solano Workforce Development Review recommendations approved by the Board on July 26, 2016

Attachments: [A - Presentation](#)

LAND USE/TRANSPORTATIONResource Management:

- 13 [17-544](#) Consider adopting a resolution approving Traffic Order 424, establishing "No Parking" zones on Gordon Valley Road and Mankas Corner Road; and establishing all-way stops at Porter Road/Pitt School Road, Suisun Valley Road/Mankas Corner Road, and Fry Road/ Lewis Road

Attachments: [A - Resolution](#)

Resource Management:

- 14 [17-561](#) Receive summary reports and presentations on two studies and related work prepared under a \$228,000 grant from the Delta Conservancy (#2016-17-106) consisting of a Countywide Agricultural Economic Baseline Assessment and Cache Slough Case Study, and a Land Evaluation and Site Assessment (LESA) Study for the Cache Slough region of the County

Attachments: [A - LESA Executive Summary](#)

Ag Commissioner/Sealer of Weights and Measures:

- 15 [17-566](#) Receive the 2016 Solano County Crop and Livestock Report; and Receive the Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study from the Agricultural Commissioner and Sealer of Weights and Measures

Attachments: [A - Top Ten Crops 2016](#)
 [B1 - Crop Report 2016 Part 1](#)
 [B2 - Crop Report 2016 Part 2](#)
 [C - Economic Effects of Solano County Agriculture](#)

2:00 P.M.

LAND USE/TRANSPORTATION

- 16 [17-560](#) Conduct a noticed public hearing to consider adoption of an ordinance revising the Middle Green Valley Specific Plan

Attachments: [A - Ordinance](#)
 [B - Exhibit 1](#)
 [C - Existing & Proposed Land Use Table](#)
 [D - EIR Addendum](#)
 [E - Key Elements of Specific Plan](#)
 [F - Draft PC Minutes & Resolution](#)
 [G - Public Notice](#)

- 17 [17-557](#) Consider scheduling a special public hearing for August 29, 2017 at 6:30 p.m. to consider a proposed ordinance to amend Chapter 28 (Zoning Regulations) to regulate non-commercial cultivation of cannabis for personal and caregiver uses in all zones that allow a residence as a primary use

BOARD MEMBER COMMENTS AND REPORTS ON MEETINGS

ADJOURN:

To the Board of Supervisors meeting of August 22, 2017 at 8:30 A.M., Board Chambers, 675 Texas Street, Fairfield, CA



Solano County

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Agenda Submittal

Agenda #: 1 **Status:** Closed Session

Type: Closed Session **Department:** County Counsel

File #: 17-575 **Contact:** Dennis Bunting, 784-6145

Agenda date: 8/8/2017 **Final action:**

Title: Conference with Labor Negotiators: Solano County representatives: Marc Fox, Jeannine Seher, Mark Love, Birgitta E. Corsello, and Nancy Huston. Employee organizations: Teamsters, Local 150 for Unit 1 (Attorneys); SEIU Local 1021 for Unit 2 (Nurses), Unit 5 (Health and Welfare Employees), Unit 7 (Regulatory, Technical and General Services Employees), Unit 8 (General Services Supervisors), Unit 9 (Clerical Employees) and Units 82, 87, 89, and 90 (Extra Help Employees); Solano County Deputy Sheriff's Association for Unit 3 (Law Enforcement Employees) and Unit 4 (Law Enforcement Supervisors); Public Employees Union, Local One for Unit 6 (Health and Welfare Supervisors) and Unit 16 (Mid-Management Employees); Stationary Engineers, Local 39 for Unit 10 (Skilled Craft and Service Maintenance Employees); Union of American Physicians and Dentists for Unit 11 (Physicians, Dentists and Psychiatrists); Solano County Probation Peace Officer Association for Unit 12 (Probation Employees) and Unit 15 (Probation Supervisors); Solano County Sheriff's Custody Association for Unit 13 (Correctional Officers); Teamsters, Local 856 for Unit 14 (Correctional Supervisors); Solano County Law Enforcement Management Association for Unit 17 (Law Enforcement Management) and Unit 18 (Sheriff's Office Management); Professional and Technical Engineers, Local 21 for Unit 19 (Executive and Senior Management); Unit 60 Legislative Group; Unit 61 (unrepresented Executive Management Employees), Unit 62 (unrepresented Senior Management Employees) and Unit 30 (Confidential Employees)

In-Home Supportive Services Authority representatives: Marc Fox, Jeannine Seher, Mark Love, Gerald Huber, Nancy Huston and Birgitta E. Corsello. Employee organization: SEIU Local 2015

Conference with Legal Counsel - Existing Litigation: Solano County Orderly Growth Committee et al. v. County of Solano et al.

Conference with Legal Counsel - Potential Litigation: Two cases

Governing body: Board of Supervisors

District: All

Attachments: [A - Memorandum](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ____ No X

Public Hearing Required? Yes ____ No X

CLOSED SESSION MEMO

- A. LICENSE/PERMIT DETERMINATION (GC § 54956.7)
 - a. Number of applicants:_____
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (GC § 54956.8)
- C. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Solano County Orderly Growth Committee et al. v. County of Solano et al.
- D. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (GC § 54956.9)
 - a. Significant exposure to litigation pursuant to GC § 54956.9 (b):
 - b. Initiation of litigation pursuant to GC § 54956.9(c): Two cases
- E. LIABILITY CLAIMS-JOINT POWERS AUTHORITY (GC § 54956.95)
 - a. Claimant:_____
 - b. Agency against whom claim filed:_____
- F. THREAT TO PUBLIC SERVICES OR FACILITIES (GC § 54957)
 - a. Consultation with:_____
- G. PUBLIC EMPLOYEE APPOINTMENT
 - a. Title:
- H. PUBLIC EMPLOYMENT (GC § 54957)
 - a. Title:
- I. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (GC § 54957)
 - a. Title:
- J. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (GC § 54957)
 - a. No information required
- K. CONFERENCE WITH LABOR NEGOTIATORS (GC § 54957.6):

Conference with Labor Negotiators: Solano County representatives: Marc Fox, Jeannine Seher, Mark Love, Birgitta E. Corsello, and Nancy Huston. Employee organizations: Teamsters, Local 150 for Unit 1 (Attorneys); SEIU Local 1021 for Unit 2 (Nurses), Unit 5 (Health and Welfare Employees), Unit 7 (Regulatory, Technical and General Services Employees), Unit 8 (General Services Supervisors), Unit 9 (Clerical Employees) and Units 82, 87, 89, and 90 (Extra Help Employees); Solano County Deputy Sheriff's Association for Unit 3 (Law Enforcement Employees) and Unit 4 (Law Enforcement Supervisors); Public Employees Union, Local One for Unit 6 (Health and Welfare Supervisors) and Unit 16 (Mid-Management Employees); Stationary Engineers, Local 39 for Unit 10 (Skilled Craft and Service Maintenance Employees); Union of American Physicians and Dentists for Unit 11 (Physicians, Dentists and Psychiatrists); Solano County Probation Peace Officer Association for Unit 12 (Probation Employees) and Unit 15 (Probation

Supervisors); Solano County Sheriff's Custody Association for Unit 13 (Correctional Officers); Teamsters, Local 856 for Unit 14 (Correctional Supervisors); Solano County Law Enforcement Management Association for Unit 17 (Law Enforcement Management) and Unit 18 (Sheriff's Office Management); Professional and Technical Engineers, Local 21 for Unit 19 (Executive and Senior Management); Unit 60 Legislative Group; Unit 61 (unrepresented Executive Management Employees), Unit 62 (unrepresented Senior Management Employees) and Unit 30 (Confidential Employees)

In-Home Supportive Services Authority representatives: Marc Fox, Jeannine Seher, Mark Love, Gerald Huber, Nancy Huston and Birgitta E. Corsello. Employee organization: SEIU Local 2015

- L. CASE REVIEW/PLANNING (GC § 54957.8)
- M. REPORT INVOLVING TRADE SECRET (GC § 54962, etc.)
 - a. Estimated year of public disclosure:_____
- N. HEARINGS
 - a. Subject matter:_____
 - (nature of hearing, i.e. medical audit comm., quality assurance comm., etc.)



Solano County

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Agenda Submittal

Agenda #:	2	Status:	Consent Calendar
Type:	Contract	Department:	County Administrator
File #:	17-579	Contact:	Matthew A. Davis, 784-6111
Agenda date:	8/8/2017	Final action:	
Title:	Approve a second contract amendment with William Bruce Wagstaff for \$44,400 for a new contract total of \$93,425 to continue the Workforce Development recommendations and implementation for the current period through December 31, 2017; and Authorize the County Administrator to execute the contract amendment		
Governing body:	Board of Supervisors		
District:	All		
Attachments:	A - Second Amendment B - Links to Original Contract and First Amendment		

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The County Administrator's Office recommends that the Board of approve a second contract amendment with William Bruce Wagstaff for \$44,400 for a new contract total of \$93,425 to continue the Workforce Development recommendations and implementation for the current period through December 31, 2017; and Authorize the County Administrator to execute the contract amendment.

SUMMARY AND DISCUSSION:

On November 1, 2016, a contract with William Bruce Wagstaff was approved for \$24,975 to implement a review of the Workforce Development system in Solano County. Work included the development of an employer-driven set of Essential Skills that would be focused on throughout the system, the establishment of an improved approach to Skills Assessments that are completed by the various workforce development programs to avoid duplication, and the promotion of an improved collaboration and leveraging of resources among the organizations involved in workforce development. On April 1, 2017, the contract was extended by three months, representing an increase of \$24,050, for a total contract amount of \$49,025. On August 8, 2017, the County Administrator's Office is recommending the Board of Supervisors approve a second amendment to the contract in the amount of \$44,400 - extending the existing contract by six months - bringing the total contract amount to \$93,425.

FINANCIAL IMPACT:

The contract costs have been appropriated in the FY2017-18 Adopted Budget.

ALTERNATIVES:

The Board could choose not to approve this contract amendment; however, this is not recommended, as it

would bring to a halt all the work done up to this point to implement the County's Workforce Development review and implementation that was approved by the Board of Supervisors in July, 2016.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved the contract amendment as to form.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

**SECOND AMENDMENT TO STANDARD CONTRACT
BETWEEN COUNTY OF SOLANO and WILLIAM BRUCE WAGSTAFF**

This Second Amendment ("Second Amendment") is entered into as of the ____ day of _____, 2017, between the COUNTY OF SOLANO, a political subdivision of the State of California ("County") and WILLIAM BRUCE WAGSTAFF, ("Contractor").

1. Recitals

A. The parties entered into a contract dated October 31, 2016 (the "Contract"), in which Contractor agreed to assist the County in the review of the Workforce Development System.

B. The County now needs extend the term of the Contract to allow for continued services.

C. This Second Amendment represents an increase of \$44,400 and a 6-month extension of the Contract.

D. The parties agree to amend the Contract as set forth below.

2. Agreement.

A. Term of Contract.

Section 2 is deleted in its entirety and replaced with:

The Term of this Contract is: November 1, 2016 – December 31, 2017.

B. Amount of Contract

Section 3 is deleted in its entirety and replaced with:

The maximum amount of this Contract is \$93,425.

C. Budget.

Section 1 of Exhibit B is amended in part to increase the total compensation to \$93,425.

3. Effectiveness of Contract.

Except as set forth in this Second Amendment, all other terms and conditions specified in the Contract remain in full force and effect.

COUNTY OF SOLANO, a Political
Subdivision of the State of California

CONTRACTOR

By _____
Birgitta E. Corsello, County Administrator

By William Bruce Wagstaff
William Bruce Wagstaff

APPROVED AS TO FORM

By Bernadette Curry, Esq.
County Counsel

Due to file size, the following documents can be accessed via the link in the list below, in addition to being on file with the Clerk of the Board.

[Original Contract](#)

[First Amendment](#)



Solano County

675 Texas Street
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Agenda Submittal

Agenda #: 3 **Status:** Consent Calendar
Type: Resolution **Department:** Auditor-Controller
File #: 17-564 **Contact:** Simona Padilla-Scholtens, 784-6287
Agenda date: 8/8/2017 **Final action:**
Title: Adopt a resolution and plaque of appreciation honoring Bette J. Hancock upon her retirement from the Auditor-Controller's Office with over 42 years of dedicated service to Solano County

Governing body: Board of Supervisors
District: All
Attachments: [A - Resolution](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

It is recommended the Board of Supervisors adopt a resolution and plaque of appreciation honoring Bette J. Hancock upon her retirement from Solano County with over 42 years of service.

SUMMARY/DISCUSSION:

Bette J. Hancock formally retired on June 17, 2017 as a Fixed Assets Technician in the Auditor-Controller's Office. Bette began her career with Solano County - Sheriff's Office on December 15, 1974 as a Typist Clerk II, which was later reclassified to an Accounting Clerk I. On May 16, 1977, Bette was promoted to an Accounting Clerk II and she served in that position until February 23, 1981, when she promoted to an Accounting Technician in the Auditor-Controller's Office - General Accounting Division. On March 17, 1991, Bette was promoted to Fixed Assets Technician.

Bette is being recognized for her exceptional dedication and commitment to the Auditor-Controller's Office and Solano County, her willingness to help out her fellow coworkers and managers with any assignment given to her, her dependability in performing her assignments and her generosity in her frequent donation of hours to the catastrophic leave bank.

In addition, Bette served four elected Auditor-Controllers during her tenure; Anthony A. Kalamaras (1984-1990); William P. Ricciardi (1991-1993); William A. Eldridge (1994-2004) and Simona Padilla-Scholtens (2005-2017).

Bette passed away on Saturday, July 22, 2017. This resolution and plaque will be presented to her family.

FINANCIAL IMPACT:

The cost of providing the resolution is included in the County's FY2017/18 Adopted Budget. There is no additional impact to the General Fund.

ALTERNATIVES:

The Board could choose not to adopt this resolution of appreciation; however, this is not recommended because this is an opportunity to recognize Bette J. Hancock's exceptional dedication and outstanding contributions to the County.

OTHER AGENCY INVOLVEMENT:

There is no other agency involvement.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

Resolution No. 2017-

RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS HONORING BETTE J. HANCOCK UPON HER RETIREMENT FROM THE SOLANO COUNTY AUDITOR-CONTROLLER'S OFFICE WITH OVER 42 YEARS OF DEDICATED SERVICE TO SOLANO COUNTY

WHEREAS, Bette J. Hancock began her career on December 15, 1974 with Solano County in the Sheriff's Office, as a Typist Clerk II, which was later reclassified to an Accounting Clerk I; and

WHEREAS, on May 16, 1977, Bette promoted to an Accounting Clerk II; and

WHEREAS, on February 23, 1981, Bette was promoted to an Accounting Technician in the Auditor-Controller's Office – General Accounting Division; and

WHEREAS, on March 17, 1991, Bette was promoted to Fixed Assets Technician; and

WHEREAS, Bette is being recognized for her exceptional dedication and commitment to the Auditor-Controller's Office and Solano County, her willingness to help out her fellow coworkers and managers with any assignment given to her, her dependability in performing her assignments, her generosity in her frequent donation of hours to the catastrophic leave bank; and

WHEREAS, Bette served four elected Auditor-Controllers during her tenure; Anthony A. Kalamaras (1984-1990); William P. Ricciardi (1991-1993); William A. Eldridge (1994-2004) and Simona Padilla-Scholtens (2005-2017); and

WHEREAS, Bette will be deeply missed countywide, and the staff of all divisions within the Auditor-Controller's Office.

RESOLVED, that the Solano County Board of Supervisors hereby commends and thanks Bette J. Hancock for over 42 years of exceptional and dedicated service to Solano County.

Dated this 8th day of August, 2017

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:
BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk



Solano County

675 Texas Street
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Agenda Submittal

Agenda #: 4
Status: Consent Calendar
Type: Report
Department: Auditor-Controller
File #: 17-481
Contact: Kirk Starkey, 784-3057
Agenda date: 8/8/2017
Final action:
Title: Accept the Follow-Up Review Report on the Probation Department's Juvenile Trust Fund & Juvenile Ward Fund Audit Report Issued on May 24, 2016

Governing body: Board of Supervisors

District: All

Attachments: [A - Probation Follow-Up Review Audit Report](#)
[B - Management Response](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Auditor Controller's Office (ACO) recommends that the Board of Supervisors accept the Follow-Up Review Report on the Probation Department's Juvenile Trust Fund & Juvenile Ward Fund Audit Report Issued on May 24, 2016.

SUMMARY AND DISCUSSION:

In accordance with the Internal Audit Division Fiscal Year 2016/17 Audit Plan, the ACO conducted a follow-up review on the Probation Department's Juvenile Trust Fund & Juvenile Ward Fund Audit Report Issued on May 24, 2016. That Report focused on Probation's internal controls over cash receipts, disbursements, its policies and procedures, and client intake processes in place for juvenile's during the fiscal years ended June 30, 2015 and 2014. The ACO determined the internal controls were not adequate to ensure management's goals and objectives are accomplished in accordance with Chapter 2, §275(a) of the Welfare and Institutions Code. As a result, the May 2016 Report offered several recommendations to improve collection processes and strengthen controls over client cash payments. The ACO follow-up was limited to reviewing actions taken, as of April 27, 2017, to implement the recommendations from the Report.

The ACO follow-up indicated the Probation Department fully implemented six recommendations and is in the process of implementing three recommendations. It should be noted the three partially implemented recommendations are due to the resolution authorizing a twelve-month moratorium on the assessment and collection of Post-Notice Custody Fees, Juvenile Detention Facility Support Fees and New Foundations Program Support Fees.

FINANCIAL IMPACT:

The acceptance of the audit report has no financial impact.

ALTERNATIVES:

The Board of Supervisors could elect to not accept the report as presented. This alternative is not consistent with sound public policy and is therefore not recommended.

OTHER AGENCY INVOLVEMENT:

The Department of Probation has reviewed and accepted the report. Management's response is included in attachment B.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

**County of Solano
Office of the Auditor-Controller**



**FOLLOW-UP REVIEW ON
PROBATION DEPARTMENT'S JUVENILE TRUST FUND & JUVENILE
WARD WELFARE FUND AUDIT REPORT ISSUED
MAY 24, 2016**

May 23, 2017

**Auditor-Controller: Simona Padilla-Scholtens, CPA
Assistant Auditor-Controller: Phyllis Taynton, CPA
Deputy Auditor-Controller: Kirk Starkey, CPA
Auditor: Stacy Neece, MSA**

Report No. 2017_21

SCOPE OF REVIEW

The Solano County Auditor-Controller's Office Internal Audit Division (Division) conducted a follow-up review on the Probation Department's Juvenile Trust Fund and Juvenile Ward Welfare Fund Audit Report issued on May 24, 2016. That Report focused on Probation's internal controls over cash receipts, disbursements, its policies and procedures, and client intake processes in place for juveniles during the fiscal years ended June 30, 2015 and 2014. It was determined the internal controls were not adequate to ensure management's goals and objectives are accomplished in accordance with Chapter 2, §275(a) of the Welfare and Institutions Code. As a result, the Report included several recommendations to improve collection processes and strengthen controls over client cash payments. Our follow-up was limited to reviewing actions taken, as of April 27, 2017, to implement the recommendations from the Report.

BACKGROUND

The Solano County Probation Department's Juvenile Division provides investigation and supervision services and recommends appropriate disposition for juvenile offenders, while also seeking to preserve and enhance the family unit. Probation has the fiduciary responsibilities for a variety of monies collected from fines, fees, penalty assessments, restitution payments to victims, and charges for services provided.

The Juvenile Division serves as an arm of the Juvenile and Superior Courts. Probation also operates one juvenile detention facility which provides in-house services such as counseling, tutoring, aggression replacement training, and crossroad life skills/cognitive training. Welfare and Institutions Code §276 authorizes probation to receive monies and direct disbursements on behalf of juveniles on probation and/or housed in juvenile facilities.

Probation uses Columbia Ultimate Business System (CUBS) software to manage its billing and collection transactions. Probation creates an account after receipt of a court order requiring a restitution payment or after receiving an invoice for juvenile fees¹. A notice is then mailed to the client². Probation can only pursue account collection after the parent(s) or guardian is determined to have the ability to pay³. An ability to pay is determined from a financial evaluation performed by Probation's collection staff. Accounts that have not been subjected to a financial evaluation are recorded as "pending."

SUMMARY

Based upon the four areas identified as needing improvement (nine recommendations), our follow-up indicated the Probation Department fully implemented six recommendations and is in the process of implementing three recommendations.

¹ Juvenile fees include juvenile hall fees, public defender's fee, electronic monitoring fees, and supervision fees.

² The notice includes a copy of the court disposition, citation to appear for a financial evaluation, and proof of personal service.

³ Per the Board of Supervisors meeting on April 25, 2017, a resolution authorizing a twelve-month moratorium on the assessment and collection of Post-Notice Custody Fees, Juvenile Detention Facility Support Fees and New Foundations Program Support Fees were approved. Until the moratorium is lifted, there will be no new collection attempts.

RESULTS

Based on our follow-up review, the following is the status of the nine original recommendations:

Finding A - Establish a Comprehensive Set of Written Policies for Collection Activities

Recommendation No. A(1): Develop a comprehensive written set of policies for account collection activities.

Current Status: **Fully Implemented**

Our review determined management has completed an evaluation of the existing guidelines and manual procedures and developed a comprehensive policies and procedures manual. There is a copy of the procedures manual on the Probation Network Area Server (NAS), as well as a hard copy manual (binder) maintained in the Collections Unit. The binder details the juvenile detention billing processes, which includes collections and billing procedures. Also included are procedures on how to work the aging list, how to determine the parents/legal guardian's ability to pay,⁴ and how to handle delinquent or unresponsive cases. Based upon our review, we consider this recommendation to be fully implemented.

Finding B - Evaluating the Client's Ability to Pay

Recommendation No. B(1) Determining the Client's Gross Income:

Include all sources of income when determining a client's ability to pay. Probation should establish a written policy regarding its process for determining a client's ability to pay so decisions as to whether a client has such an ability are made according to objective criteria.

Current Status: **Fully Implemented**

Management has developed a more comprehensive set of policies and procedures for account collection activities including detail processes for determining a clients' ability to pay. These procedures are combined with the written policies for collection activities, as noted above. The updated manual addresses the deficiencies we noted and suggested for improvement. Based upon our review, we consider this recommendation to be fully implemented.

Recommendation No. B(2) Reassess the Clients Ability to Pay:

1. The collection staff should request clients contact Probation after 3 months for a re-evaluation. If the client does not initiate contact, Probation should contact the client about the re-evaluation. If the client does not cooperate, file a Court petition to require the client to appear before the collection staff.
2. Enhance CUBS to include automated notifications for accounts needing to be re-evaluated.

Current Status: **Partially Implemented**

⁴ An ability to pay is determined from a financial evaluation performed by Probation collection staff.

Our review revealed management has updated its policies and procedures for collection activities which included a financial re-evaluation process. Probation established a standard for the Collections Officer to schedule future meetings and initiate contacts with clients for the 3-month re-evaluation. Included are instructions as to how to re-evaluate clients, assuming they are willing to set up an appointment. There are additional instructions as to how to address uncooperative clients who are able to pay and unresponsive clients whose financial status is undetermined.

The Probation Department did not address the suggestion to file a Court petition to require uncooperative clients appear before the collection staff. There are instructions in the manual as to how to follow up on past due accounts, but nothing specifically addresses procedures for clients who fail to re-evaluate their financial status. According to the Administrative Services Manager, these procedures are in place and will be documented in the comprehensive policies and procedures manual. However, between the time of the original audit and our follow-up, the County Board of Supervisors adopted a resolution on April 25, 2017 authorizing a twelve-month moratorium on the assessment and collection of certain fees. Until the moratorium is lifted, there will be no new collection attempts.

Our follow-up indicated the Probation Department has created a status code in CUBS to flag the accounts requiring financial re-evaluation. This provides reports to assist the Collection Officer in determining when clients need to be reassessed for their ability to pay. This feature, however isn't automated; it requires organizing the Days Payable Outstanding (DPO) Aging of Receivable Report by Account Delinquency date.

Based upon the above, we consider this recommendation partially implemented.

Finding C - Billings and Collections

Recommendation No. C(1) Accounts Should be Monitored for Timely Collection Efforts:

1. Consider activating the aging of receivables module in CUBS to help monitor past due accounts. Aging the accounts will help the collection staff stay on top of past due accounts. Additionally, Probation should consider making enhancements to CUBS, such as adding automated notifications for accounts nearing the statute of limitations; or
2. Probation should seek a computerized accounts receivable software option to allow it to create an aging of receivables report.

Current Status: Fully Implemented

Our review indicated management has completed the enhancements of the CUBS system to include the Aging of Receivable (AR) reports. Effective December 2016, AR reports are being provided to the Probation Officers monthly. We reviewed a copy of a report and dollar amounts are listed delinquent by 30 days, 60 days, 90 days, and 120+ days. Management did not address the recommendation of adding automated notifications into CUBS for accounts nearing the statute of limitations. This automated option could reduce the workload of the Collections Officer, allowing more time for other collection efforts. Based upon our review, we consider this recommendation fully implemented.

Recommendation No. C(2) Enhance Collection Efforts on Accounts by Seeking a Court-Ordered Judgment:

1. Pursue additional collection efforts such as filing an abstract of judgment; or
2. Refer accounts to the Franchise Tax Board for potential tax refund intercept; or
3. Consider participating in the State of California's Court-Ordered Debt Program which collects unpaid fines, state or local penalties, bail, forfeitures, restitution fines and orders, vehicle code violations or any other amounts upon a person for criminal offenses.

Current Status: Fully Implemented

During our follow-up review, we determined management referred 1,052 accounts (with court order) valued at \$1.3 million to the State Franchise Tax Board (FTB) for the State Tax Intercept program in December 2016. At the time this memorandum was composed, the State FTB had collected and reimbursed Probation for \$20,296 worth of delinquent payments. Management also inquired with several other collection agencies, started submitting delinquent stipulated cases to the Court for order and entry of judgement. Based upon the tax refund intercept program being utilized, we consider this recommendation fully implemented.

Recommendation No. C(3) Work to Resolve Outstanding "Pending" Accounts:

In cases where the client refuses to appear before the financial evaluation officer or refuses to sign stipulation, Probation should petition the court to require the client to appear before the County financial evaluation officer.

Current Status: Partially Implemented

Our follow-up determined management has included procedures within its updated collections manual addressing return to court procedures for delinquent stipulated cases and unresponsive cases (no stipulations⁵). Probation also met with County Counsel to discuss the Juvenile billing process, specifically a collaboration with their office and the Courts for the return to Court process. Due to the recent adoption of a resolution authorizing a twelve-month moratorium on the assessment and collection of certain fees, there cannot be any new collection attempts. Based upon the above, we consider this recommendation partially implemented.

Recommendation No. C(4) File Signed Stipulations with the Court:

Generate a report of all defaulted accounts with signed stipulations. Notify clients in writing about the default. If the client does not respond, file a civil judgment against him/her within the statute of limitation period.

Current Status: Fully Implemented

Our follow-up determined management has created a report in CUBS on defaulted stipulated cases. We obtained a copy of the report and it identifies the stipulated date, total amount due, last paid date, and total amount remaining. This report will be useful for notifying clients and filing a civil judgement within the statute of limitation periods.

⁵ A stipulation is a legal acknowledgement made between opposing parties concerning a certain fact or facts.

Probation has also developed an action plan for submission of unresponsive clients to the Court for civil judgment filing. Up until the moratorium was put into place, Probation had filed 366 cases to be Returned to Court (RTC). Any court orders previously filed were included in the 1,052 accounts forwarded to the FTB. Due to the recent adoption of a resolution authorizing a twelve-month moratorium on the assessment and collection of certain fees, there cannot be any new collection attempts. Based upon the efforts above, we consider this recommendation fully implemented.

Recommendation No. C(5) Continue Collection Activities on Clients Who File for Bankruptcy:

Probation should seek to collect the costs related to the care, support, and maintenance of the incarcerated minor even if the parent/guardian files for bankruptcy.

Current Status: **Partially Implemented**

Our follow-up determined that after management met with County Counsel, the Administrative Services Manager sent an email to staff in November 2016 regarding the processing procedures of bankruptcy filing notices. The email notes that procedures will be developed upon processing the next bankruptcy notice. Probation is working with County Counsel to develop these formal procedures but at the time of our review, an official notice had not yet been received. Also due to the recent adoption of a resolution authorizing a twelve-month moratorium on the assessment and collection of certain fees, there cannot be any new collection attempts. Based upon our review, we consider this recommendation partially implemented.

Finding D - Cash Handling Procedures

Recommendation No. D(1) Secure Cash Payments at the Probation Branch in Vallejo:

1. Remove the key to the payment drop box from the Vallejo office and place it in the custody of Billings and Collections staff in Fairfield; or
2. Install a payment kiosk at the Vallejo office and discontinue the use of the payment drop box.

Current Status: **Fully implemented**

Our follow-up revealed management has complied with the recommendation by removing the key to the payment drop box from the Vallejo office. It is now in the custody of the Collections Officer in Probation's Fairfield office⁶.

Based upon the above, we consider this recommendation fully implemented.

We would like to thank the Probation Department management and staff for the assistance and cooperation extended to us during this follow-up review.

⁶ Also, note a duplicate key is also maintained in the safe in the Fairfield office. The safe key is in the custody of the Accountant.



COUNTY OF SOLANO

PROBATION DEPARTMENT

Christopher Hansen
Chief Probation Officer

Donna L. Robinson
Chief Deputy Probation Officer

Date: August 1, 2017

To: Kirk Starkey, Certified Public Accountant
Deputy Auditor-Controller
Internal Audit Services

From: Donna Robinson, Chief Deputy Probation Officer *DR*
Probation Department

Cc: Phyllis Taynton, Assistant Auditor-Controller
Lennette Maniaul, Administrative Service Manager

Subject: Management Response to the Follow-Up Review on the Probation Department
Juvenile Trust and Juvenile Ward Welfare Fund Audit Report

The Probation Department would like to thank the Auditor's Office for the follow-up review on the Audit Report Issued on May 24, 2016. Please note that on May 1, 2017, the Solano County Board of Supervisors adopted a resolution authorizing a 12 month moratorium of the collection of Juvenile Hall/New Foundation. The moratorium also authorized a reduction in Electronic Monitoring fees from \$23.00 per day to \$9.00 per day.

The Department's responses to the follow-up audit review on the items that were marked as "Partially Implemented" are as follows:

Finding B – Evaluating the Client's Ability to Pay

Recommendation No. B(2) Reassess the Clients Ability to Pay:

1. The collection staff should request clients contact Probation after 3 months for a re-evaluation. If the client does not initiate contact, Probation should contact the client about the re-evaluation. If the client does not cooperate, file a Court petition to require the client to appear before the collection staff.
2. Enhance CUBS to include automated notifications for accounts needing to be re-evaluated.

Management Response

Probation established a standard for the Collections Officer to schedule future meetings and initiate contacts with the clients for the 3-month re-evaluation assuming clients are willing to set up an appointment. In addition, due to the number of cases involved, it is not feasible for one Collections Officer to perform this function of scheduling follow up appointments every three months.

Based on the clientele who were initially evaluated for no ability to pay, a change in their financial status after 3 months which would warrant another financial re-evaluation is unlikely. Also, due to the number of cases involved it is not feasible for one Collections Officer to perform this function. In addition, filing a motion to the Court for the client to appear before the

Collections Officer will be dependent on Court interaction which is outside of the control of the Department. Therefore the recommendation as written will not be implemented.

Finding C – Billings and Collections

Recommendation No. C(3) Work to Resolve Outstanding “Pending” Accounts

In cases where the client refuses to appear before the financial evaluation officer or refuses to sign stipulation, Probation should petition the court to require the client to appear before the County financial evaluation officer.

Management Response

In addition to the moratorium, based on the workload involved to be performed by one Collections Officer, and depending on interaction with the Court which is outside of the control of the Probation Department, the recommendation cannot be implemented.

Recommendation No. C(5) Continue Collection Activities on Clients Who File for Bankruptcy:

Probation should seek to collect the costs related to the care, support, and maintenance of the incarcerated minor even if the parent/legal guardian files for bankruptcy.

Management Response

The recommendation will not be implemented as Probation will not pursue accounts from those that filed for bankruptcy.



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 5 **Status:** Consent Calendar
Type: Contract **Department:** General Services
File #: 17-523 **Contact:** Mark Hummel, 784-7908
Agenda date: 8/8/2017 **Final action:**
Title: Approve an agreement for \$336,619 with R.L. Ziegenbein Construction, Inc. of Alamo for the Solano County Health & Social Services Building Improvements at 2101 Courage Drive; and Authorize the County Administrator or designee to execute the agreement and any amendments within the approved project budget
Governing body: Board of Supervisors
District: All
Attachments: [A - Agreement](#)
[B - Bid Results](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends the Board of Supervisors:

1. Approve an agreement for \$336,619 with R.L. Ziegenbein Construction, Inc. of Alamo for the Solano County Health & Social Services Building Improvements Project at 2101 Courage Drive, Fairfield; and
2. Authorize the County Administrator or designee to execute the agreement and any amendments within the approved project budget

SUMMARY:

The Department of General Services recommends the Board approve an agreement with R.L. Ziegenbein Construction, Inc. of Alamo for the amount of \$336,619 (Attachment A) as the lowest responsible bidder for the Solano County Health & Social Services Building Improvements Project located at 2101 Courage Drive.

FINANCIAL IMPACT:

The Board previously approved \$626,000 in Accumulated Capital Outlay Fund (Budget Unit 1670) to support two phases of work under two separate construction contracts. The first phase of work, now complete, provided exterior parking and site improvements at a cost of \$174,388. Consultant fees and project management expenses to-date for the second phase total \$95,162, leaving an available second phase project fund balance of \$356,450. Any unused project funds will be returned to the Accumulated Capital Outlay Fund balance.

DISCUSSION:

The second phase of the Project includes improvements within public areas of the Health and Social Services building at 2101 Courage Drive in Fairfield. The Project was advertised as required by Public Contract Code. A total of two bids were received (Attachment B) with R.L. Ziegenbein of Alamo as the lowest responsible bidder. The apparent low bidder, however, Building and Design, Inc. of Napa, withdrew its bid due to clerical calculation error. The Department of General Services recommends the Board approve a contract in the amount of \$336,619 with R.L. Ziegenbein Inc. to construct the project.

ALTERNATIVES:

1. The Board could reject the bid. This action is not recommended since it would terminate the Project, result in a loss of the County's investment, and the Health and Social Services building will not be improved.
2. The Board could choose to postpone or re-bid the Project. This action is not recommended since the bid process was conducted in conformance with the Public Contract Code. Re-bidding the Project would increase the overall project costs and delay implementation.

OTHER AGENCY INVOLVEMENT:

County Counsel provided legal guidance and approved the construction contract as to form. The Department of Resource Management Environmental Health Services and Building and Safety Services Division approved the plans.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

AGREEMENT

This Agreement is made as of August 8, 2017 between the COUNTY OF SOLANO, a political subdivision of the State of California, (referred to as 'Owner') and the Contractor: **R.L. Ziegenbein Construction, Inc.**

the Project: **Health & Social Services Building Improvements Project**
2101 Courage Drive Fairfied, CA
Architect/Engineer: Kitchell
2450 Venture Oaks Way, Suite 500
Sacramento, CA 95833

The Owner and the Contractor agree as set forth below.

ARTICLE 1 **THE CONTRACT DOCUMENTS**

The Contract documents consist of this Agreement, the General Conditions and those documents enumerated in Sub-paragraph 1.1.1 of the General Conditions, which documents are incorporated into and made a part of this Agreement

ARTICLE 2 **THE WORK**

The Contractor shall perform all the Work required by the Contract Documents for **Health & Social Services Building Improvements Project**, 2101 Courage Drive. Fairfied, CA

ARTICLE 3 **TIME OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

The Work to be performed under this Contract shall commence no later than five (5) calendar days after the Notice to Proceed is issued to the Contractor, and shall be carried out and completed according to the schedule set forth in Document 00 73 00/ Supplementary Conditions, and Section 00 11 00/ Notice To Bidders.

The Contractor agrees that the Work will be completed in 90 calendar days from the Notice to Proceed. The Contractor agrees that the County will suffer economic damages, which may be difficult to quantify, in the event that the Work is not completed within this time period and therefore, Contractor agrees to pay the County liquidated damages in the amount outlined in Document 00 73 00/ Supplementary Conditions, Article 1.4, Liquidated Damages for each and every calendar day of delay beyond the 90 calendar days provided above.

ARTICLE 4 **CONTRACT SUM**

The County shall pay the Contractor for the performance of the Work, subject to additions and deductions by Change Order or as otherwise provided in the Contract Documents, the Sum of the Base Bid of **Three Hundred Fifty Two Thousand and Fifty Nine Dollars And No Cents (\$352,059.00).**

ARTICLE 5

PROGRESS PAYMENTS

Based upon Applications for Payment submitted to the Project Manager by the Contractor and Project Certificates for Payment issued by the Project Manager, the County shall make progress payments on account of the Contract Sum to the Contractor as provided in the Contract Documents as follows:

Progress Payments: The Contractor shall on or before the first day of each month, make an estimate of the work performed during the preceding month and submit same to the Project Manager for checking and approval. On or about the 20th day of the month following the month in which the work was performed, the County shall pay to the Contractor ninety five (95%) percent of the value of said work in place, as checked and approved by the Project Manager. The balance of five (5%) percent of the estimate shall be retained by the County until the time of final acceptance of said work.

The remaining retention would be held until 35 days after the Notice of Completion is filed with the Solano County Recorder's Office if the following requirements have been met:

1. The Contractor shall be seventy-five (75%) percent complete with the Work, not including stored materials.
2. The Work shall be on schedule.
3. The Contractor shall be maintaining a good practice of schedule and quality control as determined by the Project Manager.
4. Proof of payment to all sub-contractors shall be provided to the County in the form of unconditional lien release upon progress payment prior to the following application.
5. There are no claims, pending or anticipated.
6. County is satisfied with Contractor's performance and with the Work completed up to, and including, the time of request for reduction in retention.

ARTICLE 6

FINAL PAYMENT

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be paid by the County to the Contractor when the Work has been completed, the Contract fully performed, the Project Manager has issued a Project Certificate for Payment which approves the final payment due the Contractor, Board of Supervisors of Solano County has formally accepted the project as complete by Resolution and Notice of Completion filed by the County Recorder's Office.

ARTICLE 7

MISCELLANEOUS PROVISIONS

- 7.1 Terms used in this Agreement, which are defined in the Document 00 72 00/ General Conditions of the Contract for Construction, shall have the meanings designated in those Conditions.

7.2 Notices shall be addressed as follow:

OWNER:
COUNTY OF SOLANO
Birgitta E. Corsello, County Administrator
675 Texas Street
Fairfield, CA 94533

CONTRACTOR:
R.L. Ziegenbein Construction, Inc.
Ronald L. Ziegenbein
441 Oakshire Place
Alamo, CA 94507

7.3 **Prevailing Wages.** The Contractor agrees that State Prevailing Wages apply to this Project, and that the Contractor will pay the rates for each trade or craft and shall require the subcontractors on the project to pay the rates for each trade and craft. The Payroll Submittal Information attached as Section 00 45 46/ Payroll Information is incorporated as if set forth in full and is a part of this Contract. The Contractor agrees to repay the County any and all amounts paid to any subcontractor in violation of Public Contract Code Section 6109.

7.4 **Execution of Contract in Counterparts.** This Contract may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument, it being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile or electronic transmission (e.g., by e-mail delivery of a ".pdf" format data file), such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or electronic signature page were an original signature.

ARTICLE 8 **EXECUTION OF AGREEMENT**

The parties have executed this Agreement as of the day and year first above written.

COUNTY:

By: _____
Birgitta E. Corsello, County Administrator
Solano County

Date: _____

CONTRACTOR:

By: Ronald L. Ziegenbein
Ronald L. Ziegenbein

Date: 7/21/2017

APPROVED AS TO FORM:
County Counsel of Solano County, California

By: Bernadette Curry Dyer

Attachment B: Bid Results
1670 - Health & Social Services Building Improvements Project

Bidders		Location	Bid
1	R.L. Ziegenbein Construction, Inc.	Alamo	\$336,619
2	* Hoevker Building and Design, Inc.	Napa	*\$235,980

* Bid withdrawn



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 6 **Status:** Consent Calendar
Type: Resolution **Department:** Ag Commissioner/Sealer of Weights and Measures
File #: 17-565 **Contact:** Simone Hardy, 784-1475
Agenda date: 8/8/2017 **Final action:**
Title: Adopt a resolution authorizing the Agricultural Commissioner/Sealer of Weights and Measures to execute revenue agreements for a net total of \$316,511 with the California Department of Food and Agriculture, California Department of Pesticide Regulation; and Authorize the Agricultural Commissioner/Sealer of Weights and Measures to execute revenue contract amendments up to 15% over the approved contract amounts
Governing body: Board of Supervisors
District: All
Attachments: [A - Resolution](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors:

- 1) Adopt a resolution authorizing Jim Allan, Solano County Agricultural Commissioner/Sealer of Weights and Measures, to sign various revenue agreements for a net total of \$316,511 with the California Department of Food and Agriculture (CDFA) and California Department of Pesticide Regulation, and
- 2) Authorize the Solano County Agricultural Commissioner/Sealer of Weights and Measures to execute any revenue contract amendments, up to 15% over the approved amount, to these agreements on behalf of Solano County.

SUMMARY:

Agreements and contracts with the California Department of Food and Agriculture (CDFA), the California Department of Pesticide Regulation (DPR) entered into by the Solano County Agricultural Commissioner/Sealer must be signed by the Chair of the Board of Supervisors or an authorized designee. The Board has historically given the Agricultural Commissioner/Sealer of Weights and Measures authorization to execute these contracts, agreements and associated amendments on behalf of Solano County through approval of a resolution.

FINANCIAL IMPACT:

Today's Board action will result in anticipated State reimbursement to the Department of up to \$316,511 in FY2017/18. The Agriculture Department is currently performing these functions with receipt of agreements or under intent to contract. Anticipated revenues are included in the Department's FY2017/18 Adopted Budget.

DISCUSSION:

The Agricultural Commissioner/Sealer of Weights and Measures receives funding through State agencies, fees and other contractual agreements to offset County costs. A major source of funding for agricultural and weights and measures programs are the State of California agreements. To obtain the revenue, Solano County enters into agreements with CDFA and DPR. These agreements are initially prepared by the State agency and then sent to the County for approval.

Funding for these agreements is also augmented in some program areas by the United States Department of Agriculture (USDA) as pass through funding.

Listed below are the revenue agreements and anticipated annual funding:

- 1) **Pest Exclusion: High-Risk Inspections:** FY2017/18 includes \$15,053 for inspection on high risk shipments, such as fruit or foliage, at ground and air freight facilities in order to prevent introduction of pests of concern to California.
- 2) **Enforcement Evaluation and Improvement Project (EEIP):** FY2017/18 includes an \$11,192 contract with the State Department of Pesticide Regulation (DPR) for the collection and submission of historic compliance and enforcement data, with the goal of improved communication and collaboration between DPR and the County Agricultural Commissioners in the tracking, development, and preparation of enforcement responses as needed.
- 3) **Nursery Inspection Program:** FY2017/18 includes \$20,421 for annual nursery stock inspection and compliance assessment at producer/wholesale nursery locations within the county.
- 4) **Light Brown Apple Moth Detection and Trapping Agreement:** FY2017/18 includes \$7,964 for placement and servicing of insect detection traps for Light Brown Apple Moth, a pest of agricultural commodities.
- 5) **Light Brown Apple Moth Regulatory Agreement:** FY2017/18 includes \$10,474 for inspection of production nurseries, retail nurseries, placement and servicing of detection traps for Light Brown Apple Moth in production nurseries to facilitate interstate shipping.
- 6) **Pest Detection Agreement:** FY2017/18 includes an anticipated contractual amount of \$120,000 for insect trapping and implementation of the web based CalTrap program. This is a new statewide program, being utilized to track the deployment, servicing and locations of insect traps used to detect insect pests of economic concern before they become established in California. Target pests include: the Mediterranean Fruit Fly, Japanese Beetle, Gypsy Moth, and others. Insect traps are placed throughout Solano County from May to October to detect these pests. Revenue from this contract will support the deployment of the traps, data base updates to facilitate the online system, purchase of tablets for use and regular inspection by agricultural staff and submission of samples to CDFA.
- 7) **Sudden Oak Death Program:** FY2017/18 includes a contract for \$74,057. The funding is provided for inspection, testing and certification of nursery stock to prevent movement of *Phytophthora ramorum*, the causal agent of Sudden Oak Death, to non-infested areas of the state.
- 8) **Petroleum Products Enforcement:** FY2017/18 includes \$7,350 for inspections. Inspections are conducted at retail fuel establishments throughout Solano County to confirm that pricing signs and advertising are in compliance with regulatory standards. The Weighmaster Enforcement component of this contract has been eliminated due to state budget cuts.
- 9) **Asian Citrus Psyllid:** FY2017/18 includes \$50,000 in anticipated revenues for placement of pest

detection traps for Asian Citrus Psyllid, the insect vector of Huanglongbing disease, also known as citrus greening. The disease impairs the movement of nutrients in the plant resulting initially in uneven fruit ripening and eventually death of the tree.

Executed agreements will be placed on file with the Clerk of the Board.

ALTERNATIVES:

The Board could choose not to approve one or more of the revenue agreements and/or direct staff to consider other options and return with new recommendations. However, this is not recommended as this would result in a potential loss of up to \$316,511 in revenues that offset County costs.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved the agreements as to form. The County Administrator's Office has reviewed this proposal and concurs with the recommendation. The California Department of Food and Agriculture, and the California Department of Pesticide Regulation support this procedure for obtaining County approval for contracts and agreements.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

RESOLUTION NO. 2017-_____

**RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS
AUTHORIZING JIM ALLAN, SOLANO COUNTY
AGRICULTURAL COMMISSIONER/SEALER OF WEIGHTS & MEASURES, TO
EXECUTE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE AND
CALIFORNIA DEPARTMENT OF PESTICIDE REGULATION AGREEMENTS
FOR FISCAL YEAR 2017/18**

Whereas, it is a general requirement that certain contracts or agreements entered into by the Solano County Agricultural Commissioner's Office be signed by the Chair or an authorized designee of the Board of Supervisors.

Resolved, the Solano County Board of Supervisors authorizes Jim Allan, Solano County Agricultural Commissioner/Sealer of Weights & Measures, to execute the agreements listed below and any amendments to these agreements during Fiscal Year 2017/18 on behalf of Solano County. A copy of the executed agreement shall be filed with the Clerk of the Solano County Board of Supervisors.

Agreement	Organization/Agency	Amount
Pest Exclusion: High-Risk Inspections FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 15,053
Enf. Eval Improvement Project (EEIP) FY2017-18	CA Dept of Pesticide Regulation (DPR)	\$ 11,192
Nursery Inspection and Enforcement FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 20,421
Light Brown Apple Moth Detection FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 7,964
Light Brown Apple Moth Regulatory FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 10,474
Pest Detection Agreement FY2017-18	CA Dept of Food & Ag (CDFA)	\$120,000
Sudden Oak Death Contract FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 74,057
Petroleum Products Compliance FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 7,350
Asian Citrus Psyllid FY2017-18	CA Dept of Food & Ag (CDFA)	\$ 50,000

Passed and adopted by the Solano County Board of Supervisors at its regular meeting on August 8, 2017 by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

EXCUSED: SUPERVISORS _____

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:
BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #:	7	Status:	Consent Calendar
Type:	Resolution	Department:	Health and Social Services
File #:	17-556	Contact:	Gerald Huber, 784-8400
Agenda date:	8/8/2017	Final action:	
Title:	Adopt a resolution and plaque of appreciation honoring Teresa Tomei-Klaman, Social Services Worker, upon her retirement from the Department of Health & Social Services, Older and Disabled Adults Services Division with over 29 years of dedicated service to Solano County		
Governing body:	Board of Supervisors		
District:	All		
Attachments:	A - Resolution		

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Health and Social Services (H&SS) recommends the Board adopt a resolution and plaque of appreciation honoring Teresa Tomei-Klaman, Social Services Worker, upon her retirement from the Older & Disabled Adults Services Division with over 29 years of dedicated service to Solano County.

SUMMARY/ DISCUSSION:

Ms. Klaman began her career on November 1, 1987 as a Social Services Assistant working for Health and Social Services, Child Welfare Services for 18 years, serving families and children by providing transportation to appointments, supervising visitation, and educating clients on matters pertaining to lifestyle changes and home management.

On February 27, 2005, Ms. Klaman transferred to the Older and Disabled Adult Services Division at 275 Beck Avenue in Fairfield as a Social Services Worker. In this assignment, Ms. Klaman provided transportation to older and disabled clients, assisted in-home care providers in filing workers' compensation claims and, in 2012, became a member of the Provider Enrollment team, where she assisted thousands of individuals in enrolling as providers for the In-Home Supportive Services program.

Some of Ms. Klaman's most proud achievements include the development of the workers' compensation policy and procedure manual for IHSS care providers, and her participation in the implementation of the online Registration, Enrollment, and Video Application (REVA) system to streamline Provider Orientation processes.

Ms. Klaman retires effective June 16, 2017 with over 29 years of dedicated service to Solano County Health and Social Services, Older & Disabled Adults Services division.

FINANCIAL IMPACT:

The cost of providing the plaque of appreciation is included in the County's FY 2017/18 Adopted Budget.

There is no additional County cost.

ALTERNATIVES:

The Board may choose not to adopt the resolution and plaque of appreciation honoring Teresa Tomei-Klaman. This is not recommended as it is an opportunity to acknowledge the dedicated service of Solano County employees.

OTHER AGENCY INVOLVEMENT:

There is no other agency involvement.

CAO RECOMMENDATION:

APPROVE DEPARTMENT RECOMMENDATION

Resolution No. 2017 -

**RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS
HONORING TERESA TOMEI-KLAMAM, SOCIAL SERVICES WORKER, UPON HER
RETIREMENT FROM THE DEPARTMENT OF HEALTH & SOCIAL SERVICES, OLDER AND
DISABLED ADULTS SERVICES DIVISION WITH OVER 29 YEARS OF DEDICATED
SERVICE TO SOLANO COUNTY**

WHEREAS, Teresa Tomei-Klaman began her employment with the Department of Health & Social Services as a Social Services Assistant on November 1, 1987; and

WHEREAS, As a Social Services Assistant, Ms. Tomei-Klaman provided support to children and families by supervising visitation, providing transportation to appointments, and providing education to improve lifestyle practices and home management skills; and

WHEREAS, Ms. Tomei-Klaman worked for the Child Welfare Services Division for eighteen years and then transferred to the Older and Disabled Services Division as a Social Services Worker on February 27, 2005; and

WHEREAS, As a Social Services Worker, Ms. Tomei-Klaman provided support to older and disabled adults by providing transportation to appointments, information and referral to resources to help with activities of daily living and home management skills, management of the orientation and enrollment activities for thousands of in-home care providers, and assistance to caregivers filing worker's compensation claims when they became injured; and

WHEREAS, Ms. Tomei-Klaman retires on June 16, 2017 after providing twenty-nine years of service in a professional, compassionate, and responsible manner and has displayed a commitment to the Department of Health and Social Services by providing access to services and resources that sustain health and well-being, support independent lifestyles, and promote physical and emotional security for children, families, and older and disabled adults.

NOW, THEREFORE, BE IT RESOLVED, that the Solano County Board of Supervisors hereby honors and recognizes Teresa Tomei-Klaman for twenty-nine years of dedicated service to the citizens of Solano County, and wishes her success in her future endeavors and a long, happy, and well-deserved retirement.

Dated this 8th day of August, 2017

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:

BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #:	8	Status:	Consent Calendar
Type:	Resolution	Department:	Public Defender
File #:	17-574	Contact:	Lesli Caldwell, 784-6700
Agenda date:	8/8/2017	Final action:	
Title:	Adopt a resolution amending the List of Numbers and Classifications of Positions to add 0.5 FTE Social Worker II and 1.0 FTE Staff Analyst, and delete 0.5 FTE Social Worker III and 1.0 FTE Clerical Operations Manager in the Public Defender's Office to address departmental operational changes		
Governing body:	Board of Supervisors		
District:	All		
Attachments:	A - Resolution		

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ___ No x
Public Hearing Required? Yes ___ No x

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution amending the List of Numbers and Classifications of Positions to add 0.5 FTE Social Worker II and 1.0 FTE Staff Analyst, and delete 0.5 FTE Social Worker III and 1.0 FTE Clerical Operations Manager in the Public Defender's Office to address departmental operational changes.

SUMMARY:

The Public Defender's Office currently has a 0.5 FTE Social Worker III position allocation that is under-filled with a Social Worker II. The FY2017/18 Adopted Budget includes a new 0.5 FTE Social Worker II. The Office requests approval with the Social Worker III deletion and Social Worker II addition to increase the currently filled 0.5 FTE Social Worker II to a 1.0 FTE with no net increase. The Clerical Operations Manager will become vacant on August 15, 2017, and the job duties for the classification of Staff Analyst are consistent with operational needs of the department. Adoption of the resolution results in no net position allocation increase and will effectively meet departmental operational needs and assign position classifications consistent with the assigned job duties.

FINANCIAL IMPACT:

Adoption of the recommended resolution is anticipated to have a minimal budget impact. No additional County General Fund is associated with this request. The Social Worker II position is funded with State AB 109 Public Safety Realignment funds and County General Fund. The Staff Analyst position may result in a maximum estimated annual increase of \$15,000 if filled at the highest step level. Any increased cost will be absorbed within the Public Defender's FY2017/18 Adopted Budget.

DISCUSSION:

Currently the Public Defender's Office has a 0.5 FTE Social Worker III position that is under-filled with a Social Worker II. The FY2017/18 Adopted Budget includes a new 0.5 FTE Social Worker II to provide additional pre-adjudication social work services to support an attorney in mitigating case outcomes. The Office requests approval with the deletion of the Social Worker III position to combine the two half-time Social Worker II allocated positions resulting in 1.0 FTE Social Worker II with no net increase in the Office's position allocations. Having a full-time Social Worker II position allocation (versus two half-time positions) will allow the Office to effectively meet the operational needs of the department.

Additionally, the Clerical Operations Manager position will become vacant on August 15, 2017. Based upon an operational review between the Public Defender, Human Resources and the County Administrator's Office of the workload and essential job duties, staff believes the appropriate classification should be Staff Analyst.

Adoption of the resolution results in no net position allocation increase and will effectively meet departmental operational needs and assign position classifications consistent with job duties to be assigned.

ALTERNATIVES:

The Board may choose not to adopt the resolution; however, this is not recommended as the recommended position changes result in no net increase in the department's position allocation and align position classifications with their respective job duties that meet the operational needs of the department.

OTHER AGENCY INVOLVEMENT:

Human Resources and the County Administrator's Office have reviewed this request and recommend the position changes.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

RESOLUTION NO. 2017 - _____

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SOLANO
AMENDING THE LIST OF NUMBERS AND CLASSIFICATIONS OF POSITIONS
WITHIN SOLANO COUNTY**

BE IT RESOLVED AND ORDERED, that the Solano County Board of Supervisors authorizes the Director of Human Resources to make any technical corrections if needed.

BE IT FURTHER RESOLVED AND ORDERED, that the Solano County Board of Supervisors does hereby amend, modify and/or alter its Allocation List of Positions of Solano County as set forth below:

Department	Budget Unit	Class No.	Position Control No.	Class Title	Effective Date	Departmental Total Positions			
						Allocated	Filled	Proposed	Change
Public Defender	6534	344020	16386	Social Worker III	10/22/17	1.00	1.00	0.50	-0.50
Public Defender	6531	343130	16465	Social Worker II	10/22/17	0.50	0.00	1.00	0.50
Public Defender	6531	286010	14940	Clerical Operations Manager	08/27/17	1.00	0.00	0.00	-1.00
Public Defender	6531	183060	NEW	Staff Analyst	08/27/17	0.00	0.00	1.00	1.00

Director of Human Resources

Date

Passed and adopted by the Solano County Board of Supervisors at its regular meeting on _____
by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

EXCUSED: SUPERVISORS _____

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:

BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk



Solano County

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Fairfield, California 94533
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Agenda Submittal

Agenda #: 9 **Status:** Consent Calendar
Type: Appointment **Department:** Library
File #: 17-562 **Contact:** Bonnie A Katz, 784-1500
Agenda date: 8/8/2017 **Final action:**
Title: Approve the appointments of Carole Nail, Ginger Emerson, Dotty Schenk, Kurt Overholt, Gloria Felder, Bruce DuClair and Kathryn Clark Silveira to the Measure L Library Sales Tax Measure Independent Oversight Committee for a four year term to expire on June 30, 2021
Governing body: Board of Supervisors
District: All
Attachments:

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Solano County Library Director of Library Services, Benicia City Library Director and Dixon Public Library Director recommend that the Board of Supervisors appoint the following individuals, representing the cities noted, to the Measure L Library Sales Tax Measure Independent Oversight Committee (Oversight Committee) for a four year term to expire on June 30, 2021:

Benicia: Carole Nail
Dixon: Ginger Emerson
Fairfield: Dotty Schenk
Rio Vista: Kurt Overholt
Suisun City: Gloria Felder
Vacaville: Bruce DuClair
Vallejo: Kathryn Clark Silveira

SUMMARY:

As stipulated in Article XIV, Section 11-314 of Solano County Code, the Board of Supervisors shall appoint a seven member citizen's' oversight committee with one member appointed from each of the seven cities within the county's public library systems. The oversight committee shall review and report on the public libraries' administration of and compliance with the expenditure plan and the terms of this measure (Measure L), monitor and audit the use of the funds and prepare an annual report on the expenditures for the Board of Supervisors and the community. Measure L was passed by voters on June 5, 2012, and extended a one-eighth-of-a-cent sales tax to benefit public libraries through 2030. The Directors of the three library jurisdictions within Solano County recommend the above named citizens be appointed to the Oversight Committee.

FINANCIAL IMPACT:

There is no additional impact to the General Fund. Any incurred costs for the Independent Oversight Committee shall be minimal and will be absorbed through existing appropriations of the three library jurisdictions.

DISCUSSION:

A ballot measure to extend the one-eighth cent sales tax to benefit libraries within Solano County, listed on the ballot as Measure L, passed overwhelmingly on June 5, 2012. The approval of Measure L allowed the pre-existing sales tax of one-eighth-of-a-cent to continue to support the operations of the public libraries throughout the county. Measure L extended the sales tax for 16 more years, commencing October 1, 2014. Measure L included the establishment of an independent citizen's oversight committee to ensure that the funds are only spent on library operations, programs and acquisitions in the county public library systems. The Oversight Committee is to monitor and audit the use of funds and prepare an annual report on the expenditures for the Board of Supervisors and the community. The Board of Supervisors is to appoint seven member citizens, representing each of the cities within the county's public library systems. There are four library jurisdictions within Solano County and include the County Library, which provides library services in five of the seven cities within the county including the Vacaville Library District, the Benicia Public Library and the Dixon Public Library.

The Solano County Library Advisory Council is a ten-member board whose purpose is to act in an advisory capacity to the Director of County Library Services and to the Board of Supervisors in all matters pertaining to County library services. Five members are appointed by the Board of Supervisors, representing each supervisorial district, and five members are appointed by various governing bodies to represent the cities served by the County Library. The cities served by the County Library system include the cities of Fairfield, Rio Vista, Suisun, Vacaville and Vallejo. The County Library Advisory Council has knowledge of library operations and meets bi-monthly, adhering to Brown Act and noticing requirements, and represents the five cities served by the County library system. The County Library Director in conjunction with the County Library Advisory Council recommends that five members be appointed from the County Library Advisory Council to serve on the Measure L Oversight Committee.

The Benicia Library Board of Trustees also serves as an advisory board on matters pertaining to library services at the Benicia Public Library. This Board consists of five members appointed by the Mayor and City Council for Benicia. The Benicia Public Library Director is recommending an appointment to the Oversight Committee that currently serves on the Benicia Library Board of Trustees, which concurs with the recommendation. The Director of the Dixon Public Library also provided a recommendation for appointment.

ALTERNATIVES:

The Board could choose not to approve the recommendation; however, this is not recommended because the Oversight Committee is stipulated in the text of the code and each of the appointments is recommended by the respective library directors and the County Library Advisory Council.

OTHER AGENCY INVOLVEMENT:

The Solano County Library Advisory Council concurs with the appointments recommended by the County Library Director. The Board of Trustees for the Benicia Public Library concurs with their Library Director's recommendation. The proposed representative for the City of Dixon was recommended by the Dixon Public Library Director.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 10 **Status:** Regular Calendar
Type: Resolution **Department:** Treasurer-Tax Collector-County Clerk
File #: 17-572 **Contact:** Charles Lomeli, 784-3419
Agenda date: 8/8/2017 **Final action:**
Title: Consider adopting a resolution authorizing the execution, sale, and delivery of the 2017 Certificates of Participation ("2017 Certificates") in a principal amount not to exceed \$90,000,000 for the refunding of the 2007 Certificates of Participation which were in turn a refunding of the 2002 Certificates of Participation that were issued to fund construction of the County Government Center, Parking Structure, Probation Building, and other County Facilities; Approve the form of the Site Lease, Lease, Trust Agreement, Continuing Disclosure Agreement, Escrow Agreement, Certificate Purchase agreement, and Preliminary Official Statement; Appoint Orrick, Herrington & Sutcliffe LLP as special counsel and appoint Hawkins, Delafield and Wood LLP as disclosure counsel; Delegate the County Administrator or her designee authorization to "deem final" the Preliminary Official Statement, negotiate the sale of Certificates of Participation, and Authorize county officials to take necessary actions related to the preparation and sale of the certificates
Governing body: Board of Supervisors
District: All
Attachments: [A - Resolution](#)
[B - Site Lease](#)
[C - Lease Agreement](#)
[D - Trust Agreement](#)
[E - Escrow Agreement](#)
[F - Certificate Purchase Agreement](#)
[G - Preliminary Official Statement](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

Staff recommends that the Board of Supervisors:

1. Consider adopting a resolution authorizing the execution, sale, and delivery of the 2017 Certificates of Participation ("2017 Certificates") in a principal amount not to exceed \$90,000,000 for the refunding of the 2007 Certificates of Participation which were in turn a refunding of the 2002 Certificates of Participation that were issued to fund construction of the County Government Center, Parking Structure, Probation Building, and other County Facilities;
2. Approve the form of the Site Lease, Lease, Trust Agreement, Continuing Disclosure Agreement, Escrow Agreement, Certificate Purchase agreement, and Preliminary Official Statement;
3. Appoint Orrick, Herrington & Sutcliffe LLP as special counsel; and appoint Hawkins, Delafield and Wood LLP as disclosure counsel;
4. Delegate the County Administrator or her designee authorization to "deem final" the Preliminary Official

Statement, negotiate the sale of Certificates of Participation, and authorize county officials to take necessary actions related to the preparation and sale of the certificates.

SUMMARY/DISCUSSION:

The Board of Supervisors has previously considered the refunding of the County's 2007 Certificates of Participation ("2007 Certificates") at its July 25, 2017 and August 1, 2017 meetings. As part of this consideration, the Board was asked to select between a funding alternative that was intended to optimize annual cash flow savings and a second alternative that provided greater total savings which will be realized after thirteen calendar years at the expense of annual savings. After careful consideration of the merits of both scenarios, the Board selected the scenario providing the greater total savings.

The current favorable interest rate environment provides the opportunity for the County to refinance the 2007 Certificates to achieve debt service savings. The proposed transaction will result in the issuance of the 2017 Certificates that will fully refund the \$84,200,000 of outstanding 2007 Certificates, which were in turn issued in the amount of \$99,860,000 to refund outstanding 2002 Certificates of Participation ("2002 Certificates"). The 2007 Certificates are callable on November 1, 2017 at par.

The Board of Supervisors is being asked to adopt the attached Resolution to authorize the following:

- Execution and delivery of not to exceed \$90,000,000 aggregate principal amount of the 2017 Certificates
- Appoint Orrick, Herrington & Sutcliffe LLP as special counsel
- Appoint Hawkins Delafield and Wood LLP as disclosure counsel

In connection with the transaction, the Resolution will also approve each of the following documents in substantially final form:

- Site Lease: Between the County and the Solano County Facilities Corporation ("Corporation"), leasing the Solano County Government Center, adjacent parking facility, and the associated site ("Leased Property") from the County to the Corporation
- Lease Agreement: Between the County and the Corporation, leasing back the Leased Property from the Corporation to the County
- Trust Agreement: By and among MUFG Union Bank, N.A. ("Trustee"), the Corporation, and the County, engaging the Trustee
- Continuing Disclosure Agreement: Between the Corporation and County, establishing continuing disclosure responsibilities and procedures
- Escrow Agreement: Between MUFG Union Bank, N.A. ("Escrow Agent") and the County, engaging the Escrow Agent to refund the 2007 Certificates with funds from the 2017 Certificates
- Preliminary Official Statement
- Certificate Purchase Agreement: By and among Raymond James ("Underwriter"), the County, and the Corporation setting the terms of the Underwriter's engagement

County staff and the financing team are targeting pricing of the 2017 Certificates on Tuesday, August 15, 2017 and closing on Wednesday, September 20, 2017. The Escrow Agent will then redeem the 2007 Certificates on November 1, 2017.

FINANCIAL IMPACT:

The purpose of the transaction is to achieve debt service savings. The Underwriter currently estimates net present value (NPV) savings of \$12,687,304.39, or 15.07% of refunded principal assuming a shortened final maturity of 2030 and a maintenance of annual debt service expense at levels approximately equal to the current levels. This structure achieves no material annual cash flow savings until the bonds mature, at which

time the county anticipates \$17,497,914 of savings as a result of the early repayment. The Resolution requires a minimum of 5.00% NPV savings to proceed with the transaction. Costs of issuance will be paid from the proceeds of the transaction, and savings are net of costs.

The transaction will also increase the County's flexibility for future lease financing transactions if the need for them arises. The 2007 Certificates encumber the Solano County Government Center and parking facility, probation facility, and improvements to the utility plant and library. The repayment of principal and appreciation in the value of the assets since 2007 allows for the removal from the lease of the probation facility and improvements to the utility plant and library. Their value could be encumbered for future transactions after issuance of the 2017 Certificates and refunding of the 2007 Certificates.

ALTERNATIVES:

The Board may choose not to adopt the Resolution. This is not recommended because it would mean the County will not be able to complete the transaction at this time thereby foregoing potential savings which are beneficial to the County. Delaying the transaction risks that any future transaction to refund the 2007 Certificates will not achieve the same level of savings expected to be available now.

OTHER AGENCY INVOLVEMENT:

County Counsel, County Administrator, The County's Financial Advisor, Bond Counsel, Disclosure Counsel, Trustee, and the Debt Advisory Committee have reviewed and assisted in the drafting of this item.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

RESOLUTION NO. 2017-_____

RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS AUTHORIZING THE EXECUTION SALE AND DELIVERY OF SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000; APPROVING FORMS OF AND AUTHORIZING EXECUTION OF A LEASE AGREEMENT, A SITE LEASE, A TRUST AGREEMENT, AN ESCROW AGREEMENT AND A CERTIFICATE PURCHASE AGREEMENT; APPROVING FORM AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION AND AUTHORIZING A REFUNDING OF THE CERTIFICATES OF PARTICIPATION; AUTHORIZING CERTAIN DOCUMENTS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE SERIES 2017 CERTIFICATES AND THE REFUNDING OF THE 2007 CERTIFICATES; AND DELEGATING TO THE COUNTY ADMINISTRATOR OR HIS DESIGNEE AUTHORIZATION TO "DEEM FINAL" THE PRELIMINARY OFFICIAL STATEMENT, NEGOTIATE THE SALE OF CERTIFICATES OF PARTICIPATION, RETAIN SPECIAL COUNSEL AND DISCLOSURE COUNSEL, AND AUTHORIZE COUNTY OFFICIALS TO TAKE NECESSARY ACTIONS

Whereas, the County of Solano (herein called the "County") is a political subdivision organized and existing under and by virtue of the laws of the State of California; and

Whereas, this Board of Supervisors has heretofore determined that the public interest, convenience and general welfare required that those certain facilities set forth in Exhibit A hereto, together with improvements thereon, should be leased for the use of the County (as specified in Exhibit A, the "Prior Leased Property"); and

Whereas, this Board of Supervisors now determines that the public interest, convenience and general welfare require that certain of the Prior Leased Property should be released from the leasehold interest, and that only those certain facilities set forth in Exhibit A hereto, together with improvements (as specified in Exhibit A, the "Leased Property") should now be leased for the use of the County; and

Whereas, the Solano County Facilities Corporation, Inc. (herein called the "Corporation") has been incorporated by the County for the specific and primary purpose of providing financial assistance to the County by leasing or subleasing improved or unimproved property to the County, and in connection therewith, financing or refinancing, acquiring, constructing or improving the property; and

Whereas, by its Articles of Incorporation and by its Bylaws no part of the net earnings, funds or assets of the Corporation shall inure to the benefit of any director thereof or any other person, firm or corporation, except the County; and

Whereas, this Board of Supervisors has determined that it would be in the best interests of the County to cause the execution and delivery of Series 2017 Refunding Certificates of Participation (the "2017 Certificates") in a principal amount not to exceed \$90,000,000 to provide funds to refund and defease the County's 2007 Refunding Certificates of Participation (the "2007 Certificates"); and

Whereas, the County proposes to have Union Bank, N.A., as trustee (the "Trustee"), execute and deliver the 2017 Certificates, in a principal amount not to exceed \$90,000,000 for the purpose, in part, of discharging the 2007 Certificates and the trust agreement relating thereto; and

Whereas, this Board of Supervisors has determined that it is to the best interest of the County and necessary and proper for public purposes to enter into a site lease entitled "Site Lease (Series 2017 Refunding Certificates of Participation)," tentatively dated as of September 1, 2017 (herein called the "Site Lease") and a lease entitled "Lease Agreement (Series 2017 Refunding Certificates of Participation)," tentatively dated as of September 1, 2017 (herein called the "Lease") with the Corporation; and

Whereas, under the Lease, the County would be obligated to make base rental payments to the Corporation for the lease of the Leased Property; and

Whereas, it is proposed that all rights to receive such base rental payments (together with the additional payments provided for in the Lease) will be assigned without recourse by the Corporation to the Trustee, pursuant to an agreement, entitled "Assignment Agreement," tentatively dated as of September 1, 2017 (herein called the "Assignment Agreement"); and

Whereas, it is further proposed that the Corporation, the County and the Trustee shall enter into an agreement, entitled "Trust Agreement," tentatively dated as of September 1, 2017 (herein called the "Trust Agreement"), pursuant to which the Trustee will execute and deliver the 2017 Certificates in an amount equal to the aggregate principal components of such base rental payments, each evidencing and representing a fractional undivided interest in such base rental payments, and will use the proceeds to refund and defease the 2007 Certificates; and

Whereas, it is further proposed that the County and the Trustee, as escrow agent (the "Escrow Agent"), shall enter into an agreement, entitled "Escrow Agreement," tentatively dated as of September 1, 2017 (herein called the "Escrow Agreement"), pursuant to which the Escrow Agent will refund and defease the 2007 Certificates; and

Whereas, it is further proposed that the Corporation and the County shall enter into an agreement entitled "Continuing Disclosure Agreement," dated as of the date of closing (herein called the "Continuing Disclosure Agreement"), executed and delivered by the County and the Corporation for the benefit of the Certificateholders and Beneficial Holders of the 2017 Certificates in order to assist Raymond James & Associates, Inc. (the "Underwriter") in complying with S.E.C. rule 15c2-12(b)(5); and

Whereas, a form of preliminary official statement describing the 2017 Certificates in base rental payments to be made by the County for the lease of the Leased Property and the form of Certificate Purchase Agreement, to be dated its date of execution, have been submitted to this Board of Supervisors; and

Whereas, this Board of Supervisors has been presented with the form of each document referred to herein, relating to such refunding, and the Board of Supervisors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refunding.

Resolved by the Board of Supervisors of the County of Solano, as follows:

SECTION 1. All of the recitals herein are true and correct and this Board of Supervisors so finds.

SECTION 2. The form of Site Lease, between the County and the Corporation, in substantially the form submitted to this Board of Supervisors, is approved. The Clerk of the Board of Supervisors is directed to file a copy of the Site Lease with the minutes of this meeting. Upon the sale of the 2017 Certificates, the Chairperson of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized and directed to execute and deliver the Site Lease in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The form of Lease, from the Corporation to the County, in substantially the form submitted to this Board of Supervisors, is approved. The Clerk of the Board of Supervisors is directed to file a copy of the Lease with the minutes of this meeting. Upon the sale of the 2017 Certificates, the Chairperson of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized and directed to execute and deliver the Lease in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The form of Trust Agreement, by and among Union Bank, N.A., as trustee, the Corporation and the County, tentatively dated as of September 1, 2017, submitted to this Board of Supervisors, is approved and the Chairperson of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Trust Agreement in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Clerk of the Board of Supervisors is directed to file a copy of the proposed Trust Agreement with the minutes of this meeting.

SECTION 5. The form of Continuing Disclosure Agreement, by and between the Corporation and the County, dated as of the date of closing, submitted to this Board of Supervisors, is approved and the Chairperson of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Continuing Disclosure Agreement in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Clerk of the Board of Supervisors is directed to file a copy of the proposed Continuing Disclosure Agreement with the minutes of this meeting.

SECTION 6. The form of Escrow Agreement, by and between the Escrow Agent and the County, in substantially the form submitted to this Board of Supervisors, is approved and the Chairperson of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Escrow Agreement in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Clerk of the Board of Supervisors is directed to file a copy of the proposed Escrow Agreement with the minutes of this meeting.

SECTION 7. The preliminary Official Statement describing the 2017 Certificates, in the form submitted to this Board of Supervisors, is approved. The County Administrator of the County is authorized and directed, at the time of the delivery of the 2017 Certificates, for and in the name and on behalf of the County, to execute a final Official Statement in substantially the form of the preliminary Official Statement submitted to this meeting, with such additions thereto or changes therein as County Counsel or Orrick, Herrington & Sutcliffe LLP may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The County Administrator of the County is authorized to certify on behalf of the County that the preliminary form of the Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain pricing, rating and related information as permitted by the Rule).

SECTION 8. The Underwriter is authorized to distribute copies of the preliminary Official Statement and final Official Statement to persons purchasing the 2017 Certificates and other interested parties.

SECTION 9. The form of agreement, entitled "Certificate Purchase Agreement," by and among the Underwriter, the County and the Corporation, in substantially the form submitted to this Board, is approved. The Clerk of the Board is directed to file a copy of such form of Certificate Purchase Agreement with the minutes of this meeting. The County Administrator of the County is authorized and directed to negotiate, with the Underwriter, interest rates represented by the 2017 Certificates and the price to be paid to the County for the 2017 Certificates, which shall not be less than the par value thereof less a discount of not to exceed three hundred twenty-five thousandths of one percent (0.325%) of the principal amount of the 2017 Certificates; provided that the County shall realize a net present value savings of not less than five percent (5.00%) of the principal amount evidenced by the 2007 Certificates as a result of refunding such 2007 Certificates. If such interest rate and price is acceptable to the County Administrator, such official is further authorized and directed to fill in the blanks therein and to execute and deliver the Certificate Purchase Agreement, substantially in the form presented to this meeting, with such additions, changes and corrections therein, including the determination of the aggregate

principal amount of the 2017 Certificates, which shall not exceed \$90,000,000, as the officer shall require or approve, such approval to be conclusively evidenced by the execution thereof.

SECTION 10. The execution and delivery of not to exceed \$90,000,000 aggregate principal amount of the 2017 Certificates, payable in the years and in the amounts with interest components with respect thereto as specified in the Trust Agreement as finally executed, is authorized and approved.

SECTION 11. The firm of Orrick, Herrington & Sutcliffe LLP be, and such firm is, appointed special counsel in the proceedings upon such terms and conditions that shall be acceptable to the County Administrator.

SECTION 12. The firm of Hawkins Delafield and Wood LLP be, and such firm is, appointed disclosure counsel in the proceedings upon such terms and conditions that shall be acceptable to the County Administrator.

SECTION 13. The officers of the County are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including the tax certificate, the letter of representations to the bond depository, insurance agreements and closing certificates, and make any necessary or advisable modifications to those documents which are acceptable to the County Counsel's Office and Orrick, Herrington & Sutcliffe LLP, and which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the 2017 Certificates and otherwise to carry out, give effect to and comply with the terms and intent of this resolution.

SECTION 14. This resolution shall take effect from and after its date of adoption.

Passed and adopted by the Solano County Board of Supervisors at its regular meeting on August 8, 2017 by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

EXCUSED: SUPERVISORS _____

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:
BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk

EXHIBIT A

Prior Leased Property

All that certain real property situated in the County of Solano, State of California, described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure
APN 0030-291-130 APN 0030-291-140	Probation Department Building
APN 0030-295-140	Cogeneration Plant Expansion
APN 0030-330-070	Fairfield-Suisun Library Building Remodel

Leased Property

All that certain real property situated in the County of Solano, State of California, described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

CLERK'S CERTIFICATE

I, Jeanette Neiger, Chief Deputy Clerk of the Board of Supervisors of the County of Solano, California, certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Supervisors of the County duly and regularly held at the regular meeting place thereof on the 8th day of August, 2017, of which meeting all of the members of the Board of Supervisors had due notice and at which a majority thereof was present; and at the meeting the resolution was adopted by the following vote:

AYES:

NOES:

EXCUSED:

A copy of the agenda of the meeting was posted at least 24 hours prior to the date of the meeting at 675 Texas Street, Fairfield, California, a place freely accessible to members of the public, and a brief general description of the resolution appeared on the agenda.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at the meeting and entered in the minutes; and the resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this _____ day of _____, 2017.

[SEAL]

Chief Deputy Clerk of the Board of Supervisors
County of Solano, State of California

Recording requested by
and return to:
COUNTY OF SOLANO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: John Y. Wang, Esq.

**Free Recording Requested
Pursuant to California
Government Code § 6103**

SITE LEASE
(Series 2017 Refunding Certificates of Participation)

Between the

COUNTY OF SOLANO

and

SOLANO COUNTY FACILITIES CORPORATION, INC.

Dated as of [September 1, 2017]

SITE LEASE

This Site Lease, dated as of [September 1, 2017], by and between the COUNTY OF SOLANO, a political subdivision organized and existing under and by virtue of the laws of the State of California (herein called the “County”), as lessor, and the SOLANO COUNTY FACILITIES CORPORATION, INC., a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (herein called the “Corporation”), as lessee;

WITNESSETH:

WHEREAS, on December 1, 2002, the County and the Corporation entered into an Site Lease (the “2002 Site Lease”) under which the County leased certain land (the “Prior Site”) owned by the County to the Corporation; and

WHEREAS, the Corporation as lessor subleased to the County the Prior Site and leased to the County the buildings and equipment to be acquired, constructed, and equipped on the Prior Site (the “Prior Leased Property”) pursuant to that certain Lease Agreement dated as of December 1, 2002, by and between the Corporation as lessor and the County as lessee (the “2002 Lease”); and

WHEREAS, the County agreed to pay Lease Payments due under the 2002 Lease to the Trustee under that certain Trust Agreement dated as of December 1, 2002 (the “2002 Trust Agreement”); and

WHEREAS, the County previously determined to cause the execution and delivery of its Series 2007 Refunding Certificates of Participation (the “Prior Certificates”) to provide funds to advance refund and defease a portion of the 2002 Lease; and

WHEREAS, on February 1, 2007, the Corporation and the County entered into an Amended and Restated Lease Agreement (the “2007 Lease”), whereby the Corporation agreed to sublease the Prior Site and lease the Prior Leased Property to the County, and an Amended and Restated Site Lease (the “2007 Site Lease”) as a material consideration for the Corporation’s agreement to lease the Prior Leased Property back to the County pursuant to the 2007 Lease; and

WHEREAS, the County has determined to cause the execution and delivery of Series 2017 Refunding Certificates of Participation (the “Certificates”) to provide funds to refinance the 2007 Certificates and satisfy all of the County’s obligations under the 2007 Lease; and

WHEREAS, the Corporation and the County have entered in an Lease Agreement (Series 2017 Refunding of Certificates of Participation) and dated as of the date hereof (herein called the “Lease”), whereby the Corporation has agreed to sublease certain land owned by owned by the County (the “Site”) and lease to the County the buildings and equipment on the Site (the “Leased Property”); and

WHEREAS, the County proposes to enter into this lease with the Corporation as a material consideration for the Corporation's agreement to lease the Leased Property back to the County pursuant to the Lease; and

WHEREAS, under the Lease, the County will be obligated to make base rental payments to the Corporation for the lease of the Leased Property; and

WHEREAS, all rights to receive such base rental payments will be assigned without recourse by the Corporation to Union Bank, N.A. (herein called the "Trustee"), as trustee pursuant to an agreement, entitled "Trust Agreement" and dated as of [September 1, 2017] (herein called the "Trust Agreement"); and

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Certificates, in an amount equal to the aggregate principal components of such base rental payments, each evidencing and representing a fractional undivided interest in such base rental payments; and

WHEREAS, the net proceeds of the Certificates will be applied to the refunding and defeasance of the 2007 Certificates (as defined in the Trust Agreement);

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. Site.

The County hereby leases to the Corporation and the Corporation hereby hires from the County, on the terms and conditions hereinafter set forth, the Site, described in Exhibit A attached hereto and made a part hereof.

SECTION 2. Term.

The term of this lease shall commence on the date of recordation of this lease in the office of the County Recorder of Solano County, State of California, or on [September 1, 2017], whichever is earlier, and shall end on November 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

If on November 1, 20__ the Certificates shall not be fully paid, or if the rental payable under the Lease shall have been abated at any time and for any reason, then the term of this lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this lease shall in no event be extended beyond November 1, 20__. If prior to November 1, 20__ the Certificates shall be fully paid, the term of this lease shall end ten (10) days thereafter or ten (10) days after written notice by the County to the Corporation, whichever is earlier.

SECTION 3. Rental.

The Corporation shall pay to the County as and for rental hereunder the sum of \$[_____], being the net proceeds of the Certificates applied to the retirement of the 2007 Certificates as provided in the Trust Agreement.

SECTION 4. Purpose.

The Corporation shall use the Site solely for the purpose of constructing the Leased Property and leasing back the Site, and the certain improvements the Corporation has constructed thereon to the County pursuant to the Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Lease the Corporation may exercise the remedies provided in the Lease.

SECTION 5. Owner in Fee.

The County covenants that it is the owner in fee of the Site, as described in Exhibit A hereto. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Corporation harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

SECTION 6. Assignments and Subleases.

Unless the County shall be in default under the Lease, the Corporation may not assign its rights under this lease or sublet the Site, except pursuant to the Assignment Agreement, without the written consent of the County.

SECTION 7. Right of Entry.

The County reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Corporation agrees, upon the termination of this Site Lease or any substitution pursuant to Section 2.03 of the Facility Lease, to quit and surrender the Site in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Lease and upon payment of the option price required by said section, the term of this lease shall

terminate as to the portion of the Site upon which the part of the Leased Property being so purchased is situated.

SECTION 9. Default.

In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the County may exercise any and all remedies granted by law, except that no merger of this lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this lease by reason of any default on the part of the Corporation if such termination would affect or impair any assignment or sublease of all or any part of the Site then in effect between the Corporation and any assignee or subtenant of the Corporation (other than the County under the Lease). So long as any such assignee or subtenant of the Corporation shall duly perform the terms and conditions of this lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Corporation at all times during the term of this lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Site.

SECTION 11. Waiver of Personal Liability.

All liabilities under this lease on the part of the Corporation shall be solely liabilities of the Corporation, as a corporation, and the County hereby releases each and every member, director, officer, agent, or employee of the Corporation of and from any personal or individual liability under this lease. No member, director, officer, agent, or employee of the Corporation shall at any time or under any circumstances be individually or personally liable under this lease to the County or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

SECTION 12. Taxes.

The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site (including both land and improvements).

SECTION 13. Eminent Domain.

In the event the whole or any part of the Site or the improvements thereon (including all or any part of the Leased Property) is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the

then unpaid or outstanding Certificates attributable to such part of the Leased Property and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

SECTION 14. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this lease shall be affected thereby, and each provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the Corporation, addressed to the Corporation in care of the Solano County Administrator's Office, County of Solano, 675 Texas Street, Fairfield, California 94533, or if to the County, addressed to the County in care of the Solano County Administrator's Office, County of Solano, 675 Texas Street, Fairfield, California 94533, in either case with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 16. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 17. Execution.

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may separately be executed by the County and the Corporation, all with the same force and effect as though the same counterpart had been executed by both the County and the Corporation.

IN WITNESS WHEREOF, the County and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

COUNTY OF SOLANO,
as Lessor

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

**SOLANO COUNTY
FACILITIES CORPORATION, INC.,**
as Lessee

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

EXHIBIT A

All that certain real property situated in the County of Solano, State of California,
described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

[Attach property description]

DRAFT

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

Recording requested by
and return to:
COUNTY OF SOLANO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: John Y. Wang, Esq.

**Free Recording Requested
Pursuant to California
Government Code § 6103**

LEASE AGREEMENT
(Series 2017 Refunding Certificates of Participation)

By and between

SOLANO COUNTY FACILITIES CORPORATION, INC.

and the

COUNTY OF SOLANO

Dated as of [September 1, 2017]

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DRAFT

LEASE AGREEMENT

This Lease Agreement, dated as of [September 1, 2017], by and between SOLANO COUNTY FACILITIES CORPORATION, INC. (the "Corporation"), a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, as lessor, and the COUNTY OF SOLANO (the "County"), a political subdivision duly organized and existing under the Constitution and laws of the State of California, as lessee;

WITNESSETH:

WHEREAS, on December 1, 2002, the County and the Corporation entered into a Site Lease (the "2002 Site Lease") under which the County leased certain land (the "Prior Site") owned by the County to the Corporation; and

WHEREAS, the Corporation as lessor subleased to the County the Prior Site and leased to the County the buildings and equipment to be acquired, constructed, and equipped on the Prior Site (the "Prior Leased Property") pursuant to that certain Lease Agreement dated as of December 1, 2002, by and between the Corporation as lessor and the County as lessee (the "2002 Lease"); and

WHEREAS, the County agreed to pay Lease Payments due under the 2002 Lease to the Trustee under that certain Trust Agreement dated as of December 1, 2002 (the "2002 Trust Agreement"); and

WHEREAS, the County previously determined to cause the execution and delivery of its Series 2007 Refunding Certificates of Participation (the "Prior Certificates") to provide funds to advance refund and defease a portion of the 2002 Lease; and

WHEREAS, on February 1, 2007, the Corporation and the County entered into an Amended and Restated Lease Agreement (the "2007 Lease"), whereby the Corporation agreed to sublease the Prior Site and lease the Prior Leased Property to the County, and an Amended and Restated Site Lease (the "2007 Site Lease") as a material consideration for the Corporation's agreement to lease the Prior Leased Property back to the County pursuant to the 2007 Lease; and

WHEREAS, the County has determined to issue its Series 2017 Refunding Certificates of Participation (the "Certificates") to provide funds to prepay the 2007 Lease and satisfy all of the County's obligations under the 2007 Lease; and

WHEREAS, to provide funds to refund and defease the Prior Certificates, the County and the Corporation have entered into a Site Lease as hereinafter defined; and in order to provide for its governmental and proprietary needs and in furtherance of its public purposes, the County desires to sublease certain land owned by the County (the "Site") and to lease the buildings and equipment on the Site (the "Leased Property") from the Corporation and the Corporation desires to sublease the Site and lease the Leased Property to the County.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement.

Additional Payments

The term “Additional Payments” means all amounts payable to the Corporation or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 hereof.

Base Rental Payments

The term “Base Rental Payments” means all amounts payable to the Corporation from the County as Base Rental Payments pursuant to Section 3.01 hereof.

Base Rental Payment Fund

The term “Base Rental Payment Fund” means the fund by that name established in Section 3.07 hereof.

Base Rental Payment Schedule

The term “Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Corporation from the County pursuant to Section 3.01 hereof and attached hereto as Exhibit B.

Certificates

The term “Certificates” means the refunding certificates of participation executed and delivered by the Trustee under and pursuant to the Trust Agreement.

Code

The term “Code” means the Internal Revenue Code of 1986.

Corporation

The term “Corporation” means (i) the Solano County Facilities Corporation, Inc., a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, acting as lessor hereunder; (ii) any surviving, resulting or transferee entity; and (iii) except where the context requires otherwise, any assignee of the Corporation, other than the Trustee.

County

The term “County” means the County of Solano, a political subdivision of the State of California organized and existing under and by virtue of the Constitution and laws of the State of California.

Event of Default

The term “Event of Default” shall have the meaning specified in Section 6.01 hereof.

Lease

The term “Lease” means this lease, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

Leased Property

The term “Leased Property” means that certain real property situated in the County of Solano, State of California, described in Exhibit A attached hereto and made a part hereof, together with any additional real property added thereto by any supplement or amendment hereto; subject, however, to any conditions, reservations, and easements of record or known to the County.

Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the County or the Corporation and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

Outstanding

The term “Outstanding,” when applied to Certificates, shall have the meaning ascribed to such term in the Trust Agreement.

Permitted Investments

The term “Permitted Investments” shall have the meaning ascribed to such term in the Trust Agreement.

Qualified Carrier

The term “Qualified Carrier” shall mean (i) a commercial insurer rated “A” by A.M. Best or in one of the two highest rating categories by S&P or Moody’s or (ii) the CSAC Excess Insurance Authority.

Site Lease

The term “Site Lease” means that certain lease, entitled “Site Lease (Series 2017 Refunding Certificates of Participation),” by and between the County and the Corporation, dated as of [September 1, 2017], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof and of the Trust Agreement.

S&P

The term “S&P” means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Supplemental Trust Agreement

The term “Supplemental Trust Agreement” means any supplement or amendment to the Trust Agreement hereafter duly authorized and entered into between the Corporation, the County and the Trustee in accordance with the provisions of the Trust Agreement.

Tax Certificate

The term “Tax Certificate” shall have the meaning ascribed to such term in the Trust Agreement.

Trust Agreement

The term “Trust Agreement” means the trust agreement dated as of [September 1, 2017], by and among the Trustee, the Corporation and the County, pursuant to which the Trustee will execute and deliver the Certificates, as originally executed or as it may from time to time be

supplemented, modified or amended by a Supplemental Trust Agreement entered into pursuant to the provisions of the Trust Agreement.

Trustee

The term “Trustee” means MUFG Union Bank, N.A., appointed as trustee pursuant to the Trust Agreement, and any successor appointed under the Trust Agreement.

Written Request of the Corporation

The term “Written Request of the Corporation” means an instrument in writing signed by or on behalf of the Corporation by its President or its Vice President or its Treasurer or its Secretary or an Assistant Secretary or by any other person (whether or not an officer of the Corporation) who is specifically authorized by resolution of the Board of Directors of the Corporation to sign or execute such a document on its behalf.

Written Request of the County

The term “Written Request of the County” means an instrument in writing signed by the Chair of the Board of Supervisors of the County, or by the Clerk of the Board of Supervisors of the County, or by the Treasurer-Tax Collector of the County, or by the County Administrative Officer of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

ARTICLE II

LEASE OF LEASED PROPERTY; TERM

SECTION 2.01 Lease of Leased Property. The Corporation hereby leases to the County and the County hereby leases from the Corporation the Leased Property; subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Lease. The County hereby agrees and covenants during the term of this Lease that, except as hereinafter provided, it will use the Leased Property for public and County purposes so as to afford the public the benefits contemplated by this Lease.

The leasing by the County to the Corporation of the Leased Property shall not effect or result in a merger of the County’s leasehold estate pursuant to this Lease and its fee estate as lessor under the Site Lease, and the Corporation shall continue to have and hold a leasehold estate in said Leased Property pursuant to the Site Lease throughout the term thereof and the term of this Lease. As to said Leased Property this Lease shall be deemed and constitute a sublease.

SECTION 2.02 Term; Occupancy. The term of this Lease shall commence on the date of recordation of this Lease in the office of the County Recorder of Solano County, State of California, or on [September 1, 2017] whichever is earlier, and shall end on November 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

If on November 1, 20__, the Certificates shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Lease shall be extended until ten (10) days after all Certificates shall be fully paid, except that the term of this Lease shall in no event be extended beyond November 1, 20__. If prior to November 1, 20__ all Certificates shall be fully paid, or provision therefor made, the term of this Lease shall end ten (10) days thereafter or ten (10) days after written notice by the County to the Corporation, whichever is earlier.

SECTION 2.03 Substitution. The County and the Corporation may substitute real property for all or for part of the Leased Property for purposes of this Lease (“Substitute Property”), but only after the County shall have filed with the Corporation and the Trustee, with copies to each rating agency then providing a rating for the Certificates, all of the following:

(a) Executed copies of the Lease or amendments thereto containing the amended description of the Leased Property to reflect the Substitute Property.

(b) A Certificate of the County with copies of the Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Leased Property to reflect the Substitute Property stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(c) A Certificate of the County, stating that the County intends to use and maintain the Substitute Property for at least the remaining term of the Certificates, and that the annual fair rental value of the Leased Property which will constitute the Leased Property after such substitution will be at least equal to the 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending October 31 or in any subsequent year ending October 31 during the term of the Certificates.

(d) Either (i) a policy of title insurance in an amount equal to the principal amount of Bonds then Outstanding (or, if only part of the Leased Property will be substituted, in an amount equal to such proportion of the principal amount of the Certificates then Outstanding as the fair rental value of the Substitute Property bears to the fair rental value of the existing Facilities), naming the County as insured owner and showing good and marketable title to the Substitute Property, or (ii) a Certificate of the County stating that, based upon a Title Commitment, if available, the County has good and marketable title to the Substitute Property. The term “Title Commitment” shall mean an irrevocable commitment to issue a CLTA standard coverage owner’s policy of title insurance, issued by a national title insurance company, each such insurance instrument, when issued, shall name the Trustee as the insured, which policy if issued would insure fee simple title in the County, or if not available, a preliminary title report issued by a national title insurance company, in each case subject only to such exceptions to title as would not render such property insufficient for the needs and operations of the County.

(e) A Certificate of the County stating that such substitution does not adversely affect the County’s use and occupancy of the Leased Property.

(f) An Opinion of Counsel stating that such substitution (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and (ii) will not in and of itself cause the interest component of the Base Rental Payments to be included in gross income for federal income tax purposes.

ARTICLE III

RENTAL PAYMENTS; USE OF PROCEEDS

SECTION 3.01 Base Rental Payments. The County agrees to pay to the Corporation, as Base Rental Payments for the use and occupancy of the Leased Property (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments with principal and interest components, the interest components being payable semi-annually, in accordance with the Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. Base Rental shall be calculated on an annual basis, for the twelve-month periods commencing on November 1 and ending on October 31, and each annual Base Rental shall be divided into two interest components, payable on May 1 and November 1 of each rental payment period, and one principal component, payable on November 1 of each rental payment period, except that the first Base Rental Payment period shall commence on the date of recordation of this Lease or a memorandum thereof in the office of the County Recorder of Solano County and shall end on October 31, 2017 and no Base Rental shall be payable for such period. Each Base Rental Payment installment shall be payable on its due date and any interest or other income with respect thereto accruing prior to such due date shall belong to the County and shall be returned by the Corporation to the County on May 15 and November 15 of each year. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in two installments as aforesaid) shall be for the use of the Leased Property or portions thereof for the twelve-month period commencing on November 1 of the period in which such installments are payable. If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on May 1 and November 1 in each year, and payable as hereinabove described, continuing to and including the date of termination of this Lease, in an amount equal to the amount of Base Rental payable for the twelve-month period commencing November 1, 20___. Upon such extension of this Lease, the principal and interest components of the Base Rental Payments shall be established so that the principal components will in the aggregate be sufficient to pay all unpaid principal components with interest components sufficient to pay all unpaid interest components plus interest on the extended principal components at a rate equal to the rate of interest on the principal component of the Base Rental payable on November 1, 20___.

If at any time the Base Rental hereunder shall not have been paid by the County, for any reason not permitted under this Lease, and no other source of funds shall have been available to make the payments of principal and interest represented by the Certificates to the persons entitled to receive such payments, the principal and interest components of the Base Rental shall be recalculated by the County to reflect interest on the unpaid principal components at the rate or rates specified in the Trust Agreement, and a revised Exhibit B to this Lease shall

be prepared by the County and supplied to the Corporation and the Trustee reflecting such reallocation.

SECTION 3.02 Additional Payments. The County shall also pay such amounts (herein called the “Additional Payments”) as shall be required by the Corporation for the payment of all costs and expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease or any assignment hereof, the Trust Agreement, its interest in the Leased Property and the lease of the Leased Property to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Corporation related to the Leased Property, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Corporation under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement; but not including in Additional Payments amounts required to pay the principal or interest represented by the Certificates.

Such Additional Payments shall be billed to the County by the Corporation or the Trustee from time to time, and for bills from the Corporation together with a statement certifying that the amount billed has been paid by the Corporation, for one or more of the items above described, or that such amount is then payable by the Corporation for such items. Amounts so billed shall be paid by the County within 15 days after receipt of the bill by the County. The County reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the County to make full and timely payment for all Additional Payments. Any payments of Additional Payments not expended upon receipt shall be held by the Trustee in the Base Rental Fund pursuant to the Trust Agreement.

SECTION 3.03 Fair Rental Value. Such payments of Base Rental Payments for each rental period during the term of this Lease shall constitute the total rental for said rental period and shall be paid by the County in each rental payment period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each twelve-month period beginning November 1 represents the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to costs of construction and financing of the Leased Property, other obligations of the parties under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the County and the general public.

SECTION 3.04 Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Corporation at the office of the Trustee in Los Angeles, California, or such other place as the Trustee shall designate. Any such installment of rental accruing hereunder which shall not be paid when due and payable under the terms of this Lease shall bear interest at the rate of five percent (5%) per annum, or such lesser rate of interest as may be permitted by law, from the 15th day of the month when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Corporation and the County, the County shall make all rental payments

when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this Section on any date shall be reduced to the extent of amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund and available therefor.

All payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Rental is subject to abatement as provided in Section 3.06.

Nothing contained in this Lease shall prevent the County from making from time to time contributions or advances to the Corporation for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Leased Property in the event of damage to or the destruction of the Leased Property.

SECTION 3.05 Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments and to take such action annually as may be necessary to provide funds in such year for such Base Rental Payments and Additional Payments. The County will deliver to the Corporation and the Trustee copies of the portion of each annual County budget relating to the payment of Base Rental Payments and Additional Payments hereunder within thirty (30) days after the filing or adoption thereof. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the County.

SECTION 3.06 Rental Abatement. Except to the extent of (a) amounts held by the Trustee in the Base Rental Payment Fund, (b) amounts received in respect of use and occupancy insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Certificates, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Payments, in which case rental payments shall be abated only by an amount equal to the difference. Any abatement of rental payments pursuant to this Section shall not be considered an event of default as defined

in Article VI hereof. The County waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Lease by virtue of any such interference and this Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

SECTION 3.07 Use of Proceeds; Lease Fund; Investments.

(a) Use of Proceeds. The parties hereto agree that the proceeds of the Certificates will be used to defease and prepay the 2007 Certificates (as such term is defined in the Trust Agreement) and to pay the costs of execution and delivery of the Certificates and incidental and related expenses. The amount transferred to the MUFG Union Bank, N.A., as escrow agent pursuant to the Escrow Agreement, together with interest thereon and other funds made available therefor, shall be used to make the final lease payment under the 2007 Lease and pay the prepayment price of the 2007 Certificates on November 1, 2017.

(b) Base Rental Payment Fund. In consideration for the agreements and covenants of the County herein, upon the sale and delivery of the Certificates, the Corporation agrees to pay to the County a sum (which shall include the amount of accrued interest, if any, received by the Trustee upon the sale of the Certificates) equal to the Base Rental Payments due from the County to the Corporation for deposit in a separate special fund, to be held by the Trustee for and on behalf of the County, known as the "Lease (Series 2017 Refunding Certificates of Participation) Base Rental Payment Fund" (herein called the "Base Rental Payment Fund").

Earnings on investments of money in the Base Rental Payment Fund shall be applied pursuant to Section 5.02 of the Trust Agreement. The County hereby pledges and grants a lien on and a security interest in the Base Rental Payment Fund to the Corporation in order to secure the County's obligation to pay the Base Rental Payments as herein provided.

(c) Investments. Investments of any moneys held by the Trustee in the Base Rental Payment Fund shall be invested in accordance with Section 5.05 of the Trust Agreement.

ARTICLE IV

USE OF THE LEASED PROPERTY;

MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01 Use of the Leased Property. The County agrees to use and occupy the Leased Property for its governmental purposes during term of the Lease.

SECTION 4.02 Maintenance and Utilities. During such time as the County is in possession of the Leased Property, all maintenance and repair, both ordinary and extraordinary, of the Leased Property and any taxes on the Leased Property shall be the

responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the Leased Property in first class condition, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Leased Property. In exchange for the rental herein provided, the Corporation agrees to provide only the Leased Property.

SECTION 4.03 Changes to the Leased Property. Subject to Section 8.02 hereof, the County shall, at its own expense, have the right to remodel the Leased Property or to make additions, modifications and improvements to the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

SECTION 4.04 Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of such party, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the County from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Leased Property.

ARTICLE V

INSURANCE

SECTION 5.01 Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease, insurance from a Qualified Carrier against loss or damage to any structures constituting any part of the Leased Property by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of

the Leased Property, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$10,000), or, in the alternative, shall be in an amount and in a form sufficient, in the event of total or partial loss, to enable all Certificates then Outstanding to be prepaid at par.

In the event of any damage to or destruction of any part of the Leased Property, caused by the perils covered by such insurance, the Corporation, except as hereinafter provided, shall cause the proceeds of such insurance to be paid immediately upon receipt by the Corporation or other named insured parties to the Trustee, as assignee of the Corporation, for deposit in the "Insurance and Condemnation Proceeds Fund" to be established in accordance with the Trust Agreement and utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Leased Property to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Leased Property to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall permit withdrawals of said proceeds from time to time upon receiving the Written Request of the Corporation, stating that the Corporation has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred, and containing the additional information required to be included in a Written Requisition of the Corporation prepared pursuant to Section 3.03 of the Trust Agreement. Any balance of said proceeds not required for such repair, reconstruction or replacement in accordance with written instructions of the Corporation shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.02 of the Trust Agreement. Alternatively, the Corporation, at its option, with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to prepay an aggregate principal amount represented by Outstanding Certificates, equal to the amount of Outstanding Certificates attributable to the portion of the Leased Property so destroyed or damaged (determined by reference to the proportion which the acquisition and construction cost of such portion of the Leased Property bears to the acquisition and construction cost of the Leased Property), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property and thereupon shall cause said proceeds to be used for the prepayment of Outstanding Certificates pursuant to the provisions of the Trust Agreement.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County, with the written consent of the Corporation, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. Before such other method or plan may be provided by the County, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed with the Trustee a certificate of an actuary, insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable coverage for the risks required to be insured against. There shall also be filed a certificate of the County setting forth the details of such substitute method or plan. In the event

of loss covered by any such self insurance method, the liability of the County hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method.

SECTION 5.02 Liability Insurance. Except as hereinafter provided, the County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease, a standard comprehensive general liability insurance policy or policies in protection of the Corporation and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Leased Property, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$1,250,000 for personal injury or deaths per event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$1,250,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County. Such liability insurance may be subject to a deductible of no more than \$50,000; provided that the County shall maintain a separate fund in trust against payment of such deductibles which shall be reviewed at least every three years for actuarial soundness by an independent insurance consultant.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County, with the written consent of the Corporation, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Corporation, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. Before such other method or plan may be provided by the County, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Corporation, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a certificate of the County setting forth the details of such substitute method or plan.

SECTION 5.03 Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance from a Qualified Carrier to cover partial loss of the rental in an amount sufficient to pay the Base Rental Payments for a period of at least two successive years. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Lease attributable to such structure for a period of two years during which the payment of rental under this Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments).

SECTION 5.04 Worker's Compensation. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the

State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance with the prior written consent of the Corporation.

SECTION 5.05 Title Insurance. The County shall obtain upon the execution and delivery of this Lease title insurance on the Leased Property, in the form of a lender's leasehold title policy or policies, in an aggregate amount equal to the aggregate principal component of unpaid Base Rental Payments, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances (as defined in the Trust Agreement) naming the Trustee as insured thereunder.

SECTION 5.06 Insurance Proceeds; Form of Policies. All policies of insurance required by Sections 5.01 and 5.03 hereof shall provide that all proceeds thereunder shall be payable to the Trustee pursuant to a lender's loss payable endorsement substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. All policies of insurance required by this Lease shall provide that the Trustee shall be given thirty (30) days notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The County shall pay when due the premiums for all insurance policies required by this Lease, and shall promptly furnish evidence of such payments to the Corporation.

The County will deliver to the Corporation and the Trustee in the month of [October] in each year a written certificate of an officer of the County stating that such policies satisfy the requirements of this Lease, setting forth the insurance policies then in force pursuant to this Section, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an actuary, independent insurance consultant or other qualified person containing the information required for such self-insurance program and described in Sections 5.01, 5.02, 5.03 and 5.04. Delivery to the Trustee of the certificate under the provisions of this Section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies. The County shall also deliver to the Trustee certificates or duplicate originals or certified copies of each insurance policy described in such schedule.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Defaults and Remedies. (a) If (i) the County shall fail to pay any rental payable hereunder when the same becomes due and payable, time being expressly

declared to be of the essence of this Lease, or (ii) the County shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County (other than as referred to in (i)) for a period of sixty (60) days after notice of the same has been given to the County by the Corporation or the Trustee (or if the County notifies the Corporation and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an Event of Default if the County commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time), or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the County shall be deemed to be in default hereunder and it shall be lawful for the Corporation and the Trustee to exercise any and all remedies available pursuant to law or granted pursuant to this Lease. Upon any such default, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this Lease in the manner hereinafter provided on account of default by the County, notwithstanding any re-entry or re-letting of the Leased Property as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Leased Property and, to the extent permitted by law, remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and place such personal property in storage in any warehouse or other suitable place located within the County of Solano, California. In the event of such termination, the County agrees to surrender immediately possession of the Leased Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the County, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Property nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this Lease shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the County shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the County of the election on the part of the Corporation to terminate this Lease. The County covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(2) Without terminating this Lease, (i) to collect each installment of rent as it becomes due and enforce any other terms or provision hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Leased Property, or (ii) to exercise any and all rights of entry and

re-entry upon the Leased Property. In the event the Corporation does not elect to terminate this Lease in the manner provided for in subparagraph (1) hereof, the County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and, if the Leased Property are not re-let, to pay the full amount of the rent to the end of the term of this Lease or, in the event that the Leased Property are re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such entry or re-entry or obtaining possession of the Leased Property. Should the Corporation elect to enter or re-enter as herein provided, the County hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the County to re-let the Leased Property, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and to place such personal property in storage in any warehouse or other suitable place located in the County of Solano, California, for, to the extent permitted by law, the account of and at the expense of the County, and the County, to the extent permitted by law, hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re-let the Leased Property and to do all other acts to maintain or preserve the Leased Property as the Corporation deems necessary or desirable in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the County the right to terminate this Lease shall vest in the Corporation to be effected in the sole and exclusive manner provided for in sub-paragraph (1) hereof. The County further waives the right to any rental obtained by the Corporation in excess of the rental herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Leased Property or any part thereof. The County further agrees, to the extent permitted by law, to pay the Corporation the reasonable cost of any alterations or additions to the Leased Property necessary to place the Leased Property in condition for re-

letting immediately upon notice to the County of the completion and installation of such additions or alterations.

The County hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Leased Property as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Leased Property.

(b) If (1) the County's interest in this Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Corporation, as hereinafter provided for, or (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Corporation, or if the County shall make a general or any assignment for the benefit of the County's creditors, or if (3) the County shall abandon or vacate the Leased Property, then the County shall be deemed to be in default hereunder.

(c) The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the County to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation. In the event of default by the Corporation, the County shall be entitled to pursue any remedy provided by law.

(d) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default as described in this Section, the Corporation shall be entitled to proceed to protect and enforce the rights vested in the Corporation by this Lease and under the Site Lease or by law or by equity. The provisions of this Lease and the duties of the County and of its supervisors, officers or employees shall be enforceable by the Corporation by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Corporation shall have the right to bring the following actions:

(1) Accounting. By action or suit in equity to require the County and its supervisors, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation.

(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Corporation's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided herein.

The exercise of any rights or remedies under this Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Corporation to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Leased Property. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

SECTION 6.02 Waiver. Failure of the Corporation to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Corporation to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease.

ARTICLE VII

EMINENT DOMAIN; PREPAYMENT

SECTION 7.01 Eminent Domain. If the whole of the Leased Property or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of this Lease shall cease as of the day that possession shall be so taken. If less than the whole of the Leased Property shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then this Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the

contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal and interest represented by Certificates then Outstanding will be reduced by the application of the award in eminent domain to the prepayment of Outstanding Certificates. So long as any of the Certificates shall be Outstanding, any award made in eminent domain proceedings for taking the Leased Property or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the County.

SECTION 7.02 Prepayment. (a) The County shall prepay on any date from insurance and eminent domain proceeds, to the extent provided in Sections 5.01, 5.03, 5.05 and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the Leased Property caused by perils covered by insurance, if in the judgment of the Corporation the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property, such proceeds shall be paid to the Trustee and held by the Trustee in the Insurance and Condemnation Fund to be used to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property, pursuant to the procedure set forth in Section 5.01 for proceeds of insurance), or prepay all or any part (in an integral multiple of \$5,000) of the principal components of Base Rental Payments then unpaid so that the aggregate annual amounts of principal components of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of principal components of Base Rental Payments unpaid prior to the prepayment date, at a prepayment amount equal to the sum of the principal component prepaid plus accrued interest thereon to the date of prepayment, plus any applicable premium.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Trust Agreement sufficient to make such Base Rental Payments when due; provided that the County furnishes the Trustee with an opinion of counsel that such deposit will not cause interest evidenced by and payable with respect to the Certificates to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Leased Property are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

(c) Before making any prepayment pursuant to this article, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Corporation and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.

SECTION 7.03 Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Corporation's interest in any part of the Leased Property upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments contained in Section 1.01 of the Trust Agreement (not callable by the issuer thereof prior to maturity) in an amount sufficient

(together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Lease of the part of the total rent hereunder attributable to such part of the Leased Property (determined by reference to the proportion which the acquisition, design and construction cost of such part of the Leased Property bears to the acquisition, design and construction cost of all of the Leased Property). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the interest and principal components of the Certificates and to prepay Certificates if such Certificates are subject to prepayment pursuant to the terms of the Trust Agreement. Upon the making of such payment to the Trustee, (a) the interest and principal components of each installment of Base Rental thereafter payable under this Lease shall be reduced by the amount thereof attributable to such part of the Leased Property and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Lease shall not thereafter be applicable to such part of the Leased Property, (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Lease need not be maintained as to such part of the Leased Property, and (d) title to such part of the Leased Property and of the portion of the Leased Property upon which such part of the Leased Property is located shall vest in the County and the term of this Lease shall end as to the portion of the Leased Property upon which such part of the Leased Property is located and to such part of the Leased Property.

The County, in its discretion, may request the Corporation to sell or exchange any personal property which may at any time constitute a part of the Leased Property, and to release said personal property from this Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Leased Property, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Corporation, exceed the amount of \$50,000, the Corporation shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Corporation) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Leased Property. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Corporation. Any money so paid to the Corporation may, so long as the County is not in default under any of the provisions of this Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the site leased hereunder. The Corporation may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

When

(a) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Leased Property or any portion or item thereof, in trust for the benefit of the Owners of the Certificates and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal,

premium, if any, and interest of the Base Rental Payments represented by the Certificates to the due date of the Base Rental Payments or date when the County may exercise its option to purchase the Leased Property, as the case may be; and

(b) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Certificates shall remain unpaid;

then and in that event the right, title and interest of the Corporation herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Corporation and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental Payments or option price) and the Corporation's interest in and title to the Leased Property or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Corporation shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Corporation and evidence such discharge and satisfaction, and the Corporation shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Corporation to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee.

ARTICLE VIII

COVENANTS

SECTION 8.01 Right of Entry. The Corporation and its assignees shall have the right to enter upon and to examine and inspect the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Corporation's or the County's rights or obligations under this Lease, and (c) for all other lawful purposes.

SECTION 8.02 Liens. In the event the County shall at any time during the term of this Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Leased Property and shall keep the Leased Property free of any and all mechanics' or materialmen's liens or other liens against the Leased Property or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Corporation's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and

said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.

SECTION 8.03 Quiet Enjoyment. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Corporation.

SECTION 8.04 Corporation Not Liable. The Corporation and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Property. The County, to the extent permitted by law, shall indemnify and hold the Corporation and its members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Leased Property, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Leased Property regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05 Assignment and Subleasing. Neither this Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Corporation, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Base Rental Payments payable by the County hereunder. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.06 Title to Leased Property. During the term of this Lease, the Corporation shall hold title to the Leased Property and any and all additions which comprise fixtures, repairs, replacements or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the Leased Property, and except for any items added to the Leased Property by the County pursuant to Section 4.04 hereof. This provision shall not operate to the benefit of any insurance company if there is a rental interruption covered by insurance pursuant to Section 5.03 hereof. During the term of this Lease, the Corporation shall have a leasehold interest in the Leased Property pursuant to the Site Lease.

Upon the termination or expiration of this Lease (other than as provided in Sections 6.01 and 7.01 of this Lease), title to the Leased Property shall vest in the County pursuant to the Site Lease. Upon any such termination or expiration, the Corporation shall have executed such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

SECTION 8.07 Tax Covenants. The County and the Corporation will not make any use of the proceeds of the obligations provided herein or any other funds of the County or the Corporation which will cause such obligations to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The County and the Corporation will not make any use of the proceeds of the obligations provided herein or any other funds of the County or the Corporation which will cause such obligations to be “federally guaranteed” and subject to inclusion in gross income for federal income tax purposes by reason of Section 149(b) of the Code. To that end, so long as any rental payments are unpaid, the County and the Corporation, with respect to such proceeds and such other funds, will comply with all requirements of such Sections 148 and 149(b) and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect.

The County further covenants that it will not use or permit the use of the Leased Property by any person not an “exempt person” within the meaning of Section 141(a) of the Code or by an “exempt person” (including the County) in an “unrelated trade or business”, in such manner or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

If at any time the County is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Corporation under this Lease or the Trust Agreement, the County shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of the County set forth above, the County will comply with the Tax Certificates and will cause the Trustee to comply with the Tax Certificates. The Trustee and the Corporation may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Corporation for any loss, claim, damage, liability or expense incurred by the Corporation for any actions taken by the Corporation in accordance with such instructions.

The County and the Corporation shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest component of the Base Rental Payments will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

SECTION 8.08 Corporation’s Purpose. The Corporation covenants that, prior to the discharge of this Lease, it will not engage in any activities inconsistent with the purposes for which the Corporation is organized, as set forth in the Corporation’s Articles of Incorporation, as filed in the office of the Secretary of State of the State of California and in effect on the date of this Lease.

SECTION 8.09 Purpose of Lease. The County covenants that during the term of this Lease, except as hereinafter provided, (a) it will use, or cause the use of, the Leased Property for public purposes and for the purposes for which the Leased Property facilities are

customarily used, (b) it will not vacate or abandon the Leased Property or any part thereof, and (c) it will not make any use of the Leased Property which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof. The County hereby declares that the Leased Property is essential to the general governmental operations of the County.

SECTION 8.10 Continuing Disclosure Agreement. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; any Certificateholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this Section 8.10. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries).

ARTICLE IX

DISCLAIMER OF WARRANTIES;

VENDOR'S WARRANTIES; USE OF THE LEASED PROPERTY

SECTION 9.01 Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE COUNTY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the County's use of any item or products or services provided for in this Lease.

SECTION 9.02 Vendor's Warranties. The Corporation hereby irrevocably appoints the County its agent and attorney-in-fact during the term of this Lease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Leased Property, which the Corporation may have against the manufacturers, vendors and contractors of the Leased Property. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the Leased Property, and not against the Corporation, nor shall such matter have any effect whatsoever on the rights and obligations of the Corporation with respect to this Lease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that the Corporation makes, and has made, no representation or

warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor.

SECTION 9.03 Use of the Leased Property. The County will not install, use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the Leased Property. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Leased Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Property; provided, however, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Corporation, adversely affect the estate of the Corporation in and to the Leased Property or its interest or rights under this Lease.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 Law Governing. This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02 Notices. All written notices to be given hereunder shall be given by mail, overnight mail, courier (or by fax or email to the Trustee) to the party entitled thereto at its address (or fax number or email, if applicable) set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:	County of Solano Administrator's Office 675 Texas Street Fairfield, CA 94533
If to the Corporation:	Solano County Facilities Corporation, Inc. c/o Solano County Administrator's Office 675 Texas Street Fairfield, CA 94533
If to the Trustee:	MUFG Union Bank, N.A. 350 California Street, 15th Floor San Francisco, CA 94104 Attention: Corporate Trust Services Fax Number: 415-273-2492 Email: AccountAdministration-CorporateTrust@unionbank.com and CashControlGroup-LosAngeles@unionbank.com

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03 Validity and Severability. If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Corporation or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease under which the rentals are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the Leased Property, and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04 Net-Net-Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the rentals provided for herein shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05 Taxes. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Lease as and when the same become due.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Corporation for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Corporation or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Corporation or the Leased Property, the rentals and other payments required hereunder or any parts thereof or interests of the County or the Corporation or the Trustee therein by any governmental authority.

The County may, at the County’s expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Trustee shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay

such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

SECTION 10.06 Third Party Beneficiary. The Trustee shall be a third-party beneficiary of this Lease entitled to enforce the reimbursement and indemnification provisions included herein.

SECTION 10.07 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 10.08 Amendment or Termination. The Corporation and the County may at any time agree to the amendment or termination of this Lease; provided, however, that the Corporation and the County agree and recognize that this Lease is entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

Copies of any of the amendments listed in this Section 10.08 must be sent to S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investor Service, Inc., 7 World Trade Center at 250 Greenwich Street, 23rd Floor, New York, New York 10007.

SECTION 10.09 Execution. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the Corporation and the County, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the County.

IN WITNESS WHEREOF, the Corporation and the County have caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**SOLANO COUNTY
FACILITIES CORPORATION, INC.,**
as Lessor

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

COUNTY OF SOLANO, as Lessee

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

All that certain real property situated in the County of Solano, State of California,
described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

[Attach property description]

DRAFT

EXHIBIT B

RENTAL PAYMENT SCHEDULE

Base Rental Payment Dates	Total Base Rental Payment	Amount Attributable to Interest	Amount Attributable to Principal
--------------------------------------	--------------------------------------	--	---

DRAFT

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

TRUST AGREEMENT

by and among

**SOLANO COUNTY
FACILITIES CORPORATION, INC.**

and the

COUNTY OF SOLANO

and

MUFG UNION BANK, N.A.

Dates as of [September 1, 2017]

Relating to

**[\$[PAR]
COUNTY OF SOLANO
SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION**

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TRUST AGREEMENT

This TRUST AGREEMENT, made and entered into as of [September 1, 2017], by and among MUFG UNION BANK, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Trustee"), THE SOLANO COUNTY FACILITIES CORPORATION, INC., a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), and the COUNTY OF SOLANO, a political subdivision duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "County");

WITNESSETH:

WHEREAS, the County and the Corporation have entered into a site lease, dated as of [September 1, 2017] (the "Site Lease"), pursuant to which the County has agreed to lease to the Corporation certain real property (the "Site");

WHEREAS, the Corporation has agreed to lease both the Site and the improvements located thereon (the "Leased Property") to the County pursuant to a lease agreement, dated as of [September 1, 2017], (the "Lease");

WHEREAS, under the Lease, the County is obligated to make base rental payments to the Corporation for the lease of the Leased Property;

WHEREAS, all rights under the Site Lease and the Lease have been assigned without recourse by the Corporation to the Trustee pursuant to an agreement, entitled "Assignment Agreement" and dated as of [September 1, 2017] (the "Assignment Agreement");

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation in an amount equal to the aggregate principal components of such base rental payments, evidencing the proportionate interests of the holders thereof in base rental to be made by the County to the Corporation (the "Certificates"); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Certificates and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Additional Payments

The term “Additional Payments” means the additional payments payable by the County under and pursuant to Section 3.02 of the Lease.

Assignment Agreement

The term “Assignment Agreement” means that certain Assignment Agreement by and between the Corporation and the Trustee, dated as of [September 1, 2017], or as it may from time to time be supplemented, modified or amended.

Base Rental Payment Fund

The term “Base Rental Payment Fund” means the fund by that name established in Section 5.01 herein.

Base Rental Payments

The term “Base Rental Payments” means the base rental payments with interest components and principal components payable by the County under and pursuant to Section 3.01 of the Lease.

Board of Supervisors

The term “Board of Supervisors” means the Board of Supervisors of the County or any successor thereto.

Business Day

The term “Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in San Francisco, California or New York, New York are authorized or obligated by law or executive order to be closed.

Certificate of the Corporation

The term “Certificate of the Corporation” means an instrument in writing signed by the President or the Vice President or the Treasurer or the Secretary or the Assistant Secretary of the Corporation, or by any other officer of the Corporation duly authorized by the Corporation

in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 11.06, each Certificate of the Corporation shall include the statements provided for in Section 11.06.

Certificate of the County

The term “Certificate of the County” means an instrument in writing signed by the Chair of the Board of Supervisors of the County, or by the Clerk of the Board of Supervisors of the County, or the County Administrative Officer of the County, or by the County Treasurer-Tax Collector of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 11.06, each Certificate of the County shall include the statements provided for in Section 11.06.

Certificate Payment Date

The term “Certificate Payment Date” means, with respect to any Certificate, the [November 1] date designated therein, which is the date on which the principal component of the Base Rental Payments evidenced and represented thereby shall become due and payable.

Certificate Purchase Agreement

The term “Certificate Purchase Agreement” means the purchase contract dated [August __, 2017], by and among the Purchaser, the County and the Corporation for the purchase of the Certificates.

Certificates

The term “Certificates” means the certificates of participation executed and delivered by the Trustee pursuant hereto and then Outstanding.

Code

The term “Code” means the Internal Revenue Code of 1986.

Corporation

The term “Corporation” means (i) Solano County Facilities Corporation, Inc., a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, acting as lessor under the Lease; (ii) any surviving, resulting or transferee entity; and (iii) except where the context requires otherwise, any assignee of the Corporation, other than the Trustee.

Costs of Delivery

The term “Costs of Delivery” means all items of expense directly or indirectly payable by or reimbursable to the County or the Corporation and related to the authorization, execution and delivery of the Lease, the Site Lease, this Trust Agreement, the Assignment

Agreement and the execution and delivery of the Certificates, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Certificates, fees of the Corporation and any other authorized cost, charge or fee in connection with the delivery of the Certificates.

Costs of Delivery Fund

The term “Costs of Delivery Fund” means the fund by that name established pursuant to Section 3.02 herein.

County

The term “County” means the County of Solano, a political subdivision of the State of California, duly organized and existing under and by virtue of the Constitution and laws of the State of California.

Defeasance Securities

The term “Defeasance Securities” shall mean:

- (1) Cash;
- (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- “SLGs”);
- (3) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (4) Resolution Funding Corp. (REFCORP) -- only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;
- (5) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition; and
- (6) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (i) U.S. Export-Import Bank (Eximbank) – direct obligations or fully guaranteed certificates of beneficial ownership;
 - (ii) Farmers Home Administration (FmHA) – certificates of beneficial ownership;

- (iii) Federal Financing Bank;
- (iv) General Services Administration – participation certificates;
- (v) U.S. Maritime Administration – guaranteed Title XI financing; and
- (vi) U.S. Department of Housing and Urban Development (HUD) Project Notes – Leased Property Notes, Local Corporation Bonds, new communities debentures – U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

EMMA

The term “EMMA” means the Electronic Municipal Market Access system established by the Municipal Securities Rulemaking Board available at www.emma.msrb.org.

Escrow Agreement

The term “Escrow Agreement” means the escrow agreement dated as of [September 1, 2017], by and among MUFG Union Bank, N.A. and the County, as originally executed or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof.

Event of Default

The term “Event of Default” shall have the meaning specified in the Lease.

Extraordinary Prepayment Fund

The term “Extraordinary Prepayment Fund” means the fund by that name established in Section 5.02 herein.

Interest Fund

The term “Interest Fund” means the fund by that name established in Section 5.02 herein.

Interest Payment Date

The term “Interest Payment Date” means a date on which interest evidenced and represented by the Certificates becomes due and payable, being [May 1] and [November 1] of each year to which reference is made (commencing on [November 1, 2017]).

Insurance and Condemnation Fund

The term “Insurance and Condemnation Fund” means any fund by that name established pursuant to Section 5.04 herein.

Lease

The term “Lease” means that certain lease, entitled “Lease Agreement (Series 2017 Refunding Certificates of Participation),” by and between the Corporation and the County, dated as of [September 1, 2017], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Leased Property

The term “Leased Property” means that certain real property situated in the County of Solano, State of California, described in the Lease, together with any additional real property added thereto by any supplement or amendment hereto; subject, however, to any conditions, reservations, and easements of record or known to the County.

Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal obligations, appointed and paid by the County or the Corporation and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

Outstanding

The term “Outstanding,” when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 9.02 herein) all Certificates except --

- (1) Certificates cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Certificates paid or deemed to have been paid within the meaning of Section 10.01 herein; and

- (3) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 herein.

Owner

The term "Owner" means any person who shall be the registered owner of any Outstanding Certificate.

Payment Date

The term "Payment Date" means that May 1 or November 1 during the period beginning _____ 1, 20__ and terminating on November 1, 20__ to which reference is made.

Permitted Encumbrances

"Permitted Encumbrances" means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Lease in the office of the County Recorder of Solano County and which the County certifies in writing will not materially impair the use of the Leased Property; (3) the Site Lease, as it may be amended from time to time; (4) the Lease, as it may be amended from time to time; (5) the Assignment Agreement, as it may be amended from time to time; (6) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease and to which the Corporation and the County consent in writing and which do not materially adversely affect the rights of owners of the Certificates; and (8) liens relating to special assessments levied with respect to the Leased Property.

Permitted Investments

The term "Permitted Investments" means any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties including, without limitation, the provisions of California Government Code Section 5922(d):

- (1) Direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;
- (2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- (a) Government National Mortgage Association (GNMA or “Ginnie Mae”);
GNMA-guaranteed mortgage-backed bonds
GNMA-guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues);
 - (b) Farmers Home Administration (FmHA);
Certificates of beneficial ownership
 - (c) General Services Administration;
Participation certificates
 - (d) Federal Housing Administration Debentures (FHA);
 - (e) U.S. Maritime Administration;
Guaranteed Title XI financing
 - (f) U.S. Department of Housing and Urban Development (HUD);
Project Notes
Local Authority Bonds
 - (g) Resolution Trust Corporation obligations consisting of the right to receive interest which has been separated from the right to receive principal;
- (3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
- (a) Federal Home Loan Bank System;
Senior debt obligations (Consolidated debt obligations)
 - (b) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”);
Participation certificates (Mortgage-backed securities)
Senior debt obligations
 - (c) Federal National Mortgage Association (FNMA or “Fannie Mae”);
Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)
 - (d) Student Loan Marketing Association (SLMA or “Sallie Mae”);
Senior debt obligations
 - (e) Resolution Funding Corp (REFCORP);

Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(f) Farm Credit System;
Consolidated systemwide bonds and notes

- (4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAAm; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2; including funds offered by the Trustee, affiliates of the Trustee or other persons sharing an economic interest with the Trustee, but excluding such funds with a floating net asset value;

- (5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Certificates of deposit must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's.

The collateral must be held by a third party and the certificateholders must have a perfected first security interest in the collateral;

- (6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF or collateralized by Permitted Investments described in clauses (1) or (2) above for amounts in excess of such insurance;
- (7) Investment Agreements, including Guaranteed Investment Contracts;
- (8) Commercial paper rated "Prime-1 by Moody's and "A-1+" or better by S&P;
- (9) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one or two of the highest long-term rating categories assigned by such agencies;
- (10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P;
- (11) Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date;

- (12) Participation in the Solano County Investment Pool; and
- (13) Participation in the California Asset Management Program.

Principal Fund

The term “Principal Fund” means the fund by that name established in Section 5.02 herein.

Purchaser

The term “Purchaser” means Raymond James & Associates, Inc., as underwriter and purchaser of the Certificates.

Rebate Fund

The term “Rebate Fund” means the fund by that name established in Section 5.03 herein.

Refunding Escrow

The term “Refunding Escrow” means the fund by that name established in the Escrow Agreement.

Rental Payments

The term “Rental Payments” means the Base Rental Payments.

Representations Letter

The term “Representations Letter” means the blanket issuer letter of representations, dated as of December 18, 1996, from the County to The Depository Trust Company.

Securities Depositories

The term “Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099, Fax (212) 855-7232, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories, or no such depositories, as the Corporation may designate to the Trustee in writing.

Site

The term “Site” means the real property described in Exhibit A to the Site Lease, together with all property subsequently added thereto.

Site Lease

The term “Site Lease” means that certain lease, entitled “Site Lease (Series 2017 Refunding Certificates of Participation),” by and between the County and the Corporation, dated as of [September 1, 2017], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

S&P

The term “S&P” means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Supplemental Trust Agreement

The term “Supplemental Trust Agreement” means an agreement amending or supplementing the terms hereof entered into pursuant to the terms hereof.

Tax Certificate

“Tax Certificate” means the certificate relating to Section 103 of the Code, executed by the County on the date of delivery of the Certificates to the Purchaser, as originally delivered and as it may be amended from time to time.

Trust Agreement

The term “Trust Agreement” means this Trust Agreement by and among the Trustee, the Corporation and the County, dated as of [September 1, 2017], as originally executed and as it may from time to time be amended or supplemented by a Supplemental Trust Agreement or otherwise in accordance herewith.

Trustee

The term “Trustee” means MUFG Union Bank, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any other bank or trust company which may at any time be substituted in its place as provided in Section 8.02 herein.

2007 Certificates

The term “2007 Certificates” means the original aggregate principal amount of \$99,860,000 County of Solano, California 2007 Refunding Certificates of Participation authorized by the 2007 Trust Agreement and executed and delivered by the 2007 Trustee under and pursuant to 2007 Trust Agreement.

2007 Trust Agreement

The term “2007 Trust Agreement” means that certain Amended and Restated Trust Agreement, dated as of February 1, 2007, by and among the Corporation, the County and the 2007 Trustee and relating to the 2007 Certificates.

2007 Lease

The term “2007 Lease” means the lease, entitled “Lease Agreement” and dated as of February 1, 2007, by and between the Corporation and the County, which was recorded in the Office of the County Recorder of the County of Solano on February 7, 2007.

2007 Trustee

The term “2007 Trustee” means MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A., as trustee under the 2007 Trust Agreement, its successors and assigns, and any other corporation or association which may at any time be substituted in its place.

Written Request of the Corporation

The term “Written Request of the Corporation” means an instrument in writing signed by or on behalf of the Corporation by its President or its Vice President or its Treasurer or its Secretary or an Assistant Secretary or by any other person (whether or not an officer of the Corporation) who is specifically authorized by resolution of the Board of Directors of the Corporation to sign or execute such a document on its behalf.

Written Request of the County

The term “Written Request of the County” means an instrument in writing signed by the Chair of the Board of Supervisors of the County, or by the Clerk of the Board of Supervisors of the County, or by the Treasurer-Tax Collector of the County, or by the County Administrative Officer of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Certificates by the Owners, the Trust Agreement shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the interest and principal represented by the Certificates which may be executed and delivered hereunder, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to security or otherwise of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

TERMS AND CONDITIONS OF CERTIFICATES

SECTION 2.01 Preparation of Certificates. The Trustee is hereby authorized to register, execute and deliver the Certificates in the aggregate principal amount of [PAR dollars] (\$[PAR]), evidencing the proportionate interests of the Holders thereof in Base Rental Payments to be made by the County to the Corporation pursuant to the Lease.

SECTION 2.02 Denominations and Dating of Certificates. The Certificates shall be prepared in the form of fully registered Certificates in the denomination of five thousand dollars (\$5,000) each or any integral multiple thereof so long as no Certificate shall represent principal becoming payable on more than one Certificate Payment Date.

The Certificates shall be dated as of their date of delivery and shall evidence and represent interest from such date.

The Certificates shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and shall be evidenced by one Certificate for each Certificate Payment Date, to be in a denomination corresponding to the total principal designated to be paid on such date. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.11 herein.

SECTION 2.03 Payment Dates of Certificates; Medium, Method and Place of Payment. The Certificates shall have Certificate Payment Dates of November 1 in the years and shall evidence and represent principal components in the amounts, with an interest component with respect thereto calculated on the basis of a 360-day year composed of twelve 30-day months at the rates, as follows:

Certificate Payment Date (November 1)	Principal Amount	Interest Rate
20__	\$	%

The interest evidenced and represented by the Certificates shall be payable on May 1 and November 1 of each year, beginning on _____ 1, 20__ and continuing to and including their Certificate Payment Dates or on prepayment prior thereto, and shall evidence and

represent the sum of the portions of the Base Rental Payments designated as interest components coming due on the Payment Dates in each year.

The principal evidenced and represented by the Certificates shall be payable on each Certificate Payment Date, beginning on November 1, 20__ and continuing to and including November 1, 20__.

The principal of and premium, if any, evidenced and represented by the Certificates shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Trustee in Los Angeles, California. The interest represented by the Certificates shall be payable in like lawful money to the person whose name appears on the Certificate registration books of the Trustee as the Owner thereof as of the close of business on the fifteenth day of the month preceding each Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on the date such interest is due to such Owner at such address as appears on such registration books.

SECTION 2.04 Form of Certificates. The Certificates and the form of the assignment to appear thereon shall be in substantially the form set forth in Exhibit A hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

SECTION 2.05 Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized signatory of the Trustee.

SECTION 2.06 Transfer and Payment of Certificates; Exchange of Certificates. All Certificates are transferable by the Owner thereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California on the books required to be kept by the Trustee pursuant to the provisions of Section 2.07, upon surrender of such Certificates for cancellation accompanied in the case of transfer by delivery of a duly executed written instrument of transfer in the form appearing on the Certificate. The Trustee may treat the Owner of any Certificate as the absolute owner of such Certificate for all purposes, whether or not such Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by such Certificate shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability represented by such Certificate to the extent of the sum or sums so paid.

Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same Certificate Payment Date representing the same principal amount. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Certificates may be exchanged at the principal corporate trust office of the Trustee in Los Angeles, California, for a like aggregate principal amount of Certificates of other authorized denominations of the same Certificate Payment Date. The Trustee shall require the

payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to transfer or exchange any Certificate after the fifteenth day of the month next preceding each Payment Date or during the period designated by the Trustee for selection of Certificates for prepayment, and the Trustee shall not be required to transfer or exchange any Certificate selected for prepayment in whole or in part from and after the date of mailing the notice of prepayment of such Certificate or such part thereof.

SECTION 2.07 Certificate Registration Books. The Trustee will keep sufficient books for the registration and transfer of the Certificates, which books shall be available for inspection by the Corporation, the County or any Owner or his agent duly authorized in writing upon reasonable prior notice during regular business hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates on such books as hereinabove provided.

SECTION 2.08 Temporary Certificates. The Certificates may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery, which temporary Certificates shall be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it will prepare and execute definitive Certificates without delay, and thereupon the temporary Certificates may be surrendered at the principal corporate trust office of the Trustee in Los Angeles, California in exchange for such definitive Certificates, and until so exchanged such temporary Certificates shall be entitled to the same benefits hereunder as definitive Certificates executed and delivered hereunder.

SECTION 2.09 Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate of like tenor, Certificate Payment Date and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee (without liability to the Trustee for such determination) and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate of like tenor and Certificate Payment Date, numbered as the Trustee shall determine, in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Certificates executed and delivered hereunder, and the Trustee shall not be required to treat both the original Certificate and any

replacement Certificate as being Outstanding for the purpose of determining the amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of executing and delivering a new Certificate for a Certificate which has been lost, destroyed or stolen and which has matured, the Trustee may make payment of the principal and interest evidenced and represented by such Certificate to the Owner thereof.

SECTION 2.10 Destruction of Cancelled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee of any Certificates, the Trustee shall cancel and destroy such Certificates and deliver a certificate of such cancellation and destruction to the County.

SECTION 2.11 Special Covenants as to Book-Entry Only System.

(a) Except as otherwise provided in subsections (b) and (c) of this Section, the Certificates initially executed and delivered hereunder shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representations Letter. Payment of the principal and interest represented by each Certificate registered in the name of Cede & Co. shall be made to the account, in the manner and at the address indicated in or pursuant to the Representations Letter.

(b) The Certificates executed and delivered hereunder shall be in the form of a single fully registered certificate for each Certificate Payment Date representing the aggregate principal amount of the Certificates with such Certificate Payment Date. Upon initial execution of the Certificates, the ownership of all such Certificates shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representations Letter. The Trustee, the County, the Corporation and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or prepayment price of and interest represented by such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to the Owners under this Trust Agreement, registering the transfer of the Certificates, obtaining any consent or other action to be taken by the Owners and for all other purposes whatsoever; and neither the Trustee, the Corporation nor the County nor any paying agent shall be affected by any notice to the contrary. Neither the Trustee, the Corporation nor the County nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest represented by such Certificates, (iii) any notice which is permitted or required to be given to the Owners under the Trust Agreement, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial

prepayment of the Certificates, or (v) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal and premium, if any, and interest represented by the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representations Letter. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with subsection (f) of this Section.

(c) In the event that the County determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificates evidencing the Certificates, the Trustee shall, upon the written instruction of the County, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of such certificates. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section. Whenever DTC requests the County to do so, the County will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such securities depository in accordance with subsection (f) of this Section, and thereafter, all reference in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Certificates Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal and interest represented by each such Certificate and all notices with respect to each such Certificate shall be made and given, respectively, to DTC as provided in the Representations Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representations Letter and, in connection with any successor nominee for DTC and any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Trust Agreement.

(f) In the event that any transfer or exchange of Certificates is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Section 2.06. In the event certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Certificates, another securities depository as holder of all the Certificates, or the nominee of such successor securities depository, the provisions of Sections 2.02, 2.03 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal of, premium, if any, and interest represented by the Certificates.

ARTICLE III

PROCEEDS OF CERTIFICATES

SECTION 3.01 Delivery of Certificates. The Trustee is hereby authorized to execute and deliver the Certificates to the Purchaser pursuant to the Certificate Purchase Agreement upon receipt of a Written Request of the Corporation and upon receipt of the proceeds of sale thereof.

SECTION 3.02 Deposit of Proceeds of Certificates and Other Moneys.

(a) The proceeds received from the sale of the Certificates, together with \$[_____] transferred from the 2007 Certificates funds, shall be deposited into a temporary account called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust, and which shall be disbursed in full on the Closing Date (whereupon said temporary account shall be closed) as follows:

(1) The Trustee shall transfer to the escrow agent under the Escrow Agreement the amount of \$[_____] , being the amount necessary to defease the principal and interest of the 2007 Certificates outstanding.

(2) The Trustee shall deposit the amount of \$[_____] in the Costs of Delivery Fund. All money in the Costs of Delivery Fund shall be used and withdrawn by the Trustee to pay the Costs of Delivery of the Certificates upon receipt of a Written Request of the Corporation filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. 180 days from closing, or upon the earlier Written Request of the Corporation, any remaining balance in the Costs of Delivery Fund shall be transferred to the County per the instructions of the County Treasurer.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

SECTION 4.01 Terms of Prepayment. (a) The Certificates are subject to prepayment on any date prior to their respective Certificate Payment Dates, as a whole, or in part by lot within each Certificate Payment Date so that the aggregate annual amounts of principal represented by the Certificates which shall be payable after such prepayment date shall correspond to the principal component of the reduced Base Rental resulting from a casualty loss or governmental taking or defect in title of the Site and the Leased Property or portions thereof, from prepaid Base Rental Payments made by the County from funds received by the County due to such casualty loss or governmental taking or defect in title, if such amounts are not used to repair or replace the Site and the Leased Property in accordance with the provisions of the Lease, under the circumstances and upon the conditions and terms prescribed herein and in the Lease, at

a prepayment price equal to the sum of the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium.

(b) The Certificates payable with respect to principal on or after November 1, 20__, shall be subject to prepayment on any date on or after November 1, 20__, at the option of the County, as a whole, or in part, among such Certificate Payment Dates as the County may determine, or, if so specified, in inverse order of Certificate Payment Dates, from any source of available funds, at a prepayment price equal to 100% of the principal amount thereof, plus accrued interest represented thereby to the date fixed for prepayment, without premium.

SECTION 4.02 Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates payable on any one Certificate Payment Date are to be prepaid on any one date, the County shall select the Certificates of such Certificate Payment Date to be prepaid from the Outstanding Certificates payable on such Certificate Payment Date by lot in any manner customary within the industry, and the County shall promptly notify the Corporation and the Trustee in writing of the Certificates so selected for prepayment on such date. For purposes of such selection, Certificates shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid.

SECTION 4.03 Notice of Prepayment. Notice of prepayment shall be mailed, first class postage prepaid, to the respective Owners of any Certificates designated for prepayment at their addresses appearing on the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 not less than thirty (30) nor more than sixty (60) days prior to the date fixed for prepayment. Each notice of prepayment shall state the date fixed for prepayment, the prepayment price and shall designate the CUSIP numbers of the Certificates to be prepaid and shall require that such Certificates be then surrendered for prepayment; and shall also state that the interest represented by the Certificates designated for prepayment shall cease to accrue from and after such date fixed for prepayment and that on such date there will become due and payable on each of the Certificates designated for prepayment the prepayment price represented thereby. Such notice shall, in addition to setting forth the above information, in the case of each Certificate called for prepayment in part only state the amount of the principal amount represented thereby which is to be prepaid. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not such Owner receives the notice.

The Trustee shall give notice of prepayment of any Certificates to be prepaid upon receipt of a Written Request of the County (which request shall be given to the Trustee at least thirty-five (35) days prior to the date fixed for prepayment).

At least thirty (30) days before each prepayment date such notice of prepayment shall also be given first class mail or other means approved by the Trustee to EMMA.

Neither the failure to receive the notice of prepayment as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the prepayment of the Certificates or the cessation of interest on the date fixed for prepayment.

SECTION 4.04 Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof a new

Certificate or Certificates representing the unprepaid principal amount of the Certificate surrendered.

SECTION 4.05 Effect of Prepayment. If notice of prepayment has been duly given as aforesaid and moneys for the payment of the prepayment price on the Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice the Certificates so called for prepayment shall become payable at the prepayment price specified in such notice; and from and after the date so designated interest represented by the Certificates so called for prepayment shall cease to accrue, such Certificates shall cease to be entitled to any benefit or security hereunder and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the prepayment price represented thereby. The Trustee shall, upon surrender for payment of any of the Certificates to be prepaid, pay such Certificates at the prepayment price thereof.

All Certificates prepaid pursuant to the provisions of this Article shall be cancelled by the Trustee and shall not be redelivered.

SECTION 4.06 Rescission of Notice of Prepayment. At any time prior to one day before the date fixed for prepayment of any Certificates, the County may rescind such notice of prepayment by written notice to the Trustee with subsequent notice to the Holders within three (3) business days thereafter.

ARTICLE V

RENTAL PAYMENTS

SECTION 5.01 Pledge of Base Rental Payments; Base Rental Payment Fund. The Base Rental Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the interest and principal represented by the Certificates, and the Base Rental Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Base Rental Payments in accordance with the terms hereof.

All Base Rental Payments shall be paid directly by the County to the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one business day after the receipt thereof. All Base Rental Payments shall be held in trust by the Trustee in the Base Rental Payment Fund, which fund the Trustee hereby agrees to establish and maintain so long as any Certificates are Outstanding, for the benefit of the County until deposited in the funds provided in Section 5.02, whereupon they shall be held in trust by the Trustee in such funds for the benefit of the Owners from time to time.

SECTION 5.02 Deposit of Base Rental Payments. The Trustee shall deposit the Base Rental Payments contained in the Base Rental Payment Fund at the times and in the manner hereinafter provided in the following respective funds, each of which the Trustee hereby agrees to establish and maintain so long as any Certificates are Outstanding, and the moneys in each of such funds shall be disbursed only for the purposes and uses hereinafter authorized, and

if there shall be insufficient money in any such fund, payments from such fund shall be made in the manner specified in Section 7.09.

(a) Interest Fund. The Trustee, on or before May 1 and November 1 of each year (commencing on _____ 1, 20__), shall deposit in the Interest Fund that amount of moneys representing the portion of the Base Rental Payments designated as interest components coming due on each such May 1 and November 1 date, respectively. Moneys in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest represented by the Certificates when due and payable.

(b) Principal Fund. The Trustee, on or before November 1 of each year (commencing on November 1, 20__), shall deposit in the Principal Fund that amount of moneys representing the portion of the Base Rental Payments designated as the principal component coming due on such November 1 date, respectively. Moneys in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal represented by the Certificates when due and payable.

(c) Extraordinary Prepayment Fund. The Trustee, on or before the prepayment date specified in the Written Request of the County filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease, shall deposit in the Extraordinary Prepayment Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Moneys in the Extraordinary Prepayment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest and principal and any applicable premium represented by the Certificates to be prepaid.

If any funds shall remain on deposit in the Base Rental Payment Fund on any May 1 or November 1 after the Trustee shall have transferred the required amounts to the Interest Fund, Principal Fund and Extraordinary Prepayment Fund as provided above, such excess shall be held in the Base Rental Payment Fund and shall be applied as a credit against the Base Rental Payment next due under the Lease.

SECTION 5.03 Establishment and Application of Rebate Fund. (a) The Trustee shall, when required upon the County's Written Request, establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be specified in a Written Request of the County necessary in order to comply with the terms and requirements of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate) for payment to the federal government of the United States of America. The County and the Owners of any Certificates shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 8.07 of the Lease and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows a Written Request of the County including supplying all necessary information in the manner provided in the Tax Certificate and

shall have no liability or responsibility to enforce compliance by the County with the terms of the Tax Certificate.

(b) Upon the County's Written Request, an amount shall be deposited into the Rebate Fund by the Trustee from deposits by the County if and to the extent required, so that the balance of the amount on deposit in the Rebate Fund after such deposit shall equal the Rebate Amount for the Certificate Year calculated as of the most recent Calculation Date (as those terms are defined in the Tax Certificate). Computations of the Rebate Amount shall be furnished to the Trustee by or on behalf of the County in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section other than from moneys held in the Rebate Fund or from other moneys provided to it by the County for this specific purpose.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments specified in a Written Request of the County. The first such Written Request shall be filed with the Trustee on the date of the delivery of this Trust Agreement.

(e) Upon receipt of the County's Written Request, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the County so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the County's written directions. Any funds remaining in the Rebate Fund after prepayment and payment of all of the Certificates, or provision made therefor satisfactory to the Trustee, and payment and satisfaction of any Rebate Amount, shall be withdrawn and remitted to the County upon its Written Request to the Trustee.

(f) Notwithstanding any other provision of this Trust Agreement, including in particular Article X hereof, the obligation to remit the Rebate Amounts to the United States and to comply with all other requirements of this Section, Section 8.07 of the Lease and the Tax Certificate shall survive the defeasance or payment in full of the Certificates.

SECTION 5.04 Establishment and Application of Insurance and Condemnation Fund. The Trustee shall, when required upon the Written Request of the County, establish and maintain a fund separate from any other fund established designated as the Insurance and Condemnation Fund, and administer such fund as set forth in Section 5.01 of the Lease.

SECTION 5.05 Investments. Upon the Written Request of the County, any moneys held by the Trustee in the Costs of Delivery Fund or in the Base Rental Payment Fund shall be invested as directed in a Written Request of the County in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder or under the Lease. In the absence of such Written Request of the County, the Trustee is instructed to invest the aforementioned moneys in money market funds meeting the requirements of clause (4) of the definition of Permitted Investments; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction specifying a specific money market fund and, if no such written direction is so received, the

Trustee shall hold such moneys uninvested. The Trustee or an affiliate of the Trustee may act as agent in the acquisition or disposition of any such investment. The County shall notify the Trustee in writing if any investments included in the definition of Permitted Investments are no longer legal investments for counties in California or do not constitute Permitted Investments hereunder. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment is credited and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption. All interest, profits and other earnings received from the investment of moneys in any fund or account established hereunder shall be deposited in the Base Rental Payment Fund. The Trustee shall furnish the County periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the County. Upon the County's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The County waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The County further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

ARTICLE VI

COVENANTS

SECTION 6.01 Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions hereof, and the Corporation and the County will not suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

SECTION 6.02 Compliance with or Amendment of Site Lease or Lease. The Corporation and the County will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Site Lease and the Lease required to be complied with, kept, observed and performed by them and will enforce the Site Lease and the Lease against the other party thereto in accordance with their terms.

The Corporation and the County will not alter, amend or modify the Site Lease or the Lease without the prior written consent of the Trustee, which consent of the Trustee shall be given only (i) if the Trustee receives an Opinion of Counsel and a Certificate of the County, upon which it may conclusively rely that such alterations, amendments or modifications are not materially adverse to the interests of the Owners, or (ii) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power therein reserved to the County, or (iii) to cure, correct or supplement any ambiguous or defective provision contained therein, or (iv) to resolve questions arising thereunder, as the parties thereto may deem

necessary or desirable and which, based upon an Opinion of Counsel and a Certificate of the County (upon which the Trustee may conclusively rely), the Trustee acknowledges do not materially adversely affect the interests of the Owners of the Certificates, or (v) to modify the legal description of the Site to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended to be included therein, or (vi) if the Trustee first obtains the written consents of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding to such alterations, amendments or modifications; provided, however, that no such alteration, amendment or modification shall extend the date for the making of any Rental Payment, extend a Certificate Payment Date or reduce the rate of interest represented by any Certificate or extend the time of payment of such interest or reduce the amount of principal represented thereby without the prior written consent of the Owner of any Certificate so affected, nor shall any such alteration, amendment or modification reduce the percentage of Owners whose consent is required for the execution of any alteration, amendment or supplement.

SECTION 6.03 Observance of Laws and Regulations. The Corporation and the County will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

SECTION 6.04 Other Liens. The County will keep the Site and the Leased Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character other than Permitted Encumbrances, and free from any claim or liability which might embarrass or hamper the County in conducting its business or utilizing the Site and the Leased Property, and the Trustee at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings in which the validity hereof is or might be questioned, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder to defend the validity hereof and to perform such agreements and covenants.

So long as any Certificates are Outstanding, neither the Corporation nor the County will create or suffer to be created any pledge of or lien on the Base Rental Payments other than the pledge and lien hereof.

SECTION 6.05 Prosecution and Defense of Suits. The County will promptly, upon request of the Trustee or any Owner or otherwise, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Site or

the Leased Property or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

The County will defend against every action, suit or other proceeding at any time brought against the Trustee or any Owner upon any claim arising out of the receipt, deposit or disbursement of any of the Base Rental Payments or involving the rights of the Trustee or any Owner hereunder; provided, however, that the Trustee or any Owner at its or his election may appear in and defend any such action, suit or other proceeding. The County will indemnify and hold harmless the Trustee and the Owners against any and all liability claimed or asserted by any person arising out of any such receipt, deposit or disbursement, and will indemnify and hold harmless the Owners and the Trustee against any attorneys' fees or other expenses which any of them may incur in connection with any litigation or otherwise in connection with the foregoing to which any of them may become a party in order to enforce their rights hereunder or under the Certificates, provided that with respect to any such liability or expense suffered by Owners, such litigation shall be concluded favorably to such Owners' contentions therein.

SECTION 6.06 Accounting Records and Statements. The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, deposit and disbursement of the Rental Payments, and such accounting records shall be available for inspection by the County or any Owner or his agent duly authorized in writing with prior notice at reasonable hours and under reasonable conditions. Not later than January 1 in each year, commencing on January 1, 2010 and continuing so long as any Certificates are Outstanding, the County will furnish to the Trustee and any Owner who may so request a complete statement covering the receipts, deposits and disbursements of the Rental Payments for the twelve-month period ending on the preceding June 30, accompanied by an audit report and related opinion of an independent firm of certified public accountants to be employed by the County, or, if so requested in writing by the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, accompanied by an audit report and related opinion of an independent firm of certified public accountants of their selection.

SECTION 6.07 Further Assurances. Whenever and so often as requested to do so by the Trustee or any Owner, the Corporation and the County will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Assignment Agreement or the Lease.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 7.01 Action on Default. If an Event of Default (as that term is defined in Section 6.01 of the Lease) occurs, then such Event of Default shall constitute a default hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall be entitled, upon notice in writing to the County, to exercise the remedies provided to the Corporation in the Lease and to the Trustee in the Assignment Agreement.

SECTION 7.02 Other Remedies of the Trustee. The Trustee shall have the right --

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Corporation or the County or any member, director, officer or employee thereof, and to compel the Corporation or the County or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require the Corporation and the County and any members, directors, officers and employees thereof to account as the trustee of an express trust.

SECTION 7.03 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee, the Trustee and the Corporation and the County shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.04 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law.

SECTION 7.05 No Liability by the Corporation to the Owners. Except as expressly provided herein, the Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Rental Payments by the County, or with respect to the performance by the County of the other agreements and covenants required to be performed by it contained in the Lease or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

SECTION 7.06 No Liability by the County to the Owners. Except for the payment when due of the Rental Payments and the performance of the other agreements and covenants required to be performed by it contained in the Lease or herein, the County shall not have any obligation or liability to the Owners with respect to the Trust Agreement or the preparation, execution, delivery or transfer of the Certificates or the disbursement of the Base Rental Payments by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

SECTION 7.07 No Liability by the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the County, or with respect to the performance by the County or the Corporation of other agreements and covenants required to be performed by either of them contained in the Lease or herein.

SECTION 7.08 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Trust Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners of the Certificates in respect of which such judgment has been recovered.

SECTION 7.09 Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee:

FIRST, Costs and Expenses: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default and exercising their rights and remedies under this Article VII, including reasonable compensation and disbursements to its or their agents, attorneys and counsel;

SECOND, Interest: to the payment to the persons entitled thereto of all payments of interest represented by the Certificates then due in the order of the due date of such payments, and, if the amount available shall not be sufficient to pay in full any payment or payments coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

THIRD, Principal: to the payment to the persons entitled thereto of the unpaid principal represented by any Certificates which shall have become due, whether on the Payment Date or by call for prepayment, in the order of their due dates, with interest on the overdue principal and interest represented by the Certificates at a rate equal to the rate paid with respect to the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.10 Owners' Direction of Proceedings. The Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall be otherwise in accordance with law and the provisions of this Trust Agreement. The Trustee shall have no liability with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of such Owners.

SECTION 7.11 Limitations on Suits. No Owner of any Certificate shall have any right to institute any proceeding, judicial or otherwise, with respect to this Trust Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

1. such Owner has previously given written notice to the Trustee of a continuing Event of Default;
2. the Owners of not less than a majority in principal amount of the Outstanding Certificates shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
3. such Owner or Owners have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and
4. the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding;

it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Trust Agreement to affect, disturb or prejudice the rights of any other Owners of Certificates, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal and ratable benefit of all Owners of the Certificates.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 Employment of the Trustee. The Corporation and the County hereby appoint and employ the Trustee to receive, deposit and disburse the Rental Payments, to

prepare, execute, deliver and transfer the Certificates and to perform the other functions contained herein; all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering the Trust Agreement, the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, as well as the obligations of Trustee set forth in the Lease, subject to the conditions and terms hereof. The Lease is hereby incorporated herein by reference.

SECTION 8.02 Duties, Removal and Resignation of the Trustee. So long as no Event of Default has occurred and is continuing, the Corporation and the County, or the Owners of a majority in aggregate principal amount represented by the Certificates at the time Outstanding, may by an instrument in writing remove the Trustee initially a party hereto and any successor thereto and may appoint a successor Trustee, but any Trustee hereunder shall be a bank or trust company (or an affiliate of one) doing business in California, having (alone or together with its corporate parent) a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state authorities. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under this Section, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The Trustee may at any time resign by giving written notice of such resignation to the Corporation, the County and the Owners, which notice to the Owners shall be mailed, first class postage prepaid. Upon receiving such notice of resignation, the Corporation and the County shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Corporation and the County do not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

SECTION 8.03 Compensation and Indemnification of the Trustee. The County shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services and reimburse the Trustee for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, counsel or other experts employed by it in the exercise and performance of its rights and obligations hereunder; provided, further, that the Trustee shall have a lien for such compensation or reimbursement against any moneys held by it in any of the funds (except the Rebate Fund) established hereunder or under the Lease. The

Trustee may take whatever legal actions are lawfully available to it directly against the Corporation or the County.

The County shall indemnify and hold harmless the Trustee to the extent and in the amounts provided by the laws of the State of California from and against all claims, damages and losses, including legal fees and expenses, arising out of (i) the condition, management, maintenance or use of or from any work or thing done in connection with the Site and the Leased Property by the County, (ii) any act of negligence by the County or of any of its agents, contractors, employees, invitees, licensees, officers or servants in connection with the Site and the Leased Property, including breach of any environmental laws, (iii) the authorization of the payment of any costs or expenses of construction of the Leased Property, (iv) the exercise of any rights or obligations of the Trustee hereunder or under the Lease, provided that no indemnification will be made for negligence or willful misconduct by the Trustee.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Certificates.

SECTION 8.04 Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at the request of any such person unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the Corporation or the County, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers, consultants, or employees but shall not be answerable for the selection of the same if appointed with due care.

The Trustee shall not be responsible for the sufficiency, validity, or priority of the Site Lease or the Lease, or of the assignment made to it by the Assignment Agreement of all rights to receive the Rental Payments under the Lease, or of the title to or value of the Site and the Leased Property. The Trustee shall not be responsible for the correctness of any recitals of fact contained in, or any representations as to the legality, validity, sufficiency or priority of, this Trust Agreement, the Lease, the Certificates or any other related document other than in connection with the duties or obligations expressly assigned to or imposed upon it herein. The Trustee makes no representation or warranty with respect to and has made no independent investigation concerning the Leased Property. The Trustee assumes no responsibility with

respect to any information, statement, or recital in any offering memorandum or other disclosure material prepared or distribution with respect to the Certificates.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, the Trustee may request, and such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by, a Certificate of the County or a Certificate of the Corporation, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. At reasonable times, the Trustee and its duly authorized agents, accountants, attorneys, and experts, shall have the right to inspect fully all books, papers and records of the County and the Corporation solely relating to the Certificates and to take such photocopies therefrom and in regard thereto as may be desired.

The Trustee may buy, sell, own, hold and deal in any of the Certificates and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Corporation or the County, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Corporation or the County as freely as if it were not the Trustee hereunder.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own negligence or willful misconduct. The Trustee shall not be responsible for the application by the County, the Corporation or any other person or entity, as the case may be, of the proceeds of the Certificates. The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have actual knowledge thereof.

Prior to the occurrence of an Event of Default, as defined in Section 6.01 of the Lease, of which it is deemed to have knowledge and after the curing of all Events of Default which may have occurred, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and in the Lease (which duties are incorporated herein), and no implied covenants or obligations, fiduciary or otherwise, shall be read into this Trust Agreement against the Trustee. The right of the Trustee to perform any discretionary act enumerated or contemplated in this Trust Agreement or the Lease shall not be construed as a duty.

During the existence of any Event of Default of which it is deemed to have knowledge and which has not been cured, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement and the Lease, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of the prudent person's own affairs.

The Trustee has no obligation or liability to the Owners to make payment of principal, premium, if any, or interest pertaining to the Certificates except from Base Rental

Payments. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights and powers, if it shall have reasonable grounds for believing the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in this Trust Agreement.

The Trustee shall not be deemed to have knowledge of any Event of Default (other than an Event of Default described in Sections 6.01(a)(i) of the Lease) unless and until the Trustee has received written notice of such an Event of Default at its principal corporate trust office.

The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, facsimile, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition, Certificate of the County or Corporation, Written Request of the County or Corporation or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Trustee may consult with counsel with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority or other percentage specified herein in aggregate principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement, except for actions arising from the negligence or willful misconduct of the

Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of Holders pursuant to the provisions of this Trust Agreement unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustee will not incur liability for not performing any act or not fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond its control (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

If the Trustee acts on any communication sent by electronic transmission, the Trustee, absent negligence or willful misconduct, will not be responsible or liable if such communication is not an authorized or authentic communication of the party involved or is not in the form the party involved sent or intended to send (whether due to fraud, distortion or otherwise). The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County and the Corporation agree to assume all risks arising out of the use of such electronic transmission to submit instructions and directions to the Trustee.

ARTICLE IX

AMENDMENT OF OR SUPPLEMENT TO TRUST AGREEMENT

SECTION 9.01 Amendment or Supplement. The Trust Agreement and the rights and obligations of the Corporation and the County and the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.02, are filed with the Trustee. No such amendment or supplement shall (1) change the fixed Certificate Payment Date of any Certificate or reduce the rate of interest represented thereby or extend the time of payment of such interest or reduce the amount of principal represented thereby without the prior written consent of the Owner of the Certificate so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto, or (3) modify any of the rights or

obligations of the Trustee without its prior written consent thereto, or (4) amend this Section 9.01 without the prior written consent of the Owners of all Certificates then Outstanding.

The Trust Agreement and the rights and obligations of the Corporation and the County and the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel and only for any one or more of the following purposes --

(a) to add to the agreements, conditions, covenants and terms required by the Corporation or the County to be observed or performed herein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Corporation or the County, or to surrender any right or power reserved herein to or conferred herein on the Corporation or the County, and which in either case shall not materially adversely affect the interests of the Owners; or

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Corporation or the County may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners; or

(c) to modify, amend or supplement this Trust Agreement or any agreement supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Certificates for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Trust Agreement or any agreement supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute; or

(d) to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest represented by the Certificates for federal income tax purposes.

Copies of any of the amendments listed in this Section 9.01 must be sent by the County to S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investor Service, Inc., 7 World Trade Center at 250 Greenwich Street, 23rd Floor, New York, New York 10007.

SECTION 9.02 Disqualified Certificates. Certificates owned or held by or for the account of the County (but excluding Certificates held in any pension or retirement fund of the County) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article or Section 7.01 hereof, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided

for herein shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

SECTION 9.03 Endorsement or Replacement of Certificates After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee may (but shall not be required to) determine that the Certificates may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of such Certificate for such purpose at the principal corporate trust office of the Trustee in Los Angeles, California a suitable notation as to such action shall be made on such Certificate. If the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Certificates such new Certificates shall be exchanged at the principal corporate trust office of the Trustee in Los Angeles, California without cost to each Owner for Certificates then Outstanding upon surrender of such Outstanding Certificates.

SECTION 9.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Certificates owned by him, provided that due notation thereof is made on such Certificates.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Certificates and Trust Agreement. (a) If the County shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Certificates the interest and principal and premium, if any, represented thereby at the times and in the manner stipulated herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Base Rental Payments as provided herein, and all agreements and covenants of the Corporation, the County and the Trustee to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied except only as provided in subsection (b) and (c) below, provided further, however, that the provisions of Section 10.02 shall apply in all events.

(b) Any Outstanding Certificates shall be deemed to have been paid if there shall be on deposit with the Trustee Defeasance Securities (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to pay the interest and principal and premium, if any, represented by such Certificates payable on their Payment Dates or on any dates of prepayment prior thereto, except that the Owners thereof shall be entitled to the principal, premium and interest represented by such Certificates, and the County shall remain liable for such Base Rental Payments, but only out of such moneys or securities deposited with the Trustee as aforesaid for such payment.

(c) After the payment of all the interest and principal represented by all Outstanding Certificates as provided in this Section, the Trustee shall execute and deliver to the Corporation and the County all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Trust Agreement, and the Trustee shall pay over or deliver

to the County all moneys or securities held by it pursuant hereto which are not required for the payment of the interest and principal and premium, if any, evidenced and represented by such Certificates and any unpaid fees and expenses of the Trustee.

SECTION 10.02 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of the interest, premium, if any, or principal represented by any of the Certificates which remain unclaimed for two (2) years after the date when the payments represented by such Certificates have become payable, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after the date when the interest, premium, if any, and principal represented by such Certificates have become payable, shall be repaid by the Trustee to the County as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the County for the payment of the interest and principal represented by such Certificates.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Benefits of Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation, the County, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Corporation or the County shall be for the sole and exclusive benefit of the Trustee and the Owners.

SECTION 11.02 Successor Deemed Included in all References to Predecessor. Whenever either the Corporation, the County or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Corporation, the County or the Trustee or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Corporation, the County or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Certificates and the amount, payment date, number and date of owning the same may be proved by the books required to be kept by the Trustee pursuant to the provisions of Section 2.07.

Any declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the Corporation or the County or the Trustee in good faith and in accordance therewith.

SECTION 11.04 Waiver of Personal Liability. No member of the Board of Supervisors, officer or employee of the County shall be individually or personally liable for the payment of the interest or principal represented by the Certificates, but nothing contained herein shall relieve any member of the Board of Supervisors, officer or employee of the County from the performance of any official duty provided by any applicable provisions of law or by the Lease or hereby.

SECTION 11.05 Acquisition of Certificates by County. All Certificates acquired by the County, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

SECTION 11.06 Content of Certificates. Every Certificate of the County or of the Corporation with respect to compliance with any agreement, condition, covenant or term contained herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any Certificate of the County or of the Corporation may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the County or the Corporation, upon a representation by an officer or officers of the County or the Corporation, as the case may be, unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 11.07 Funds. Any fund required to be established and maintained herein by the Trustee except the Rebate Fund may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be

treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with current industry standards and with due regard for the protection of the security of the Certificates and the rights of the Owners.

Except for moneys held in the Rebate Fund, the Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Trust Agreement or the Lease.

SECTION 11.08 Article and Section Headings, Gender and References. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding Articles, Sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, subdivision or clause thereof.

SECTION 11.09 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Corporation, the County or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Corporation, the County and the Trustee hereby declare that they would have executed this Trust Agreement, and each and every other Article, Section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.10 California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 11.11 Notices. All written notices to be given hereunder shall be given by mail, overnight mail, courier (or by fax or email to the Trustee) to the party entitled thereto at its address (or fax number or email, if applicable) set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:

County Administrator’s Office
675 Texas Street
Fairfield, CA 94533

If to the Corporation:

Solano County Facilities Corporation, Inc.

c/o Solano County Administrator's Office
675 Texas Street
Fairfield, CA 94533

If to the Trustee:

MUFG Union Bank, N.A.
350 California Street, 15th Floor
San Francisco, CA 94104
Attention: Corporate Trust Services
Fax Number: 415-273-2492
Email: AccountAdministration-CorporateTrust@unionbank.com and
CashControlGroup-LosAngeles@unionbank.com

SECTION 11.12 Nonbusiness Days. When any action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next succeeding Business Day with effect as though performed on the appointed day or within the specified period.

SECTION 11.13 Effective Date. This Trust Agreement shall become effective upon its execution and delivery.

SECTION 11.14 Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

MUFG UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

**SOLANO COUNTY FACILITIES
CORPORATION, INC.**

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

COUNTY OF SOLANO

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

No. _____

\$ _____

SERIES 2017 REFUNDING CERTIFICATE OF PARTICIPATION

Evidencing the Proportionate Interest of the Holder Hereof
in Base Rental Payments to be Made
by the

COUNTY OF SOLANO

to the

SOLANO COUNTY
FACILITIES CORPORATION, INC.

Interest Rate	Payment Date	Dated Date	CUSIP NO.
_____%	November 1, 20__	[September __, 2017]	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS IS TO CERTIFY that the registered owner named above, as the registered owner of this Certificate of Participation (the "Certificate"), is the owner of a proportionate interest in the rights to receive certain Base Rental Payments made by the County of Solano to the Solano County Facilities Corporation, Inc. (as those terms are defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain Lease Agreement (Series 2017 Refunding Certificates of Participation) (the "Lease") dated as of [September 1, 2017], by and between the Solano County Facilities Corporation, Inc. (the "Corporation"), a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California, and the County of Solano (the "County"), a political subdivision of the State of California duly organized and existing under and by virtue of the Constitution and laws of the State of California, all of which rights to receive such Base Rental Payments having been assigned without recourse by the Corporation to MUFG Union Bank, N.A., as trustee (the "Trustee"), a national banking association duly organized and existing under and by virtue of the laws of the United States of America and having a principal corporate trust office in Los Angeles, California.

The registered owner of this Certificate is entitled to receive, subject to the terms of the Lease and any right of prepayment prior thereto hereinafter provided for, on the certificate payment date set forth above (the "Certificate Payment Date"), upon surrender of this Certificate on the Certificate Payment Date or on the date of prepayment prior thereto at the principal

corporate trust office of the Trustee in Los Angeles, California, the principal sum specified above representing the registered owner's proportionate interest in the Base Rental Payments designated as principal components coming due on the Certificate Payment Date, and on each May 1 and November 1 commencing _____ 1, 20__ (the "Interest Payment Date"), the registered owner of this Certificate as shown in the registration books maintained by the Trustee at the close of business on the last day of the month preceding each Interest Payment Date is entitled to receive such registered owner's proportionate interest in the Base Rental Payments constituting interest components accruing [September 1, 2017] to such Certificate Payment Date or the date of prepayment prior thereto, whichever is earlier. Such interest components are the result of the multiplication of the aforesaid portion of the Base Rental Payments designated as principal components by the interest rate per annum stated above calculated on the basis of a 360-day year composed of twelve 30-day months. The interest is payable to the person whose name appears on the certificate registration books of the Trustee as the registered owner hereof as of the close of business on the last day of the month immediately preceding an Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on the date such interest is due to such registered owner at his address as it appears on such registration books. All such amounts are payable in lawful money of the United States of America.

This Certificate is one of the duly authorized certificates of participation entitled, "Series 2017 Refunding Certificates of Participation," which have been executed by the Trustee pursuant to the terms of a Trust Agreement (together with any supplements or amendments thereto, the "Trust Agreement") by and among the Trustee, the Corporation and the County, dated as of [September 1, 2017]. Copies of the Trust Agreement are on file at the principal corporate trust office of the Trustee in Los Angeles, California, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, to which agreements, conditions, covenants and terms the owner hereof, by acceptance hereof, hereby consents.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Lease, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto.

This Certificate is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in the form appearing hereon. Upon such transfer, a new Certificate or Certificates of the same Certificate Payment Date representing the same principal amount will be issued to the transferee in exchange herefor. The Certificates are exchangeable at the principal corporate trust office of the Trustee in Los Angeles, California, for a like aggregate principal amount of Certificates of authorized

denominations of the same Certificate Payment Date, in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement.

The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by this Certificate shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability represented by this Certificate to the extent of the sum or sums so paid.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in denominations of five thousand dollars (\$5,000) each or any integral multiple thereof so long as no Certificate shall represent principal becoming payable on more than one Certificate Payment Date.

The Certificates are subject to prepayment as provided in the Trust Agreement.

The Certificates shall not otherwise be subject to prepayment before their respective stated Certificate Payment Dates.

As provided in the Trust Agreement, notice of prepayment hereof shall be mailed, first class postage prepaid, not less than thirty (30) or more than sixty (60) days before the prepayment date, to the registered owner of this Certificate at its address as it appears on the registration books maintained by the Trustee. If this Certificate is called for prepayment and payment is duly provided herefor as specified in the Trust Agreement, interest represented hereby shall cease to accrue from and after the date fixed for prepayment.

The Certificates each evidence and represent a proportionate interest in the Base Rental Payments in an amount equal to the aggregate principal amount of Certificates originally executed and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of a security interest in the moneys held in the funds established pursuant to the Trust Agreement (except for the Rebate Fund), subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein. The obligation of the County to make the Base Rental Payments is a special obligation of the County, and does not constitute a debt of the County or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

The Trustee has no obligation or liability to the Certificate owners for the payment of the interest or principal represented by the Certificates, but rather the Trustee's sole obligations are to administer, for the benefit of the County and the Corporation and the Certificate owners, the various funds established under the Trust Agreement and the Lease. The Corporation has no obligation or liability whatsoever to the Certificate owners.

The County has certified to the Trustee that all acts, conditions and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate. This is to further certify that the amount of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the amount of Certificates authorized to be executed and delivered thereunder.

IN WITNESS WHEREOF, this Certificate has been dated as of the date set forth above and has been executed by the manual signature of an authorized signatory of the Trustee.

Date of Execution: [September 1, 2017]

MUFG UNION BANK, N.A.
as Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within Certificate and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such Certificate on the Certificate register of the Trustee, with full power of substitution in the premises.

Dated: _____

By _____
Authorized Signatory

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

Signature(s) must be guaranteed by
an eligible guarantor institution.

ESCROW AGREEMENT

By and between

COUNTY OF SOLANO

and

MUFG UNION BANK, N.A., as Escrow Agent

Relating to \$[PAR]

SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

Dated as of [September 1, 2017]

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ESCROW AGREEMENT

2017 Refunding Certificates of Participation

This ESCROW AGREEMENT (the "Escrow Agreement"), made and entered into as of [September 1, 2017], by and among the County of Solano (the "County"), and MUFG Union Bank, N.A., a national banking association organized and existing under the laws of the United States of America having a corporate trust office in San Francisco, California, and being qualified to accept and administer the escrows hereby created (the "Escrow Agent") and the Prior Trustee (as hereinafter defined),

WITNESSETH:

WHEREAS, the County has heretofore entered into that certain Amended and Restated Lease Agreement, dated as of February 1, 2007 (the "Prior Agreement"), by and between the County and the Solano County Facilities Corporation, Inc. (the "Corporation"), pursuant to which it agreed to make certain Lease Payments (the "Prior Lease Payments") of which \$[_____] principal amount remains unpaid; and

WHEREAS, the Prior Lease Payments were assigned to Union Bank of California, N.A. (now known as MUFG Union Bank, N.A.) (the "Prior Trustee") for the holders of certain certificates of participation therein (the "Prior Certificates") pursuant to that certain Amended and Restated Trust Agreement, dated as of February 1, 2007 by and among the County, the Corporation and the Prior Trustee (the "Prior Trust Agreement"); and

WHEREAS, the County has determined to cause the execution and delivery of the 2017 Refunding Certificates of Participation (the "Certificates") for the purpose, among other purposes, of providing moneys which will be sufficient (when combined with moneys to be provided from other sources and with the interest earnings on the combined moneys) to provide for the payment when due of a prescribed portion of the Prior Lease Payments, including said \$[_____] in principal amount of the Prior Lease Payments, together with \$[_____] of interest components of the Prior Lease Payments related thereto and including November 1, 2017, the prepayment date thereof (the sum of such amounts are hereinafter referred to as the "Prepayment Price"); and

WHEREAS, a portion of the proceeds of the Certificates will be set aside in order to provide for the payment of the Prepayment Price of the Prior Lease Payments, such proceeds to be deposited in a special escrow fund to be created hereunder to be known as the Refunding Escrow to be maintained by the Escrow Agent (the "Refunding Escrow"); and

WHEREAS, the County has taken action to cause to be delivered to the Escrow Agent for credit to the Refunding Escrow certain securities consisting of direct obligations of, or obligations, the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America (the "Investment Securities"), all as listed on Schedule I attached hereto and made a part hereof, in an amount which, together with

income or increment to accrue on such securities, have been certified by [Verification Agent], to be sufficient to pay when and as due the Prepayment Price of the Prior Lease Payments;

NOW, THEREFORE, the County and the Escrow Agent hereby agree as follows:

Section 1. Establishment and Maintenance of Refunding Escrow. The Escrow Agent agrees to establish and maintain, until the Prior Lease Payments have been paid in full, a fund designated as the "Refunding Escrow," and to hold the securities, investments and moneys therein at all times as a special and separate escrow fund (wholly segregated from all other securities, investments or moneys on deposit with the Escrow Agent). All securities, investments and moneys in the Refunding Escrow are hereby irrevocably pledged, subject to the provisions of Section 2 hereof, to secure the payment when due of the principal of and the interest and prepayment premiums on the Prior Lease Payments.

Section 2. Funding and Investment of the Refunding Escrow.

(a) To establish funding of the Refunding Escrow, the County agrees that on [September __, 2017] (the "Closing Date"), the County will cause the amount of \$[_____] to be transferred to the Escrow Agent from the proceeds of the Certificates for deposit in the Refunding Escrow. The County hereby directs the Prior Trustee to transfer to the Escrow Agent for deposit in the Refunding Escrow the amount of \$[_____] from the Prior Trust Agreement comprised of \$_____ from the _____ Fund/Account and \$_____ from the Fund/Account.

(b) The County hereby directs the Escrow Agent to purchase, for the account of the Refunding Escrow, the Investment Securities listed on Schedule I hereto. Except as otherwise provided in this section, the Escrow Agent shall not reinvest any remaining portion of the Refunding Escrow and shall hold such portion uninvested in the Refunding Escrow. The Escrow Agent is hereby authorized and empowered to deposit uninvested moneys held hereunder from time to time in demand deposit accounts, without payment for interest thereon, as provided hereunder, established with itself or at commercial banks that are corporate affiliates of the Escrow Agent.

(c) Upon the written direction of the County, but subject to the conditions and limitations herein set forth, the Escrow Agent shall purchase substitute Investment Securities with the proceeds derived from the sale, transfer, redemption or other disposition of Investment Securities then on deposit in the Refunding Escrow in accordance with the provisions of this Section 2(c). Such sale, transfer, redemption or other disposition of such Investment Securities then on deposit in the Refunding Escrow and substitution of other Investment Securities of the County are permitted hereunder but only by a simultaneous transaction and only if: (i) a nationally recognized firm of Independent Certified Public Accountants shall certify that (a) the Investment Securities to be substituted, together with the Investment Securities which will continue to be held in the Refunding Escrow, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Investment Securities held in the Refunding Escrow together with any uninvested moneys, to make all payments required by

Section 3 hereof which have not previously been made, and (b) the amounts and dates of the anticipated payments by the Escrow Agent of the Prepayment Price will not be diminished or postponed thereby, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized bond counsel to the effect that the sale, transfer, redemption or other disposition and substitution of Investment Securities will not adversely affect the exclusion of interest on the Certificates or the Prior Certificates from gross income for federal income tax purposes.

(d) Upon the written direction of the County, but subject to the conditions and limitations herein set forth, the Escrow Agent will apply any moneys received from the maturing principal of or interest or other investment income on any Investment Securities held in the Refunding Escrow, or the proceeds from any sale, transfer, redemption or other disposition of Investment Securities pursuant to Section 2(c) not required for the purposes of said Section, as follows: (A) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 3 hereof, as shall be certified to the Escrow Agent by a nationally recognized firm of Independent Certified Public Accountants, such moneys shall be paid over to the County upon the written direction of the County as received by the Escrow Agent, free and clear of any trust, lien, pledge or assignment securing the Prior Lease Payments or otherwise existing hereunder or under the Prior Agreement after provision for payment of amounts due the Prior Trustee, and the Escrow Agent pursuant to Section 5 and 12 hereof; and (B) to the extent such moneys will be required for such purpose at a later date, shall, to the extent practicable, be invested or reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the Prepayment Price (provided that (i) the amount of the funds to be realized from time to time from such investment or reinvestment shall be certified by a nationally recognized firm of Independent Certified Public Accountants and (ii) the County shall deliver to the Escrow Agent an opinion of nationally recognized bond counsel to the effect that such investment or reinvestment will not adversely affect the exclusion of interest on the Certificates or the Prior Certificates from gross income for federal income tax purposes).

(e) The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Agreement and in full compliance with the provisions hereof.

Section 3. [Payment and Prepayment of the Prior Lease Payments](#). Except as otherwise provided in Section 2, the County hereby requests and irrevocably instructs the Escrow Agent to notify the holders of the Prior Certificates that the Prior Lease payments and the Prior Certificates will be prepaid on November 1, 2017 as provided in the Prior Trust Agreement, and to deposit in the Refunding Escrow the principal of and interest on the Investment Securities held for the account of the Refunding Escrow promptly as such principal and interest become due, and to transfer, subject to the provisions of Section 2 hereof, such principal and interest, together with any other moneys and the principal of and interest on any other securities deposited in the Refunding Escrow, to the Prior Trustee for the payment of the Prior Lease Payments when due to and including November 1, 2017, and to prepay the remaining unpaid Prior Lease Payments (including the prepayment penalty thereon) on said date. Upon payment in full of the Prior Lease Payments, the Escrow Agent shall transfer any moneys or securities remaining in the Refunding Escrow to the County and, after provision for payment of amounts due the Prior Trustee under the Prior Trust Agreement and the Escrow Agent

pursuant to Section 5 and 12 hereof, this Agreement shall terminate. The Refunding Escrow cash flow is set forth in Schedule II attached hereto.

Section 4. [Notice of Prepayment](#) [Notice of prepayment shall be given by first-class mail, postage prepaid, not less than thirty (30) days but not more than sixty (60) days, prior to the date of prepayment, to the Owners of the outstanding Prior Certificates to be prepaid, and to the Information Services and by registered or certified or overnight mail to the Securities Depositories at least thirty (30) days but not more than sixty (60) days prior to the prepayment date. Such mailing shall not be a condition precedent to such prepayment, and failure to mail any such notice, failure of an Owner to receive such notice, or any defect in such notice as mailed, shall not affect the validity of the proceedings for the prepayment of the outstanding Prior Certificates. Such notice shall be in the form attached as Exhibit A hereto.]

Section 5. [Notice of Possible Deficiencies](#). If at any time the Escrow Agent has actual knowledge that the moneys in the Refunding Escrow, including the anticipated proceeds of the Investment Securities, will not be sufficient to make all payments required by Section 3 hereof, the Escrow Agent shall notify the County in writing as soon as is reasonably practicable, of such fact, the amount of such deficiency and if known, the reason therefor.

Section 6. [Fees and Costs](#).

(a) The County shall pay to the Escrow Agent from time to time reasonable compensation for all services rendered under this Agreement. The parties hereto agree that the duties and obligations of the Escrow Agent shall be as expressly provided herein, and no implied duties or obligations shall be read into this Agreement against the Escrow Agent.

(b) The Escrow Agent shall also be entitled to additional fees and reimbursements for costs incurred, including but not limited to legal and accountants' services, involving this Agreement.

(c) The fees of and the costs incurred by the Escrow Agent shall in no event be deducted or payable from, or constitute a lien against, the Refunding Escrow.

Section 7. [Merger or Consolidation](#). Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Agreement, shall be the successor of such Escrow Agent without the execution or filing of any paper or any further act, notwithstanding anything herein to the contrary.

Section 8. [Resignation of Escrow Agent](#). The Escrow Agent may at any time resign by giving written notice to the County of such resignation. The County shall promptly appoint a successor Escrow Agent. Resignation of the Escrow Agent will be effective only upon acceptance of appointment of a successor Escrow Agent. If the County does not appoint a successor within 30 days after receiving notice from the Escrow Agent, the Escrow Agent may

petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the County may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the County appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the County shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

Section 9. [Severability](#). If any section, paragraph, sentence, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provisions shall not affect any of the remaining provisions of this Agreement.

Section 10. [Execution of Counterparts](#). This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 11. [Applicable Law](#). This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 12. [Indemnification](#). The County agrees to indemnify, hold harmless and defend the Escrow Agent, its officers, directors, employees and agents to the maximum extent permitted by law from and against any and all losses, damages, claims, actions, liabilities, costs and expenses of whatever nature, kind or character (including, without limitation, attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) which may be imposed on, or incurred by or asserted against the Escrow Agent directly or indirectly arising out of or related to any claim, suit, investigation, proceeding or action commenced or threatened as a result the execution by the Escrow Agent of this Agreement, the performance of its obligations hereunder, or of the payment of the prescribed Prior Lease Payments. This indemnification shall apply whether any such claim, suit, investigation, proceeding or action is based upon (i) the interference with or breach of or alleged interference with or alleged breach of any existing contract in connection with the prescribed Prior Lease Payments, (ii) any untrue statement or alleged untrue statement of a material fact or omission required to be stated in any offering document with respect to the Prior Certificates necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (iii) any other wrongful act or alleged wrongful act of the County related to the payment of the Prior Lease Payments; provided, however, that this indemnification shall not cover any losses or expenses incurred by the Escrow Agent as a result of its negligence or willful misconduct. In addition to the foregoing, the prevailing party in any lawsuit shall be entitled to attorneys' fees and costs incurred in any judgment proceeding to collect or enforce the judgment. This provision is separate and severable and shall survive the merger of this Agreement into any judgment on this Agreement.

The agreements of the County hereunder shall survive the discharge of the Prior Trust Agreement and the Prior Agreement and the delivery of and payment for the Certificates.

Section 13. Immunities and Liability of Escrow Agent.

(a) The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in this Escrow Agreement, and no implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent.

(b) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages, even if the Escrow Agent or the County knows of the possibility of such damages. The Escrow Agent shall have no duty or responsibility under this Escrow Agreement in the case of any default in the performance of the covenants or agreements contained in the Prior Agreement or the Prior Trust Agreement or in the case of any default by any other party in the performance of the covenants or agreements contained in the Prior Agreement or the Prior Trust Agreement. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(c) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the County) 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.

(d) The Escrow Agent shall not be responsible for any of the recitals or representation contained herein, in the Prior Agreement or the Prior Trust Agreement.

(e) The Escrow Agent may become the owner of, or acquire any interest in, any of the Prior Certificates with the same rights that it would have if it were not the Escrow Agent and may engage or be interested in any financial or other transaction with the County.

(f) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or securities deposited with it to pay the prescribed Prior Lease Payments.

(g) The Escrow Agent shall not be liable for any action or omission of the County under this Escrow Agreement, the Prior Agreement, or the Prior Trust Agreement.

(h) Whenever in the administration of this Escrow Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, the Escrow Agent may request, and such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of any authorized representative of the County, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered in good faith by it under the provisions of this Escrow Agreement.

(i) The Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided to it in connection with this Escrow Agreement and shall be protected in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Escrow Agent in compliance with this Escrow Agreement and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(j) No provision hereunder shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Escrow Agent shall furnish the County periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the County. Upon the County's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The County waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The County further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 14. [Termination and Modification of Agreement](#). Upon final payment in full of the principal of and interest on the Prior Lease Payments pursuant to this Escrow Agreement and all of the fees and expenses of the Escrow Agent as described above, all obligations of the Escrow Agent under this Agreement shall cease and terminate, except for the obligation of the County to compensate and to indemnify the Escrow Agent and the obligation of the Escrow Agent to pay or cause to be paid to the Owners of the Prior Certificates not so surrendered and paid all sums due with respect thereto; provided, however, the obligations of the Escrow Agent with respect to the payment of the Prior Lease Payments shall cease and terminate two (2) years after the date on which the same shall have become due as described hereunder. This Agreement may not be amended or modified without the unanimous prior written consent of the Owners of the Prior Certificates as provided in the Prior Trust Agreement.

IN WITNESS WHEREOF, the County of Solano and MUFG Union Bank, N.A., have caused this Escrow Agreement to be executed each on its behalf by duly authorized officers as of the day and year first above written.

COUNTY OF SOLANO

By _____
[County Administrator]

MUFG UNION BANK, N.A.,
as Escrow Agent and Prior Trustee

By _____
Authorized Representative

DRAFT

SCHEDULE I

INVESTMENT SECURITIES

<u>Security</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Coupon Rate</u>
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DRAFT

SCHEDULE II
REFUNDING ESCROW CASH FLOW

Escrow Cash Flow

*County of Solano
2017 Refunding Certificates of Participation*

<u>Date</u>	<u>Beginning Cash Balance</u>	<u>Receipts from Acquired Obligations</u>	<u>Debt Service Requirements of the Prior Certificates to Early Redemption</u>	<u>Ending Cash Balance</u>
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DRAFT

EXHIBIT A

FORM OF NOTICE OF PREPAYMENT

[To come]

DRAFT

7/19/2017

\$ _____
COUNTY OF SOLANO
SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

CERTIFICATE PURCHASE AGREEMENT

August __, 2017

County of Solano
675 Texas Street
Fairfield, California 94533

Solano County Facilities Corporation, Inc.
675 Texas Street
Fairfield, California 94533

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the “*Underwriter*”) offers to enter into this Certificate Purchase Agreement (the “*Purchase Agreement*”) with the County of Solano, a public agency organized and existing under the Constitution and laws of the State of California (the “*County*”) and the Solano County Facilities Corporation, Inc., a nonprofit public benefit corporation, organized and existing under the laws of the State of California (the “*Corporation*”), and, which upon acceptance will be binding upon the County, the Corporation, and the Underwriter. This offer is made subject to the acceptance by the County and the Corporation on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the County and the Corporation at any time prior to such acceptance.

Capitalized terms used and not defined herein shall have the same meanings as set forth in the Trust Agreement relating to the Certificates dated as of September 1, 2017 (the “*Trust Agreement*”), by and among the Corporation, the County, and MUFG Union Bank, N.A., as Trustee (the “*Trustee*”).

Section 1. Purchase, Execution, and Delivery of the Certificates.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter, hereby agrees to purchase from the County, and the County hereby agrees to cause to be executed by the Trustee and delivered to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of County of Solano Series 2017 Refunding Certificates of Participation (the “*Certificates*”). The Certificates are dated the Closing Date (defined herein) and shall have the maturities and bear interest at the rates and on the dates set forth in Schedule I hereto. The purchase price for the Certificates shall be \$_____, which is ____% of the principal amount of the Certificates (being the principal amount of the Certificates, plus a net original premium of \$_____ and less an Underwriter’s discount of \$_____). The Certificates shall be substantially in the form described in, shall be executed and secured under the provisions of, and shall be payable as provided in, the Trust Agreement. The Certificates are subject to prepayment as provided in the Trust Agreement.

(b) The County and the Corporation each acknowledge and agree that (i) the purchase and sale of the Certificates pursuant to this Purchase Agreement is an arm's-length commercial transaction among the County and the Corporation, and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the County or the Corporation; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the County or the Corporation with respect to the offering of the Certificates or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the County on other matters) nor has it assumed any other obligation to the County except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the County and the Corporation; and (v) the County and the Corporation have consulted with their own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Certificates.

(d) The County hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

[(e) The Underwriter shall deliver to the County, as promptly as practical but in no event later than the Closing Date (defined herein) a post pricing analysis which shall include, by maturity, the orders, net designations, investor and allocations. Within 60 days following the Closing Date, the Underwriter shall deliver to the County information satisfactory to the County regarding net designations.]

Section 2. Public Offering. It shall be a condition to the obligation of the Underwriter to purchase, accept delivery of, and pay for the Certificates that the entire \$____,000 principal amount of the Certificates authorized by the Trust Agreement shall be executed and delivered to the Underwriter on the Closing Date. The Underwriter agrees to make a bona fide public offering of all the Certificates at a price not in excess of respective price, or a yield not lower than the respective yield, set forth on the cover page of the Official Statement, plus interest accrued thereon, if applicable, from the date of the Certificates. The Underwriter reserves the right to make concessions to dealers and to change such initial public offering prices or yields as the Underwriter reasonably deems necessary in connection with the marketing of the Certificates. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

Section 3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the County in establishing the issue price of the Certificates and shall execute and deliver to the County at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the County and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) [Except as otherwise set forth in Schedule ____ to Exhibit A, the County will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the County and PFM Financial Advisors LLC, as the

municipal advisor to the County (the “*Municipal Advisor*”) the price or prices at which it has sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Underwriter agrees to promptly report to the County and the Municipal Advisor the prices at which it sells the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

[Schedule to Exhibit A and subsection (c) shall apply only if the Underwriter agrees to apply the hold-the-offering-price rule, as described below.]

(c) The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the “*initial offering price*”), or at the corresponding yield or yields, set forth in Schedule to Exhibit A, except as otherwise set forth therein. Schedule to Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the County and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “*hold-the-offering-price rule*”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the County or the Municipal Advisor when it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The County acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(e) The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this Section 3:

(i) “*public*” means any person other than an underwriter or a related party;

(ii) “*underwriter*” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public);

(iii) a purchaser of any of the Certificates is a “*related party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “*sale date*” means the date of execution of this Purchase Agreement by all parties.

Section 4. The Certificates.

(a) The Certificates shall be dated their date of delivery and shall have the maturities and bear interest at the rates per annum and have the yields all as set forth on Schedule I hereto. The Certificates shall be as described in and shall be secured under and issued pursuant to the Trust Agreement, and shall be payable and subject to prepayment as provided in the Trust Agreement and as described in the Official Statement (defined herein).

(b) The Certificates evidence proportionate interests in Base Rental Payments to be made by the County pursuant to a Lease Agreement dated as of September 1, 2017 (the “*Lease Agreement*”) between the Corporation, as lessor, and the County, as lessee, the for the use of certain real property located in the County and described in the Lease (the “*Leased Property*”). The County and the Corporation will enter into a Site Lease dated as of September 1, 2017 (the “*Site Lease*”) pursuant to which the County, as lessor, will lease the Leased Property to the Corporation, as lessee. Pursuant to an Assignment Agreement dated as of September 1, 2017 (the “*Assignment Agreement*”) between the Corporation and the Trustee, the Corporation has assigned to the Trustee, for the benefit of the owners of the Certificates, its rights and remedies under the Lease Agreement, including its rights to amounts payable by the County thereunder. The Certificates are being executed and delivered to provide funds to: (i) cause a current refunding of all of the outstanding County of Solano 2007 Certificates of Participation (the “*2007 Certificates*”), and (ii) pay certain expenses in connection with the delivery of the Certificates.

A portion of the proceeds from the sale of the Certificates will be deposited by the County Agency in an irrevocable escrow account (the “*Refunding Escrow*”) established pursuant to an escrow agreement dated as of September 1, 2017 (the “*Escrow Agreement*”), by and between the County and MUFG Union Bank, N.A., as escrow agent (the “*Escrow Agent*”) to prepay the 2007 Certificates.

Section 5. Preliminary Official Statement and Continuing Disclosure.

(a) The County has delivered to the Underwriter a Preliminary Official Statement dated August __, 2017, including the cover page, all appendices thereto, information incorporated by reference, if any, and any supplements or amendments thereto disseminated in printed or electronic form (the "*Preliminary Official Statement*") and hereby certifies that such Preliminary Official Statement was deemed "final" as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("*Rule 15c2-12*"), except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. Prior to the date hereof the County delivered a certificate to the Underwriter in substantially the form attached as Exhibit B:

(b) The County shall prepare and deliver to the Underwriter, as promptly as practical but in any event not later than two business days prior to the Closing Date (defined herein) or seven business days from the date hereof, a final official statement with respect to the Certificates, with such changes and amendments as may be agreed to by the Underwriter, in such quantities as the Underwriter may reasonably request in order to comply with paragraph (b)(4) Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "*MSRB*") (such official statement, including the cover page and Appendices thereto, as the same may be supplemented or amended pursuant to this Purchase Agreement is referred to as the "*Official Statement*").

(c) The Underwriter agrees that from the time the Official Statement becomes available until the earlier of (i) 90 days from the "*end of the underwriting period*," as defined in Section 6(j), or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the end of the underwriting period, the Underwriter shall send no later than the next business day following a request for a copy thereof, by first class mail or other equally prompt means, to any Potential Customer, as defined in Rule 15c2-12, on request, a single copy of the Official Statement. The Underwriter agrees to file as soon as reasonably practicable a copy of the Official Statement, including any supplements prepared by the County or the Corporation, with the MSRB on its Electronic Municipal Markets Access ("*EMMA*") system. In addition, the County will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the final Official Statement to the Underwriter in the currently required designated electronic format stated in MSRB Rule G-32 and the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information by underwriters under Rule G-32(b). The parties agree that the format in which the Preliminary Official Statement was delivered meets such electronic format requirements.

(d) The County hereby covenants and agrees that it will, on or prior to the Closing Date, enter into an agreement for the benefit of the owners of the Certificates in which the County will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of the Rule substantially in the applicable form in Appendix F to the Official Statement (the "*Continuing Disclosure Agreement*").

Section 6. Representations, Warranties and Agreements of the County. The County represents, warrants and covenants with the Underwriter that:

(a) The County is, and will be on the Closing Date, a public agency organized and existing under the Constitution and laws of the State of California, with full legal right, power and authority to authorize the execution, sale and delivery of the Certificates pursuant to the Trust Agreement and execute,

deliver and perform its obligations, as the case may be, under the Trust Agreement, the Lease Agreement, the Site Lease, this Purchase Agreement, the Escrow Agreement, the Tax and Non-Arbitrage Certificate dated as of the date of the initial delivery of the Certificates, and the Continuing Disclosure Agreement (collectively, the “*County Agreements*”) and to carry out and consummate all transactions contemplated by each of the County Agreements and the Official Statement, and compliance with the provisions of the County Agreements will not materially conflict with or constitute a material breach of or default under any applicable constitutional provision, law, charter provision, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the County is a party or may be otherwise subject;

(b) At the time of the acceptance hereof by the County, and (unless an event occurs of the nature described in Section 6(h)) and at all times during the period from the date of this Purchase Agreement to and including the date which is 25 days following the end of the underwriting period for the Certificates), the statements and information contained in the Preliminary Official Statement as of its date, and the Official Statement as of its date (excluding statements and information under the captions “THE CORPORATION” and “UNDERWRITING” and contained in APPENDIX E–“DTC AND THE BOOK-ENTRY SYSTEM,” and information as to bond prices on the cover of the Official Statement) are true, correct and complete in all material respects, and do not or will not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(c) The County has duly authorized the execution and delivery of the County Agreements and when executed and delivered, the County Agreements, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the County enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally;

(d) Except as disclosed in the Official Statement, the County is not in violation or breach of or default under any applicable law or administrative regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a violation or a breach of or a default under any such instrument which violation, breach or default would materially adversely affect the County’s ability to perform its obligations under the County Agreements;

(e) At the date hereof and as of the Closing Date, the County will be in compliance in all respects with the material covenants and agreements contained in the County Agreements, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) To the best knowledge of the County, after due investigation, other than as set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the County (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the County or the title of any official of the County to such person’s office, or (ii) seeking to restrain or enjoin the execution, sale or delivery of the Certificates, or (iii) in any way contesting or affecting the validity or enforceability of the County Agreements, or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement, or (v) contesting the power of the County or its authority with respect to the Certificates or the County Agreements, or (vi) contesting the exclusion of interest on the

Certificates from gross income for Federal income tax purposes; nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the County Agreements or the authorization, execution, delivery or performance by the County of the County Agreements;

(g) All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the County of its obligations under the County Agreements have been duly obtained or made, and are, and will be as of the Closing Date, in full force and effect;

(h) If between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates (as defined in Section 6(j)), an event occurs, or facts or conditions become known of which the County has knowledge which in the reasonable opinion of Schiff Hardin LLP (“*Underwriter’s Counsel*”) or the County Counsel, might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect, the County will notify the Underwriter, and, if in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriter (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect. If such notification shall be subsequent to the Closing Date, the County shall forthwith provide to the Underwriter such certificates as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates, the County will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(i) If the information contained in the Official Statement is amended or supplemented pursuant to Section 6(h), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the end of the underwriting period for the Certificates, the portions of the Official Statement so supplemented or amended (excluding statements and information under the captions “THE CORPORATION” and “UNDERWRITING” and contained in APPENDIX E–“DTC AND THE BOOK-ENTRY-ONLY SYSTEM,” and information as to bond prices on the cover of the Official Statement) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect;

(j) As used herein and for the purposes of the foregoing, the term “*end of underwriting period*” for the Certificates shall mean the earlier of (i) the Closing Date unless the County shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the end of the underwriting period for the Certificates has occurred under Rule 15c2-12, provided, however, that the County may treat as the end of the underwriting period for the Certificates the date specified as such in a notice from the Underwriter stating the date which is the end of the underwriting period;

(k) The County will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter which the Underwriter may reasonably request in order for the Underwriter to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions; provided, however, that in no event shall the County be required to take any action which would subject it to service of process in any jurisdiction in which it is not now subject;

(l) The County will comply with the requirements of the Tax and Non-Arbitrage Certificate executed by the County in connection with the delivery of the Certificates;

(m) Any certificate signed by any officer of the County and delivered to the Underwriter pursuant to the Trust Agreement, the Lease Agreement, or this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(n) To the best knowledge of the County, there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the Official Statement, the County Agreements, or the Certificates, or the validity or enforceability of the Certificates;

(o) The financial statements of the County contained in the Official Statement as Appendix B fairly present the financial positions and results of operations thereof as of the dates and for the periods therein set forth, and the County has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; and

(p) On or prior to the Closing Date, the County shall have duly authorized, executed and delivered the Continuing Disclosure Agreement, and as of the date of this Purchase Agreement (other than as described in the Official Statement), the County is in material compliance with all prior written undertakings to provide continuing disclosure.

Section 7. Representations, Warranties and Agreements of the Corporation. The Corporation represents, warrants and covenants with the Underwriter that:

(a) The Corporation is, and will be on the Closing Date, a nonprofit public benefit corporation duly organized and validly existing under and pursuant to the laws of the State of California, with full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under the Trust Agreement, the Lease Agreement, the Site Lease, this Purchase Agreement, and the Assignment Agreement (collectively, the "*Corporation Agreements*"), to carry out and consummate all transactions contemplated by each of the Corporation Agreements and the Official Statement, and compliance with the provisions of the Corporation Agreements will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Corporation is a party or may be otherwise subject;

(b) At the time of acceptance hereof by the Corporation, and (unless an event occurs of the nature described in Section 7(h)) at all times during the period from the date of this Purchase Agreement to and including the date which is 25 days following the end of the underwriting period for the Certificates (as determined in accordance with Section 7(j)), the statements and information contained in

the Preliminary Official Statement and the Official Statement under the caption "THE CORPORATION" are true, correct and complete in all material respects and such statements with respect to the Preliminary Official Statement do not, and with respect to the Official Statement will not, omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading;

(c) The Corporation will duly execute and deliver the Corporation Agreements on the Closing Date, has duly authorized and approved the Preliminary Official Statement, has duly authorized and approved the execution and delivery of the Corporation Agreements, and when executed and delivered, the Corporation Agreements, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the Corporation enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(d) To the best of its knowledge, the Corporation is not in violation or breach of or default under any applicable law or administrative rule or regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both would constitute a violation or a breach of or a default under any such instrument;

(e) As of the date hereof and as of the Closing Date, the Corporation will be in compliance in all respects with the material covenants and agreements contained in the Corporation Agreements and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) To the best knowledge of the Corporation, after due investigation, other than as set forth in the Official Statement or as the Corporation has otherwise disclosed to the Underwriter, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the Corporation, (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the Corporation or the title of any official of the Corporation to such person's office, or (ii) seeking to restrain or enjoin the execution, sale or delivery of the Certificates, or the assignment by the Corporation of its rights under the Lease Agreement, or (iii) in any way contesting or affecting the validity or enforceability of the Corporation Agreements or the Certificates, or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement, or (v) contesting the power of the Corporation or its authority with respect to the Certificates or the Corporation Agreements, or (vi) contesting the exclusion of interest on the Certificates from gross income for Federal income tax purposes; nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Corporation Agreements or the authorization, execution, delivery or performance by the Corporation of the Certificates or the Corporation Agreements;

(g) To the best of its knowledge, all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the Corporation of its obligations under the Corporation Agreements or the Certificates have been duly obtained or made, and are, and will be at the time of Closing, in full force and effect;

(h) If between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates (as defined in Section 7(j) herein), an event occurs, or facts or conditions become known to the Corporation which, in the reasonable opinion of Underwriter's Counsel or the General Counsel to the Corporation, might or would cause the information contained in the Official Statement relating to the Corporation, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect, the Corporation will notify the Underwriter, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation will forthwith prepare and furnish to the Underwriter (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect with respect to the information of the Corporation. If such notification shall be subsequent to the Closing, the Corporation shall forthwith provide to the Underwriter such legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates, the Corporation will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(i) If the information contained in the Official Statement relating to the Corporation is amended or supplemented pursuant to Section 7(h), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the end of the underwriting period for the Certificates, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect;

(j) As used herein and for the purposes of the foregoing, the term "*end of the underwriting period*" for the Certificates shall mean the earlier of (i) the Closing Date unless the Corporation shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the end of the underwriting period for the Certificates has occurred under Rule 15c2-12, provided, however, that the Corporation may treat as the end of the underwriting period for the Certificates the date specified as such in a notice from the Underwriter stating the date which is the end of the underwriting period; and

(k) Any certificate signed by any officer of the Corporation and delivered to the Underwriter pursuant to the Indenture or this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same.

Section 8. Closing. At 8:00 a.m., California time, on September __, 2017, or at such earlier or later time or date as shall be agreed by the County, the County and the Underwriter (such time and date being herein referred to as the "*Closing Date*"), the County will deliver or cause to be delivered to The Depository Trust Company in New York, New York ("*DTC*") by the initial deposit with the Trustee (in care of DTC) through the Fast Automated Securities Transfer ("*F.A.S.T.*") System, and will deliver or cause to be delivered at the offices of Orrick, Herrington & Sutcliffe LLP ("*Special Counsel*") in San

Francisco, California, or such other place as shall have been mutually agreed upon by the parties, the other documents described herein; and the Underwriter shall will accept delivery and pay the purchase price of the Certificates as set forth in Section 1 of this Purchase Agreement to the order of the Trustee in immediately available funds.

The Certificates shall be executed and delivered in fully registered form. It is anticipated that CUSIP identification numbers will be inserted on the Certificates but neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Agreement. Upon initial issuance, the ownership of such Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee for DTC.

Section 9. Right to Terminate. Between the date hereof and the Closing Date, the Underwriter has the right to terminate its obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates by notifying the County of its election to do so if, after the execution hereof and prior to the Closing:

(a) (i) Legislation (including any amendments thereto) shall have been introduced in or adopted by either House of Congress of the United States or recommended to Congress or otherwise endorsed for passage by the President of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on ways and means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any staff of such committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code shall be filed in either house, or (ii) a decision shall have been rendered by any federal or state court, or (iii) an order, filing, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii), or (iv), would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Certificates or upon income of the general character to be derived by the County, other than as imposed on the Certificates and income therefrom under the federal tax laws in effect on the date hereof, in such manner as in the judgment of the Underwriter would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Certificates on the terms and in the manner contemplated in the Official Statement;

(b) The outbreak or declaration of war, institution of a police action, engagement in military hostilities by the United States, or any escalation of any existing conflict or hostilities in which the United States is involved or the occurrences of any other national emergency or calamity or crisis or any change in financial markets resulting from the foregoing, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Certificates;

(c) (i) The Constitution of the State of California shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of California law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of California by an official, agency or department thereof, affecting the tax status of the County, its property or income, its notes or bonds (including the Certificates) or the interest thereon, which in the reasonable judgment of the Underwriter would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Certificates on the terms and in the manner contemplated in the Official Statement;

(d) The imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Certificates;

(e) Any actions shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Certificates, or any action shall have been taken by any court or by any governmental authority suspending the offering or sale of the bonds or the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority;

(f) Action by or on behalf of the State or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon such interest as would be received by the Owners of the Certificates;

(g) The occurrence of, or any notice given of, any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any obligations of the County (including the rating to be issued with respect to the Certificates);

(h) The marketability or the market price of the Certificates in the opinion of the Underwriter has been materially and adversely affected by the disruptive events, occurrences or conditions in the securities debt markets;

(i) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(j) Any change or development involving a prospective change in the condition of the County, financial or otherwise, or in the operations of the County from those set forth in the Official Statement that, in the reasonable judgment of the Underwriter, would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Certificates on the terms and in the manner contemplated in the Official Statement.

Section 10. Conditions to the Obligations of the Underwriter. The Underwriter hereby enters into this Purchase Agreement in reliance upon the representations and warranties of the County and the Corporation contained herein, the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the County, the Corporation, and the Trustee of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties of the County and the Corporation contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the County, the Corporation, and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the

County, the Corporation, and the Trustee of their respective obligations to be performed hereunder and under the County Agreements and Corporation Agreements at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven business days after the date hereof, copies of the Official Statement (including all information permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter) in such reasonable quantity as the Underwriter shall have requested.

(b) On the Closing Date, the County Agreements and the Corporation Agreements shall have been duly authorized, executed and delivered by the County and the Corporation, respectively, all in substantially the forms previously submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and such County Agreements and Corporation Agreements shall be in full force and effect; and there shall be in full force and effect such resolutions of the Board of Supervisors of the County and of the Board of Directors of the Corporation as, in the opinion of Special Counsel are necessary or appropriate in connection with the transactions contemplated hereby;

(c) At or prior to the Closing Date, all necessary actions of the Corporation relating to the execution and delivery of the Certificates will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(d) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) County Agreements, Resolution and Approvals. The County Agreements, each duly executed by the respective parties thereto, and a certified copy of the County Resolution (defined herein);

(ii) Corporation Agreements, Resolution and Approvals. The Corporation Agreements, each duly executed and delivered by the respective parties thereto, and certified copy of the Corporation Resolution (defined herein);

(iii) Official Statement. A copy of the Official Statement, executed on behalf of the County by an authorized representative or representative of the County;

(iv) Opinion of Special Counsel. The approving opinion of Special Counsel, dated the Closing Date and addressed to the County, in substantially the form attached to the Official Statement as Appendix D, and a letter of such counsel, dated the Closing Date and addressed to the Underwriter to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(v) Supplemental Opinion of Special Counsel. The supplemental opinion of Special Counsel, dated the Closing Date and addressed to the Underwriter, substantially to the effect that: (A) this Purchase Agreement has been duly executed and delivered by the County and is a valid and binding agreement of the County, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; (B) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (C) the statements contained in the Official Statement under the captions "THE CERTIFICATES," "SECURITY FOR THE CERTIFICATES" (excluding information under the caption "The Leased Property") and "TAX MATTERS"

and Appendix C and Appendix D, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Certificates, the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement, and the form and content of the final opinion of Special Counsel are accurate in all material respects;

(vi) *Defeasance Opinion of Special Counsel.* An opinion of Special Counsel, dated the Closing Date, and addressed to the U.S. Bank National Association, as trustee for the 2007 Certificates (the “2007 Trustee”), in form and substance satisfactory to the 2007 Trustee and the Underwriter, to the effect that the 2007 Certificates have been prepaid and defeased, and are no longer outstanding under the trust agreement authorizing the 2007 Certificates;

(vii) *Opinion of County Counsel.* The opinion of the County Counsel, dated the Closing Date and addressed to the Corporation and the Underwriter, to the effect that: (A) the County is duly organized and existing under the Constitution and laws of the State of California; (B) Resolution No. _____ approving and authorizing the execution and delivery by the County of the County Agreements (the “*County Resolution*”) was duly adopted at a meeting of the Board of Supervisors of the County on August __, 2017 which meeting was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and are in full force and effect and has not been amended or repealed; (C) to the best knowledge of such counsel after reasonable investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the County, to restrain or enjoin the execution and delivery of the Certificates, or in any way contesting or affecting the validity of the Certificates or the County Agreements, or in any way contesting or affecting the existence of the County or the title of any official of the County to such person’s office, or in any way contesting or affecting the validity or enforceability of the Certificates or the County Agreements, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the County or its authority with respect to the Certificates or the County Agreements; (D) the execution and delivery of the County Agreements and the Official Statement, the adoption of the County Resolution and compliance by the County with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach or default under any agreement or other instrument to which the County is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the County is subject; (E) the County Agreements have been duly authorized, executed and delivered by the County, and assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the County enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable principles if equitable remedies are sought; and (F) the information contained in the Official Statement, under the caption “LITIGATION” and contained in APPENDIX A–“THE COUNTY OF SOLANO” is accurate in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respects;

(viii) *Opinion of Corporation Counsel.* The opinion of the General Counsel to the Corporation, dated the Closing Date and addressed to the Underwriter, to the effect that: (A) the Corporation is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California; (B) Resolution No. _____ approving and authorizing the execution and delivery by the Corporation of the Corporation Agreements (the “*Corporation Resolution*”) was duly adopted at a meeting on August __, 2017 of the Corporation which meeting was called and held pursuant

to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and have not been amended or repealed; (C) to the best knowledge of such counsel after reasonable investigation, other than as set forth in the Official Statement or as the Corporation has otherwise disclosed in writing to the Underwriter, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the Corporation, to restrain or enjoin the execution and delivery of the Certificates or the assignment by the Corporation of its rights under the Lease Agreement or the Site Lease, or in any way contesting or affecting the validity of the Certificates or the Corporation Agreements, or in any way contesting or affecting the existence of the Corporation or the title of any official of the Corporation to such person's office, or in any way contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Corporation or its authority with respect to the Certificates or the Corporation Agreements; (D) the execution and delivery of the Corporation Agreements and the Official Statement, the adoption of the Corporation Resolution, and compliance by the Corporation with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Corporation a breach or default under any agreement or other instrument to which the Corporation is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or by any existing law, regulation, court order or consent decree to which the Corporation is subject; (E) the Official Statement has been duly authorized and delivered and the Corporation Agreements have been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the Corporation enforceable in accordance with the respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; and (F) the information contained in the Official Statement relating to the Corporation as of its date and as of the date hereof is accurate in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading in any material respect;

(ix) Opinion of Disclosure Counsel. The opinion, dated the Closing Date and addressed to the County and the Underwriter, of Hawkins Delafield & Wood LLP ("*Disclosure Counsel*"), substantially in the form and substance presented in Exhibit C;

(x) Opinion of Underwriter's Counsel. The opinion of Schiff Hardin LLP ("*Underwriter's Counsel*"), dated the Closing Date and addressed to the Underwriter, to the effect that, on the basis of the information made available to them, no facts came to their attention in connection with the preparation of the Official Statement which cause them to believe that the Official Statement as of its date (excluding therefrom financial and statistical data, projections, statements relating to DTC, Cede & Co. and the operation of the book-entry system and Appendices A, B, C, D and E, as to all of which no view need be expressed) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect, and the Continuing Disclosure Agreement provides a suitable basis for the Underwriter, in connection with the Offering (as defined in Rule 15c2-12) of the Certificates to make a reasonable determination as required by section (b)(5) of such Rule;

(xi) Opinion of Counsel to the Trustee. The opinion of Counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the County and the Corporation, to the effect that: (A) the Trustee has been duly incorporated as a national banking association under the laws of the United States and is in good standing under the laws of the State of California, duly qualified to do business and to exercise trust powers therein, having full power and authority to enter into and to perform its duties as

Trustee under the Trust Agreement; (B) the Trustee has duly authorized, executed and delivered the Trust Agreement, and the Assignment Agreement, and by all proper corporate action has authorized the acceptance of the trusts of the Trust Agreement; (C) the Trust Agreement, and the Assignment Agreement each constitute a legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with their respective terms; (D) the Certificates have been validly authenticated, registered and delivered by the Trustee; (E) no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the Trustee, or, to such counsel's knowledge after reasonable investigation, any other person or corporation, is required for the valid authorization, execution, delivery and performance by the Trustee of the Trust Agreement, or the Assignment Agreement; and (F) the execution and delivery of the Trust Agreement, and the Assignment Agreement, and compliance by the Trustee with the provisions of the foregoing under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Trustee a breach or default under any agreements or other instrument to which the Trustee is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the Trustee is subject;

(xii) Opinion of Counsel to the Escrow Agent. Opinion of counsel to the Escrow Agent dated the Closing Date and addressed to the County, the Corporation, and the Underwriter with respect to due execution, delivery and enforceability of the Escrow Agreement.

(xiii) Certificate of the County. A certificate dated the Closing Date, signed by a duly authorized official of the County, in form and substance satisfactory to the Underwriter, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the County contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (B) the County has complied with the requirements of the County Agreements required to be complied with on and as of the Closing Date; (C) no event materially adversely affecting the County has occurred since the date of the Official Statement; and (D) that the financial statements of the County contained in the Official Statement fairly present the financial positions and results of operations thereof as of the dates and for the periods therein set forth, and such officer has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied;

(xiv) Certificate of the Corporation. A certificate dated the Closing Date, signed by a duly authorized official of the Corporation, in form and substance satisfactory to the Underwriter, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the Corporation contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and (B) no event materially adversely affecting the Corporation has occurred since the date of the Official Statement;

(xv) Certificate of MUFG Union Bank, N.A. A certificate, dated the Closing Date, signed by a duly authorized official of MUFG Union Bank, N.A. ("Union Bank") in its capacities of Trustee and Escrow Agent, satisfactory in form and substance to the Underwriter, to the effect that: (A) Union Bank is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and the Escrow Agreement, and to authenticate and deliver the Certificates to the Underwriter; (B) Union Bank is duly authorized to enter into the Trust Agreement and the Escrow Agreement, and to execute and deliver the Certificates to the Underwriter pursuant to the Trust Agreement; (C) when delivered to and paid for by the Underwriter on the Closing Date, the Certificates will have been duly authenticated and delivered by Union Bank; (D) the execution and delivery of the Trust Agreement and the Escrow Agreement and compliance with the respective provisions on the part of

Union Bank contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which Union Bank is a party or is otherwise subject (except that no representation or warranty is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by Union Bank pursuant to the lien created by the Trust Agreement 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 Trust Agreement; and (E) to the best knowledge of Union Bank, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against Union Bank, affecting the existence of Union Bank, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Certificates or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Certificates, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement or the Escrow Agreement, or contesting the powers of Union Bank or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates, the Trust Agreement, the Escrow Agreement, or the power and authority of Union Bank to enter into and perform its duties under the Trust Agreement or the Escrow Agreement, and to authenticate and deliver the Certificates to the Underwriter;

(xvi) General Resolution of Union Bank. Certified copies of the general resolution of Union Bank authorizing the execution and delivery of the Trust Agreement and the Escrow Agreement;

(xvii) Rating Letter. Evidence of a rating of “___” by Standard & Poor’s Credit Markets, a Division of the McGraw-Hill Companies (“S&P”), being in full force and effect as of the Closing Date;

(xviii) Tax and Non-Arbitrage Certificate. A Tax and Non-Arbitrage certificate of the County in form and substance acceptable to Special Counsel;

(xix) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing;

(xx) Evidence of Insurance. Evidence of insurance in the form and in the amounts specified in the Lease Agreement;

(xxi) CDIAC Notices of Sale. A copy of the Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 8855(g) and 53583 of the California Government Code;

(xxii) DTC Blanket Letter of Representations. The Blanket Letter of Representations of the Corporation to the Depository Trust Company, New York, New York, relating to the book-entry only system for the Certificates;

(xxiii) Issue Price Certificate. The Issue Price Certificate substantially in the form of Exhibit A;

[(___) Verification Report. A report of _____ (the “Verification Agent”) stating that it has verified, in accordance with attestation standards established by the American Institute of Certified

Public Accountants, relating to the adequacy of cash to be held pursuant to the Escrow Agreement and the mathematical accuracy of the mathematical computations of yield on the 2007 Certificates, and consenting to use of its name in the Preliminary and final Official Statements;] and

(xxiv) Additional Documents. Such additional legal opinions, certificates, instruments or evidences thereof and other documents as the Underwriter's Counsel or Special Counsel may reasonably request to evidence the due authorization, execution and delivery of the Certificates and the conformity of the Certificates, the Site Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement with the terms of the Certificates and as summarized in the Official Statement.

If the County or the Corporation shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted herein, all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing Date, by written notice to the County and the Corporation, and none of the Underwriter, the Corporation or the County shall have any further obligations hereunder, except that the respective obligations of the parties set forth in Section 11 shall continue in full force and effect.

Section 11. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the County shall pay the following expenses incident to the performance of its obligations hereunder: (i) the fees and disbursements of Special Counsel, Disclosure Counsel, and the Municipal Advisor; (ii) the cost of printing and delivering the Certificates, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to this Purchase Agreement); (iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the Corporation or the County; and (iv) any other expenses and costs of the Corporation or the County incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Certificates, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The Underwriter shall pay all expenses incurred by them in connection with the public offering and distribution of the Certificates including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; (ii) all advertising expenses in connection with the offering of the Certificates; and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Certificates (including travel and other expenses, CDIAC and blue sky filing fees, CUSIP Service Bureau fees, and any other fees and expenses), except as provided in Section 11(a) or as otherwise agreed to by the Underwriter and the County..

Section 12. Notices. Any notice or other communication to be given to the County or the Corporation under this Purchase Agreement may be given by delivering the same in writing at the Corporation's and the County's addresses, respectively, set forth above, Attention: County Administrator, and any such notice or other communication to be given to the Underwriter may be delivered to the following address: One Embarcadero Center, Suite 650, San Francisco, California 94111.

Section 13. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Corporation, the County and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter or the Corporation or the County or (b) delivery of

and payment for the Certificates. The agreements contained in Section 11 shall survive any termination of this Purchase Agreement.

Section 14. Execution in Counterparts; Electronic Transmission. This Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

Section 15. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

Section 16. Governing Law; Venue. Purchase Agreement shall be governed and interpreted exclusively by and construed in accordance with the laws of the State applicable to contracts made and to be performed in the State. Any and all disputes or legal actions or proceedings arising out of this Purchase Agreement or any document related hereto shall be filed and maintained in a court of competent jurisdiction for matters arising in Solano County, California. By execution of and delivery of this Purchase Agreement, the parties hereto accept and consent to the aforesaid jurisdiction.

Section 17. Severability. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Entire Agreement. This Purchase Agreement, when accepted by the County and the Corporation in writing as heretofore specified, shall constitute the entire agreement between the Corporation, the County and the Underwriter.

Section 19. Effectiveness. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by duly authorized officers of the County and the Corporation and shall be valid and enforceable as of the time of such acceptance.

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Robert J. Larkins, Managing Director

COUNTY OF SOLANO

By: _____
Authorized Officer

Time of Execution: _____

SOLANO COUNTY FACILITIES CORPORATION, INC.

By: _____
Authorized Officer

Time of Execution: _____

SCHEDULE I

MATURITIES, AMOUNTS, RATES, YIELD & PRICES

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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\$ _____ % Term Bond Due November 1, ____ – Yield: ____% – Price: ____%
\$ _____ % Term Bond Due November 1, ____ – Yield: ____% – Price: ____%

[†] Priced to call at 100% on November 1, ____.

PREPAYMENT PROVISIONS

The Certificates payable with respect to principal on or after November 1, 20__, are subject to prepayment on any date, at the option of the County, as a whole or, in part, among such Certificate Payment Dates, as the County may determine, or, if so specified, in inverse order of Certificate Payment Dates, from any available source of funds, at a prepayment price equal to 100% of the principal amount represented by the Certificates subject to prepayment, plus accrued interest to the date fixed for prepayment, without premium.

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

\$ _____

COUNTY OF SOLANO SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Certificates”) based upon the information available to it.

The Issuer may rely on the statements made herein in connection with making the representations set forth in its Certificate as to Arbitrage for the Certificates and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the “Code”). Orrick, Herrington & Sutcliffe LLP (“Special Counsel”) may also rely on this Issue Price Certificate for purposes of its opinion regarding the treatment of interest on the Certificates as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

[1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.]

2. ***Initial Offering Price of the Certificates.***

(a) The Underwriter offered each Maturity of the Certificates to the Public for purchase at the respective initial offering prices listed in Schedule A hereto (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.

(b) As set forth in the Certificate Purchase Agreement dated _____, 2017 between the Underwriter and the Issuer, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Certificates at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Certificates listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *“Holding Period”* means, for each Maturity of the Certificates, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriter has sold at least 10% of such Maturity of the Certificates to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(d) *“Issuer”* means the County of Solano.

(e) *“Maturity”* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *“Public”* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(g) *“Sale Date”* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is _____, 2017.

(h) *“Underwriter”* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Certificates, and by Special Counsel in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

RAYMOND JAMES & ASSOCIATES, INC.,
as Underwriter

By: _____
Managing Director

Dated: _____, 2017

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

GENERAL RULE MATURITIES

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
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HOLD-THE-OFFERING-PRICE MATURITIES

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
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SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

DRAFT

EXHIBIT B

**COUNTY OF SOLANO
SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION**

**FORM OF THE CERTIFICATE OF THE COUNTY OF SOLANO
AS TO FINALITY OF THE PRELIMINARY OFFICIAL STATEMENT**

The undersigned hereby states and certifies:

1. That he is the duly qualified and acting Treasurer-Tax Collector-County Clerk of the County of Solano (the "County") and as such is authorized to execute this Certificate on behalf of the County.
2. That there has been delivered to Raymond James & Associates, Inc. (the "Underwriter"), a preliminary official statement relating to the above-referenced Certificates, dated August __, 2017, including the cover page and all appendices thereto, in electronic form (the "Preliminary Official Statement"), which the County deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12.
3. The County hereby approves the use and distribution by the Underwriter of the Preliminary Official Statement.

Dated: August __, 2017

COUNTY OF SOLANO

By: _____
Charles A. Lomeli
Treasurer-Tax Collector-County Clerk

EXHIBIT C

FORM OF OPINION OF DISCLOSURE COUNSEL

[Date of Closing]

County of Solano
675 Texas Street
Fairfield, California 94533

Raymond James & Associates, Inc.
One Embarcadero Center, Suite 650
San Francisco, California 94111

Re: County of Solano Series 2017 Refunding Certificates of Participation

Ladies and Gentlemen:

This letter is rendered pursuant to Section 9(d)(ix) of the Certificate Purchase Agreement, dated _____, 2017 (the "Purchase Agreement"), by and among _____ (the "Underwriter"), the Solano County Facilities Corporation, Inc. (the "Corporation") and the County of Solano (the "County") to provide for the purchase of the above-described Certificates of Participation in the aggregate principal amount of \$_____ (the "Certificates"). The Certificates are described in the Official Statement dated _____, 2017, pertaining to the Certificates (the "Official Statement"). Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Official Statement.

In rendering this opinion, we have reviewed the Official Statement, the Trust Agreement, the Lease, the Purchase Agreement, the certificates, opinions and other documents delivered pursuant to the Purchase Agreement and such other records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate as a basis for our opinion. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

Although we have not undertaken to check the accuracy, completeness or fairness of, or otherwise verified the information contained in, the Official Statement and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with, among others, representatives of the County and the Authority, County Counsel, Special Counsel, the Underwriter and PFM Financial Advisors LLC, as municipal advisor to the County, during which conferences the contents of the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing, our review of the documents referenced above and our reliance on the certificates and the opinions of counsel described above and our understanding of the applicable law, no information has come to our attention in connection with the preparation of the Official Statement which cause us to believe that the Official Statement as of its date and as of the date of this opinion (except for the financial and statistical data, forecasts and projections, information concerning the Depository Trust Company and the book-entry system included therein and Appendices B, C, D, E [and F] attached thereto, as to which no view is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

During the period from the date of the Official Statement to the date of this opinion, except for our review of the certificates and opinions regarding the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

This letter is furnished by us as Disclosure Counsel to the County. This opinion is rendered in connection with the transaction described herein, and may not be relied upon for any other purpose. This opinion is being rendered to the Underwriter solely for its benefit in connection with its purchase of the Certificates from the Authority and is not to be used, circulated, quoted or otherwise referred to by the Underwriter for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Certificates or by virtue of this opinion. This opinion shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by, any other person, firm, corporation or other entity without our prior written consent, provided that a copy of this opinion may be placed in the transcript for the Certificates. This opinion is limited to matters governed by the Federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction. Our engagement with respect to this matter terminates upon the delivery of this opinion to you at the time of the closing relating to the Certificates, and we have no obligation to update this opinion.

Very truly yours,

31498-0027
SF\321991673.1

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017**NEW ISSUE-BOOK-ENTRY ONLY**

Ratings: S&P: " _ "
(See "RATINGS" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the County, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest component of Base Rental Payments paid by the County under the Lease and received by the Owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Special Counsel, such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Certificates, or the amount, accrual or receipt of the interest portion of the Base Rental Payments. See "TAX MATTERS" herein.

\$(Principal Amount)
COUNTY OF SOLANO

SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

Dated: Date of Delivery

Maturity: November 1, as shown below

The County of Solano Series 2017 Refunding Certificates of Participation (the "Certificates") are being executed and delivered pursuant to a Trust Agreement dated as of September 1, 2017 by and among the County of Solano (the "County"), the Solano County Facilities Corporation, Inc. (the "Corporation") and MUFG Union Bank, N.A., as trustee (the "Trustee"). The Certificates are being issued to: (i) current refund in full the outstanding County of Solano 2007 Refunding Certificates of Participation (the "2007 Certificates"), the proceeds of which were used to refund a portion of the outstanding County of Solano 2002 Certificates of Participation, and (ii) pay certain expenses of the financing. See "PLAN OF REFUNDING" herein.

The Certificates evidence proportionate interests in certain Base Rental Payments (the "Base Rental Payments") to be made by the County under the Lease (as described herein) to be entered into by the County and the Corporation, pursuant to which the Corporation, as lessor, has agreed to lease to the County, as lessee, the Leased Property (as defined herein). The County has covenanted under the Lease that, so long as the Leased Property is available for the County's use, it will take such action as may be necessary to include the Base Rental Payments and Additional Payments due under the Lease in its annual budget and to make the necessary annual appropriations therefor. See "SECURITY FOR THE CERTIFICATES – Appropriations Covenant" herein. The Base Rental Payments are subject to abatement under certain circumstances as described herein. See "RISK FACTORS FOR THE CERTIFICATES – Abatement" herein.

The Certificates will be delivered as fully registered certificates in book-entry form only, initially registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Certificates will be in the denomination of \$5,000 each or any integral multiple thereof. Interest due with respect to the Certificates is payable semiannually on May 1 and November 1, commencing [November 1, 2017]. Interest and principal with respect to the Certificates shall be payable by the Trustee to DTC. DTC is obligated to remit such principal and interest to its Participants for subsequent disbursement to the beneficial owners of the Certificates. See "THE CERTIFICATES – General Provisions" and Appendix E – "DTC AND THE BOOK-ENTRY SYSTEM" herein. The Certificates are not supported by a reserve fund.

The Certificates are subject to extraordinary prepayment prior to maturity as described herein. See "THE CERTIFICATES – Prepayment" herein.

THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS CONSTITUTES A DEBT OF THE COUNTY, THE CORPORATION, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Certificates.

Maturity Schedule

Certificate Payment Date (November 1)	Principal Amount	Interest Rate	Yield	CUSIP No.[†] (_____)	Certificate Payment Date (November 1)	Principal Amount	Interest Rate	Yield	CUSIP No.[†] (_____)
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The Certificates are offered when, as and if delivered and received by the Underwriter, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Special Counsel to the County, and certain other conditions. Certain legal matters will be passed upon for the County by Hawkins Delafield & Wood LLP, Disclosure Counsel. Certain legal matters will be passed upon for the County by County Counsel. Certain legal matters will be passed upon for the Underwriter by Schiff Hardin LLP, Underwriter's Counsel. It is anticipated that the Certificates will be available for delivery through the facilities of DTC in New York, New York, on or about [Closing Date], 2017.

Raymond James

Dated: _____, 2017

[†] Copyright, 2017, CUSIP Global Services, and a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Banks Association by S&P Global Market Intelligence. CUSIP data herein are set forth herein for convenience of reference only and are not intended to create a database or serve in any way as a substitute for CUSIP Global Services. None of the County, the Corporation or the Underwriter assumes responsibility for the accuracy of such information.

No dealer, broker, salesperson or other person has been authorized by the Corporation or the County to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation may not be relied upon as having been authorized by the Corporation or the County. This Official Statement does not constitute an offer to sell or a solicitation or an offer to buy nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein has been obtained from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter. The information and expression of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Corporation or the County since the date hereof.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the County's forecasts in any way, regardless of the level of optimism communicated in the information. The County is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See "CONTINUING DISCLOSURE OBLIGATION" herein.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Certificates have not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) of such Act. The Trust Agreement has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained in such Act.

In connection with this offering the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The County maintains a website. Unless specifically indicated otherwise, the information presented on that website is not incorporated by reference as part of this Official Statement.

COUNTY OF SOLANO, CALIFORNIA

BOARD OF SUPERVISORS

John M. Vasquez, Chair
District 4

Erin Hannigan, Vice-Chair
District 1

Monica Brown
District 2

James P. Spering
District 3

Skip Thomson
District 5

COUNTY OFFICIALS

Charles Lomeli
Treasurer/Tax Collector/County Clerk

Birgitta E. Corsello
County Administrator

Simona Padilla-Scholtens
Auditor-Controller

Dennis Bunting
County Counsel

SOLANO COUNTY FACILITIES CORPORATION, INC.

Board of Directors

President
Vice President
Director
Director
Director
Secretary
Chief Financial Officer

John M. Vasquez
Erin Hannigan
Monica Brown
James P. Spering
Skip Thomson
Birgitta E. Corsello
Simona Padilla-Scholtens

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
San Francisco, California

SPECIAL COUNSEL

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DISCLOSURE COUNSEL

Hawkins Delafield & Wood LLP
San Francisco, California

TRUSTEE

MUFG Union Bank, N.A.
San Francisco, California

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OFFICIAL STATEMENT

[\$[Principal Amount] COUNTY OF SOLANO SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, table of contents and appendices included herewith (the "Official Statement"), is to provide certain information concerning the sale and delivery of The County of Solano Series 2017 Refunding Certificates of Participation (the "Certificates") in the aggregate principal amount of \$[Principal Amount], representing proportionate interests of the registered owners thereof (the "Owners") in certain lease payments (the "Base Rental Payments") to be made by the County of Solano (the "County"). Base Rental Payments are to be made as rental in connection with the County's use of certain real property (the "Leased Property"). Under the Lease (defined herein), the County is obligated to pay Base Rental Payments to Solano County Facilities Corporation, Inc. (the "Corporation") for the occupancy and use of the Leased Property. The Leased Property generally consists of the Solano County Administration Center (the "Administration Center") and Parking Structure (the "Parking Structure") and the sites thereof (the "Site"). See "SECURITY FOR THE CERTIFICATES – The Leased Property" herein.

The Certificates are being issued to (i) current refund in full the outstanding County of Solano 2007 Refunding Certificates of Participation (the "2007 Certificates"), the proceeds of which were used to refund a portion of the outstanding County of Solano 2002 Certificates of Participation (the "2002 Certificates"), and (ii) pay certain expenses of the financing. The proceeds of the 2002 Certificates were used to finance certain capital improvements, including the construction of the Administration Center, the Parking Structure, a County probation facility, improvements to the County's central facility plant and library facilities and certain other improvements. See "PLAN OF REFUNDING " herein.

The County

The County lies in the northeast section of the nine-county San Francisco Bay Area. It is located approximately 35 miles northeast of San Francisco, and 35 miles southwest of Sacramento. The County covers 823 square miles, a majority of which lies in the fertile Sacramento Valley. It is bordered by Napa County to the northwest, Yolo County to the northeast, Sacramento County to the east and Contra Costa County to the south. As of January 1, 2017, the County's population was estimated by the State of California Department of Finance to be approximately 436,000. The County's 2016-2017 final adopted General Fund budget includes revenues of approximately \$_____ million. See Appendix A – "THE COUNTY OF SOLANO" attached hereto.

The Corporation

The Corporation was organized on June 7, 1994, as a nonprofit public benefit corporation to render assistance to the County in its acquisition of equipment, real property and improvements on behalf of the County. The Corporation is a separate legal entity from the County. It is governed by a

five-member Board of Directors appointed by the Board of Supervisors of the County. See "THE CORPORATION" herein.

Security for the Certificates

The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of September 1, 2017 (the "Trust Agreement"), by and among the County, the Corporation and MUFG Union Bank, N.A., as trustee (the "Trustee"). The Certificates represent the proportionate interests of the Owners in the Base Rental Payments to be made by the County as rental in connection with the County's use of the Leased Property. The County will lease the Leased Property to the Corporation pursuant to a Site Lease Agreement (Series 2017 Refunding Certificates of Participation), dated as of September 1, 2017 (the "Site Lease"), by and between the County and the Corporation, and the Corporation will lease the Leased Property back to the County pursuant to a Lease Agreement (Series 2017 Refunding Certificates of Participation), dated as of September 1, 2017 (the "Lease"), between the County and the Corporation.

Pursuant to the Assignment Agreement dated as of September 1, 2017 (the "Assignment Agreement") the Corporation has assigned to the Trustee, for the benefit of the respective Owners, its rights and remedies under the Lease and Site Lease, including its rights to amounts payable by the County under the Lease.

The County is obligated under the Lease to make Base Rental Payments for the use and occupancy of the Leased Property. The County has covenanted under the Lease that so long as the Leased Property is available for use it will take such action as may be necessary to include its Base Rental Payments and Additional Payments in its annual budgets, and to make the necessary annual appropriations therefor. See "SECURITY FOR THE CERTIFICATES – Appropriations Covenant" herein.

Under the Lease, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due under the Lease with respect to the Leased Property are subject to abatement to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Payments, in which case rental payments are required to be abated only by an amount equal to the difference. Any abatement of rental payments pursuant to the Lease will not be considered an event of default as defined under the Lease. See "RISK FACTORS FOR THE CERTIFICATES – Abatement" herein. Certain funds may be available to make rental payments under the Lease if there is an abatement. See "THE CERTIFICATES – Prepayment," "SECURITY FOR THE CERTIFICATES – Abatement" and "– Insurance" herein.

THE CERTIFICATES ARE NOT SUPPORTED BY A RESERVE FUND.

THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS UNDER THE LEASE IS AN OBLIGATION PAYABLE FROM THE COUNTY'S GENERAL FUND AND ANY OTHER SOURCE OF FUNDS LEGALLY AVAILABLE TO THE COUNTY FOR THE PAYMENT OF BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS. THE OBLIGATION OF THE COUNTY TO PAY BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY

FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE COUNTY TO PAY BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS UNDER THE LEASE DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE COUNTY IS OBLIGATED TO PAY ONLY ITS BASE RENTAL PAYMENTS OR ADDITIONAL PAYMENTS UNDER THE LEASE.

For a discussion of certain considerations relevant to an investment in the Certificates, see "RISK FACTORS FOR THE CERTIFICATES" herein.

Continuing Disclosure

The County has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board, certain annual financial information and operating data and notices of certain events. These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE OBLIGATION" herein and Appendix F – "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto for a description of the specific nature of the annual report and notices of specified events and a summary description of the terms of the disclosure agreement pursuant to which such reports are to be made.

Reference to Original Documents

The descriptions of the Certificates, the Lease, the Site Lease, the Assignment Agreement, the Trust Agreement and other documents described in this Official Statement do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the approved form of those documents, which documents are available at the principal corporate trust office of the Trustee in San Francisco, California. During the period of the offering of the Certificates, copies of such documents will also be available from Raymond James & Associates, Inc. See Appendix C – "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" attached hereto for the definitions of some of the terms used in the Lease, the Trust Agreement and this Official Statement and not otherwise defined.

All of the summaries of statutes, resolutions, opinions, agreements, financial and statistical data, and other related reports described in this Official Statement are made subject to the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is to such documents, copies of which are either publicly available or available for inspection by written request mailed to the County of Solano, Auditor-Controller's Office, 675 Texas Street, Suite 2800, Fairfield, California 94533.

PLAN OF REFUNDING

The Certificates are being delivered to (i) current refund in full the outstanding 2007 Certificates, the proceeds of which were used to refund a portion of the outstanding 2002 Certificates of Participation, and (ii) pay certain expenses of the financing. The proceeds of the 2002 Certificates were used to finance certain capital improvements, including the construction of the Administration Center, the Parking Structure, a County probation facility, improvements to the County's central facility plant and library facilities and certain other improvements.

The proceeds of the Certificates that will be used to current refund in full the outstanding 2007 Certificates will be deposited into an escrow account with the Trustee (the “Refunding Escrow”), pursuant to an Escrow Agreement, dated as of September 1, 2017 (the “Escrow Agreement”). The Refunding Escrow will be held by the Trustee, as escrow agent, pursuant to an Escrow Agreement, dated as of September 1, 2017. A portion of the moneys deposited into the Refunding Escrow will be held invested in certain securities consisting of direct obligations of, or obligations, the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America in an amount sufficient to pay the principal of and interest on and the redemption price of the 2007 Certificates to be refunded, through the 2007 Certificates anticipated redemption date of November 1, 2017. Upon the deposit of such proceeds into the Refunding Escrow, the 2007 Certificates will no longer be deemed outstanding. The moneys in the Refunding Escrow will not be available to pay debt service on the Bonds.

The 2007 Certificates to be refunded are as follows:

PAR AMOUNT	CUSIP

ESTIMATED SOURCES AND USES OF PROCEEDS

SOURCES

Par Amount of Certificates

\$(Principal
Amount)

Net Original Issue Premium

TOTAL PROCEEDS

USES

Prepayment of 2007 Certificates

Costs of Delivery⁽¹⁾

TOTAL USES

-
- (1) Includes legal fees, initial Trustee fees, Municipal Advisor fees, Underwriter's discount, printing costs, rating agency fees and other expenses. For information regarding the Underwriter's discount for the Certificates, see "UNDERWRITING" herein.

THE CERTIFICATES

General Provisions

The Certificates will be dated the date of delivery and will represent interest from the date of delivery at the rates per annum set forth on the cover page hereof with respect to the Certificates, payable semiannually on May 1 and November 1 of each year, commencing [November 1, 2017] (each, an "Interest Payment Date"), and will have Certificate Payments Dates on November 1 in each of the designated years in the amounts shown in the schedule on the cover page hereof.

The Certificates will be executed and delivered in fully registered form without coupons, in denominations of \$5,000 each or any integral multiple thereof. Principal and premium, if any, with respect to the Certificates will be payable at the principal corporate trust office of the Trustee. The interest represented by the Certificates will be payable in like lawful money to the person whose name appears on the Certificate registration books of the Trustee as the Owner thereof as of the close of business on the fifteenth day of the month preceding each Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on the date such interest is due to such Owner at such address as appears on such registration books. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for the Certificates, in the aggregate principal amount of the Certificates, and will be deposited with DTC. For more information regarding DTC and the book-entry only system, see Appendix E – "DTC AND THE BOOK-ENTRY SYSTEM" attached hereto.

Prepayment

[Optional Redemption.] The Certificates payable with respect to principal on or after November 1, 20__, shall be subject to prepayment on any date on or after November 1, 20__, at the option of the County, as a whole, or in part, among such Certificate Payment Dates as the County may determine, or, if so specified, in

inverse order of Certificate Payment Dates, from any source of available funds, at a prepayment price equal to 100% of the principal amount thereof, plus accrued interest represented thereby to the date fixed for prepayment, without premium.]

Extraordinary Prepayment Due to Casualty, Loss or Defect in Title of Leased Property.

The Certificates are subject to prepayment on any date prior to their respective Certificate Payment Dates, as a whole, or in part by lot within each Certificate Payment Date so that the aggregate annual amounts of principal represented by the Certificates which will be payable after such prepayment date will correspond to the principal component of the reduced Base Rental resulting from a casualty loss or governmental taking or defect in title of the Site and the Leased Property or portions thereof, from prepaid Base Rental Payments made by the County from funds received by the County due to such casualty loss or governmental taking or defect in title, if such amounts are not used to repair or replace the Site and the Leased Property in accordance with the provisions of the Lease, under the circumstances and upon the conditions and terms prescribed in the Trust Agreement and in the Lease, at a prepayment price equal to the sum of the principal amount represented plus accrued interest represented thereby to the date fixed for prepayment, without premium.

Effect of Prepayment. If notice of prepayment has been duly given as provided below and moneys for the payment of the prepayment price on the Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice the Certificates so called for prepayment will become payable at the prepayment price specified in such notice; and from and after the date so designated interest represented by the Certificates so called for prepayment will cease to accrue, such Certificates will cease to be entitled to any benefit or security under the Trust Agreement and the Owners of such Certificates will have no rights in respect thereof except to receive payment of the prepayment price represented thereby.

Notice of Prepayment. Notice of prepayment will be mailed, first class postage prepaid, to the respective Owners of any Certificates designated for prepayment at their addresses appearing on the books required to be kept by the Trustee not less than thirty (30) nor more than sixty (60) days prior to the date fixed for prepayment. Each notice of prepayment will state the date fixed for prepayment, the prepayment price and will designate the serial numbers of the Certificates to be prepaid by giving the individual number of each Certificate or by stating that all Certificates between two stated numbers, both inclusive, have been called for prepayment, and will require that such Certificates be then surrendered for prepayment; and will also state that the interest represented by the Certificates designated for prepayment will cease to accrue from and after such date fixed for prepayment and that on such date there will become due and payable on each of the Certificates designated for prepayment the prepayment price represented thereby. Such notice will, in addition to setting forth the above information, in the case of each Certificate called for prepayment in part only state the amount of the principal amount represented thereby which is to be prepaid. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not such Owner receives the notice.

At any time prior to one day before the date fixed for prepayment of any Certificates, the Trustee may rescind the notice of prepayment, upon prior written notice to the Trustee from the Corporation in accordance with the Trust Agreement.

SECURITY FOR THE CERTIFICATES

General

Each Certificate represents an undivided proportionate interest in the Base Rental Payments to be made by the County under the Lease. The Corporation, pursuant to the Assignment Agreement, will absolutely and unconditionally assign its rights and remedies under the Lease and Site Lease to the Trustee for the benefit of the Owners of the Certificates, including its right to receive Base Rental Payments thereunder. Principal and interest due with respect to the Certificates will be made from the Base Rental Payments payable by County for the use and possession of the Leased Property, insurance or condemnation Net Proceeds pertaining to the Leased Property, interest or other income derived from the investment of the funds and accounts held by the Trustee for the County pursuant to the Trust Agreement.

The County has covenanted under the Lease to make Base Rental Payments for the use and possession of the Leased Property and so long as the Leased Property is available for the County's use, to take such action each year as may be necessary to include all Base Rental Payments and Additional Payments in its annual budget and annually to appropriate an amount necessary to make such Base Rental Payments and Additional Payments. The amounts payable to the Trustee are to be used to make the payments of principal and interest due with respect to the Certificates. Base Rental Payments are required to be deposited in the Interest Fund, Principal Fund or the Prepayment Fund maintained by the Trustee. On each Certificate Payment and Interest Payment Date, the Trustee will withdraw from the appropriate account the aggregate amount of the Base Rental Payments and will apply such amounts to make principal and interest payments due with respect to the Certificates. UNDER CALIFORNIA LAW, EVEN THOUGH THE LEASE BECOMES EFFECTIVE AS OF THE DATE OF THE LEASE, THE OBLIGATION OF THE COUNTY TO MAKE THE BASE RENTAL PAYMENTS MAY BE ABATED PRO RATA IF THE FULL USE AND POSSESSION OF THE LEASED PROPERTY IS NOT AVAILABLE TO THE COUNTY.

The obligation of the County to make Base Rental Payments does not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation. Neither the Certificates nor the obligation of the County to make Base Rental Payments constitutes an indebtedness of the County, the State of California or any of its political subdivisions within the meaning of the Constitution of the State of California or otherwise a pledge of the faith and credit of the County. See "RISK FACTORS FOR THE CERTIFICATES" herein.

The Certificates are not supported by a reserve fund.

The Leased Property

Under the Lease, the County is obligated to pay Base Rental Payments to the Corporation for the occupancy and use of the Leased Property. The Leased Property consists of the Administration Center and Parking Structure described further below.

Solano County Administration Center and Parking Structure. The six-story Administration Center was completed in July 2005 and is approximately 300,000 gross square feet. The Administration Center is located in downtown Fairfield between Texas and Delaware Streets and Union and Jefferson Streets. The Administration Center houses the core functions of the County, including more than 800 employees from the following 17 departments: Board of Supervisors,

County Administrator, Assessor-Recorder, Auditor-Controller, Treasurer-Tax Collector/County Clerk, District Attorney, Public Defender, Alternate Public Defender, Human Resources, Risk Management, Veteran's Affairs, Resource Management, County Counsel, Registrar of Voters, General Services, Information Services and Transportation. As of _____, the Administration Center had an estimated value of \$_____.

The Parking Structure is an approximate 379,000 gross square foot, five-level parking structure located adjacent to the Administration Center and provides on-site parking for approximately 1,000 public, employee and County fleet vehicles. The Parking Garage was completed in July 2005. As of _____, the Parking Structure had an estimated value of \$_____.

A portion of the proceeds of the 2002 Certificates financed the construction of the Administration Center and Parking Structure. See "PLAN OF REFUNDING" herein.

Abatement

Under the Lease, except to the extent of (a) amounts held by the Trustee in the Base Rental Payment Fund, (b) amounts received in respect of use and occupancy insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Certificates, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due under the Lease with respect to the Leased Property are subject to abatement to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Payments, in which case rental payments are required to be abated only by an amount equal to the difference. Any abatement of rental payments pursuant to the Lease will not be considered an event of default as defined under the Lease. The County waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate the Lease by virtue of any such interference and the Lease will continue in full force and effect. Such abatement will continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

Appropriations Covenant

Under the Lease, the County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due thereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments and to take such action annually as may be necessary to provide funds in such year for such Base Rental Payments and Additional Payments. The County will deliver to the Corporation and the Trustee copies of the portion of each annual County budget relating to the payment of Base Rental Payments and Additional Payments within thirty (30) days after the filing or adoption thereof. The Lease provides that covenants on the part of the County thereunder will be deemed to be and will be construed to be duties imposed by law and that it will be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in the Lease agreed to be carried out and performed by the County.

Insurance Requirements Under Lease

Fire and Extended Coverage Insurance; No Earthquake Insurance. Under the Lease, the County is required to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Lease, insurance from a Qualified Carrier, as defined under the Lease, against loss or damage to any structures constituting any part of the Leased Property by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance is required to, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance is required to be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Leased Property, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$10,000), or, in the alternative, is required to be in an amount and in a form sufficient, in the event of total or partial loss, to enable all Certificates then outstanding to be prepaid at par.

In the event of any damage to or destruction of any part of the Leased Property caused by the perils covered by such insurance, the Corporation, except as provided in the Lease, is required to cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Leased Property, and the Trustee is required to hold said proceeds separate and apart from all other funds, in a special fund to be designated the "Insurance and Condemnation Fund," to the end that such proceeds are required to be applied to the repair, reconstruction or replacement of the Leased Property to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. Any balance of said proceeds not required for such reconstruction or replacement is required to be treated by the Trustee as Base Rental Payments and applied in the manner described in the Trust Agreement. Alternatively, the Corporation, at its option, with the written consent of the County and of the Trustee, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to prepay an aggregate principal amount represented by outstanding Certificates, equal to the amount of outstanding Certificates attributable to the portion of the Leased Property so destroyed or damaged (determined by reference to the proportion which the acquisition and construction cost of such portion of the Leased Property bears to the acquisition and construction cost of the Leased Property), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property and thereupon will cause said proceeds to be used for the prepayment of outstanding Certificates pursuant to the provisions of the Trust Agreement. See "THE CERTIFICATES – Prepayment" herein.

As an alternative to providing the property insurance described above, or any portion thereof, the County, with the written consent of the Corporation, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County.

THE COUNTY IS NOT REQUIRED TO OBTAIN EARTHQUAKE INSURANCE UNDER THE LEASE.

Liability Insurance. Under the Lease, the County is required to procure or cause to be procured and maintain or cause to be maintained, throughout the term of the Lease, a standard comprehensive general liability insurance policy or policies in protection of the Corporation and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Leased Property, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$1,250,000 for personal injury or deaths per event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$1,250,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County. Such liability insurance may be subject to a deductible of no more than \$50,000; provided that the County shall maintain a separate fund in trust against payment of such deductibles which shall be reviewed at least every three years for actuarial soundness by an independent insurance consultant.

Under certain circumstances, the County may provide a self-insurance method or plan of protection in lieu of obtaining comprehensive general liability insurance.

Rental Interruption or Use and Occupancy Insurance. Under the Lease, the County is required to procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance from a Qualified Carrier to cover partial loss of the rental, in an amount sufficient to pay the Base Rental Payments for a period of at least two successive years. Any proceeds of such insurance are required to be used by the Trustee to reimburse to the County any rental theretofore paid by the County under the Lease attributable to such structure for a period of two years during which the payment of rental under the Lease is abated, and any proceeds of such insurance not so used will be applied as provided in the Lease to the extent required for the payment of Base Rental and Additional Payments.

Title Insurance. Under the Lease, the County is required to obtain title insurance on the Leased Property, in the form of a lender's leasehold title policy or policies, in an aggregate amount equal to the aggregate principal component of unpaid Base Rental Payments, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances naming the Trustee as insured thereunder.

"Permitted Encumbrances" is defined under the Trust Agreement as (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Lease in the office of the County Recorder of Solano County and which the County certifies in writing will not materially impair the use of the Leased Property; (3) the Site Lease, as it may be amended from time to time; (4) the Lease, as it may be amended from time to time; (5) the Assignment Agreement, as it may be amended from time to time; (6) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease and to which the Corporation and the County consent in writing and which do not materially adversely affect the rights of owners of the Certificates; and (8) liens relating to special assessments levied with respect to the Leased Property.

Worker's Compensation Insurance. Under the Lease, the County is required to maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any future act enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance with the prior written consent of the Corporation.

Substitution

The Lease provides that the County and the Corporation may substitute real property for all or for part of the Leased Property for purposes of the Site Lease and the Lease, but only after the County has filed with the Corporation and the Trustee, with copies to each rating agency then providing a rating for the Certificates, all of the following: (a) executed copies of the Lease or amendments thereto containing the amended description of the Leased Property to reflect the Substitute Property; (b) a Certificate of the County with copies of the Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Leased Property to reflect the Substitute Property stating that such documents have been duly recorded in the official records of the County Recorder of the County of Solano; (c) a Certificate of the County, stating that the County intends to use and maintain the Substitute Property for at least the remaining term of the Certificates, and that the annual fair rental value of the Leased Property which will constitute the Leased Property after such substitution will be at least equal to the 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending October 31 or in any subsequent year ending October 31 during the term of the Certificates; (d) either (i) a policy of title insurance in an amount equal to the principal amount of Certificates then Outstanding (or, if only part of the Leased Property will be substituted, in an amount equal to such proportion of the principal amount of the Certificates then Outstanding as the fair rental value of the Substitute Property bears to the fair rental value of the existing Facilities), naming the County as insured owner and showing good and marketable title to the Substitute Property, or (ii) a Certificate of the County stating that, based upon a Title Commitment, if available, the County has good and marketable title to the Substitute Property; (e) a Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the Leased Property; and (f) an Opinion of Counsel stating that such substitution (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and (ii) will not in and of itself cause the interest component of the Base Rental Payments to be included in gross income for federal income tax purposes.

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SCHEDULE OF CERTIFICATE PAYMENTS

The following is a schedule of the payments due with respect to the Certificates:

<u>Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total</u>	<u>Annual Debt Service</u>
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Total:

[Remainder of page intentionally left blank.]

THE COUNTY

Information with respect to the County, including financial information, a summary of County debt, the County Investment Pool and certain economic and demographic information relating to the County is provided in Appendix A – "THE COUNTY OF SOLANO" attached hereto. A copy of the financial statements of the County for the fiscal year ended June 30, 2016 is attached hereto as Appendix B and should be read in its entirety.

THE CORPORATION

The Solano County Facilities Corporation, Inc., was incorporated on June 7, 1994 as a nonprofit public benefit corporation pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code). The Corporation's principal place of business is in the County of Solano. The Corporation is governed by a five-member Board of Directors approved by the County. Corporate Directors receive no compensation. The Corporation has no employees. All staff work is performed by the County.

The purpose of the Corporation is to provide financial assistance to the County by financing the acquisition, construction, improvement and remodeling of public buildings and facilities for the County, together with parking, site development, landscaping, utilities, equipment, furnishings, improvements and all appurtenant and related facilities.

RISK FACTORS FOR THE CERTIFICATES

The following risk factors associated with investing in Certificates, along with all other information in this Official Statement, should be considered by potential investors in evaluating an investment in the Certificates. The following list is not intended to be conclusive and no significance should be associated with the order of presentation of the risk factors.

No Tax Pledge

The obligation of the County to pay the Base Rental Payments does not constitute an obligation of the County which the County is obligated to levy or pledge any form of taxation or for which the County has levied or pledged any form of taxation. The obligation of the County to pay Base Rental Payments does not constitute a debt or indebtedness of the County, the State of California or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restriction.

Outstanding and Future Additional General Fund Obligations

The County is currently liable for approximately \$92.625 million outstanding principal amount of obligations as of June 30, 2017 payable from general revenues (not including the Certificates), and the Lease does not prohibit the County from incurring additional obligations payable from general revenues. To the extent that additional obligations are incurred by the County, the funds available to make Base Rental Payments may be decreased. See Appendix A – "THE COUNTY OF SOLANO – COUNTY FINANCES – Outstanding Payment Obligations" attached hereto. [The County has experienced increasing pensions costs in recent years.] See Appendix A –

"THE COUNTY OF SOLANO – COUNTY FINANCES – County Employee Benefit Plans" attached hereto.

Local Economy

[to be updated]

From 2007 to 2009, the United States and California economy were in a recession. A major factor in this recession was a decline in real estate values. The national and California recession and decline in real estate values were experienced in the local County of Solano economy. The County unemployment rate as of _____ 2017 was ____ percent, compared to State and national rates of unemployment of ____ percent and ____ percent, respectively. See Appendix A attached hereto for additional information on the County of Solano economy.

Real estate market values declined during the last recession. One factor was that some homeowners have financed the purchase of their homes using "sub-prime loans" with features that may include little or no down payment and adjustable interest rates that are subject to being reset at higher rates on a specified date or on the occurrence of specified conditions. Some homeowners, including those within the County of Solano, who purchased their homes with sub-prime loans have experienced difficulty in meeting loan payments, leading to increased defaults and foreclosures. As a result of increasing defaults and foreclosures on sub-prime and other loans and other factors, real estate values declined and credit became more difficult and more expensive to obtain, not only in the residential market, but also in the commercial, retail and industrial sectors. Unavailability of loans for the purchase and development of real property in the County of Solano may continue to adversely impact assessed values.

The County's finances faced challenges in recent years from the various economic factors described above and other factors. High foreclosure rates and lower assessed values have adversely impacted the County's property tax revenues, the credit crisis has resulted in reduced income from the County's investments, sluggish retail sales have resulted in lower sales tax revenues, and the State budget crisis has resulted in reduced funding to local governments, including the County. [For Fiscal Year _____, the County Assessor reduced the assessed value on a significant number of residences in the County.] See Appendix A – "THE COUNTY OF SOLANO" attached hereto for additional information on the County's finances.

Abatement

Under the Lease, except to the extent of (a) amounts held by the Trustee in the Base Rental Payment Fund, (b) amounts received in respect of use and occupancy insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Certificates, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due under the Lease with respect to the Leased Property are subject to abatement to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Payments, in which case rental payments are required to be abated only by an amount equal to the difference. Any abatement of rental payments pursuant to the Lease will not be considered an event of default as defined under the Lease. The County waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate the Lease by virtue of

any such interference and the Lease will continue in full force and effect. Such abatement will continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned, and if such abatement period lasts beyond the period of time funds are available from insurance policies or the Reserve Facility, Base Rental Payments may be insufficient to cover payments to Certificate holders.

Limitation on Enforcement of Remedies

The enforcement of any remedies provided in the Lease and Trust Agreement could prove both expensive and time consuming. Although the Lease provides that the Corporation may take possession of the Leased Property then subject to the Lease and lease such Leased Property if there is a default by the County and the Lease further provides that the Corporation may have such rights of access to the Leased Property as may be necessary to exercise any remedies, portions of such Leased Property may not be easily recoverable since they may be affixed to property not owned by the Corporation and even if recovered, could be of little value to others. Furthermore, due to the essential nature to the governmental functions of the Leased Property, it is uncertain whether a court would permit the exercise of the remedies of repossession and leasing with respect thereto.

In the event of a default under the Lease, there is no available remedy of acceleration of the total Base Rental Payments due over the terms of the Lease. The County will only be liable for Base Rental Payments on an annual basis as they come due, and the Trustee would be required to seek separate judgments for the annual Base Rental Payments. In addition, any such suit for money damages could be subject to limitations on legal remedies against public agencies in California, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Bankruptcy

In addition to the limitations on remedies contained in the Trust Agreement and the Lease, the rights and remedies in the Trust Agreement and the Lease may be limited and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights. The legal opinions to be delivered concurrently with the delivery of the Certificates will be qualified, as to the enforceability of the Certificates, the Trust Agreement, the Lease and other related documents, by bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance and other laws relating to or 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 charter cities and counties and non-profit public benefit corporations in California.

The County is authorized under California law to file for bankruptcy protection under Chapter 9 of the United States Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), which governs the bankruptcy proceedings for public agencies such as the County. Third parties, however, cannot bring involuntary bankruptcy proceedings against the County. If the County were to file a petition under Chapter 9 of the Bankruptcy Code, the rights of the Owners of the Certificates may be materially and adversely affected as follows: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County and could prevent the Trustee from making

payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment superior to that of Owners of the Certificates; and (iv) the possibility of the adoption of a plan (an “Adjustment Plan”) for the adjustment of the County’s various obligations over the objections of the Trustee or all of the Owners of the Certificates and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners of the Certificates if the Bankruptcy Court finds that such Adjustment Plan is “fair and equitable” and in the best interests of creditors. The adjustment of similar obligations was litigated in federal court in connection with bankruptcy applications by the cities of San Bernardino and Stockton. The Adjustment Plans in these cities proposed significant reductions in the amounts payable by the cities under lease revenue obligations substantially similar to the Certificates. The County can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any Adjustment Plan if it were to file for bankruptcy. The County is not currently considering filing for protection under the Bankruptcy Code.

In addition, if the Lease was determined to constitute a “true lease” by the bankruptcy court (rather than a financing lease providing for the extension of credit), the County could choose to reject the Lease despite any provision therein that makes the bankruptcy or insolvency of the County an event of default thereunder. If the County rejects the Lease, the Trustee, on behalf of the Owners of the Certificates, would have a pre-petition unsecured claim that may be substantially limited in amount, and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the Certificates. Moreover, such rejection would terminate the Lease and the County’s obligations to make payments thereunder. The County may also be permitted to assign the Lease (or the Site Lease) to a third party, regardless of the terms of the transaction documents. In any event, the mere filing by the County for bankruptcy protection likely would have a material adverse effect on the marketability and market price of the Certificates.

Risk Management and Insurance

The Lease obligates the County to maintain and keep in force various forms of insurance, subject to deductibles, on the Leased Property for repair or replacement in the event of damage or destruction to the Leased Property. The County is also required to maintain rental interruption insurance to cover at least two years of loss of rental income under the Lease that is attributable to any portion of the Leased Property rendered unusable. The Project Lease allows the County to insure against some risks, excluding rental interruption, title defects and workers’ compensation, through an alternative risk management program such as self-insurance. The County makes no representation as to the ability of any insurer to fulfill its obligations under any insurance policy provided for in the Lease and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to pay principal of and interest evidenced and represented by the Certificates when due.

[The County employs a full-time Risk Manager, as well as safety and loss control professionals, for the prevention and mitigation of property, liability and employee claims for injury or damage. For information concerning the self-insurance and risk management programs of the County see APPENDIX A.]

Changes in Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State of California resulting in a reduction of the funds legally available to County to make Base Rental Payments, and consequently, having an adverse effect on the security for the Certificates.

Earthquakes and Natural Disasters

The obligation to pay Base Rental Payments may be adversely affected if the Leased Property is damaged or destroyed by natural hazard such as earthquake or flood. There are several faults in the area that potentially could result in damage to buildings, roads, bridges, and property within the County in the event of an earthquake. The Leased Property is also located in a FEMA-designated Special Flood Hazard Area and is designated as Zone AO. This designation means that the Leased Property is subject to shallow flooding every 100 years, with average depths of one foot.

The County is not obligated under the Lease to maintain flood or earthquake insurance on the Leased Property. [The Leased Property is currently not covered by earthquake insurance, but is covered by flood insurance. There can be no assurance that the County will continue to obtain flood insurance for the Leased Property in the future.] In the event of damage or destruction to the Leased Property caused by perils for which the County does not provide insurance and is not required to provide insurance under the Lease, the County will not be obligated to repair, replace or reconstruct the Leased Property. See "SECURITY FOR THE CERTIFICATES – Insurance" herein and Appendix C – "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" attached hereto.

Seismic events, wildfires, tsunamis, and other natural or man-made events such as terrorist attacks or cybersecurity breaches may damage County infrastructure, including but not limited to the Leased Property, and may adversely impact the County's ability to provide municipal services, or adversely impact the County's operations or finances.

In addition, Solano County and other areas surrounding the San Francisco Bay Area are at risk of flooding and water inundation. In June 2011 the County had a Sea Level Rise Strategic Program prepared by AECOM, projecting that the sea level may rise from 5 to 8 inches by 2030 and 10 to 17 inches by 2050. The County is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations and/or financial condition of the County and/or the local economy.

State Budget and Funding

The County receives a significant portion of its funding from the State. The County's fiscal year 2016-17 budget resolution projects that approximately \$_____ million or _____% of the County's \$_____ billion General Fund revenues will come from State sources. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the County. The County cannot predict the extent of the budgetary problems the State may encounter in this or in any future fiscal years, nor is it clear what measures could be taken by the State to balance its budget, as required by law. In addition, the County cannot predict the outcome of

any elections impacting fiscal matters, the outcome of future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors over which the County has no control.

The County cannot predict the extent of the budgetary problems the State will encounter in this or in any future fiscal years, and it is not clear what measures would be taken by the State to balance its budget, as required by law. Accordingly, the County cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on the County's finances and operations, or what actions will be taken in the future by the State legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and economic conditions and other factors over which the County has no control. For a discussion of the potential impact of State budget actions on the County, see Appendix A – "THE COUNTY OF SOLANO – COUNTY FINANCES – State Budget" attached hereto.

Federal Funding

The County receives substantial federal funds for assistance payments, social service programs and other programs. A portion of the County's assets are also invested in securities of the United States government. The County's finances may be adversely impacted by fiscal matters at the federal level, including but not limited to cuts to federal spending. The County cannot predict the outcome of future federal administrative actions, legislation or budget deliberations. See Appendix A – "THE COUNTY OF SOLANO – COUNTY FINANCES – State Budget" attached hereto.

CONSTITUTIONAL AND STATUTORY LIMITS ON TAXES AND APPROPRIATIONS

Described below are certain measures which have impacted or may in the future impact the County's General Fund Budget.

Article XIII A

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under "full cash value," or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed two percent per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition.

Legislation enacted by the California Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100 percent of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100 percent of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, two percent annual value growth) will be allocated on the basis of "sites" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of "base" revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation the following year. The County is unable to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other ad valorem property tax above the one percent limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII B

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIII B to the California Constitution. In June 1990, Article XIII B was amended by the voters through their approval of Proposition 111. Article XIII B of the California Constitution limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is the 1978-79 fiscal year. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity, or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues and (iii) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the County over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the County in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the County's option, either (i) the percentage change in California per capita personal income, or (ii) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth, and change in attendance at local school and community college ("K-14") districts.

Article XIII B permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

The County's appropriations limit for Fiscal Year 2015-2016 was \$_____ and amount subject to the limitation was \$_____. The County's appropriations limit for the Fiscal Year 2016-2017 was \$_____, and the amount shown in its budget for that year as the appropriations subject to limitation was \$_____. The County's appropriations limit for Fiscal Year 2016-2017 is \$_____ and the amount subject to limitation is \$_____.

The ability of the County to make Base Rental Payments may be affected if the County should exceed the appropriations limit.

Right to Vote on Taxes Initiative – Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the California Constitution, which contain a number of provisions affecting the ability of cities and counties to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's general fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the Board of Supervisors to raise revenues for the general fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure requirements. In addition, Article XIII D contains new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property. This definition applies to landscape and maintenance assessments for open space areas, street medians, street lights and parks.

In addition to the provisions described above, Article XIII C removed many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge. No assurance can be given that the voters of the County will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's general fund.

In addition, Proposition 218 added several requirements making it generally more difficult for counties and other local agencies to levy and maintain assessments for municipal services and programs.

Finally, Proposition 218 requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general government purposes of the County require a majority vote and taxes for specific purposes only require a two-thirds vote. The voter approval requirements reduce the Board of Supervisor's flexibility to deal with fiscal problems by raising revenue and no assurance can be given that the County will be able to raise taxes in the future to meet increased expenditure requirements.

The County is of the opinion that Proposition 218 will not materially impact any existing taxes, fees or assessments collected by the County. No revenues collected by the County have been challenged under Proposition 218.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the County be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local government entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

The requirements imposed by Proposition 62 were upheld by the California Supreme Court in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220; 45 Cal. Rptr. 2d 207 (1995). In this case, the Court held that a county-wide sales tax of one-half of one percent was a special tax that, under Section 53722 of the Government Code, required a two-thirds voter approval. Because the tax received an affirmative vote of only 54.1 percent, this special tax was found to be invalid.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* ("La Habra"). In La Habra, the Court held that the public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The Court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

The County is of the opinion that Proposition 62 will not materially impact any existing taxes, fees or assessments collected by the County. No revenues collected by the County have been challenged under Proposition 62.

Proposition 1A

Proposition 1A, a constitutional amendment proposed by the State Legislature and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate, or change the allocation of local sales tax revenues, subject to certain exceptions. As set forth under the laws in effect as of November 3, 2004, Proposition 1A generally prohibits the State from shifting any share of property tax revenues allocated to local governments for any fiscal year to schools or community colleges. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe State financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also provides that if the State reduces the annual vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable County revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing aid to cities and spending on other State programs, or other actions, some of which could be adverse to the County.

Proposition 22

Proposition 22 ("Proposition 22") which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties.

Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters approved Proposition 26 ("Proposition 26"), revising certain provisions of Articles XIII and XIII of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. Fees, charges and payments that are made pursuant to a voluntary contract that are not "imposed by a local government" are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

Article XIII A, Article XIII B, Proposition 62, Proposition 218 and the other Propositions described above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations which may affect the County's revenues or its ability to expend its revenues.

LITIGATION

There is no action, suit or proceeding known to be now pending or threatened against the Corporation or the County restraining or enjoining the sale, execution or delivery of the Certificates or the Lease, or in any way contesting or affecting the validity of the foregoing or an proceedings of the Corporation or the County taken with respect to any of the foregoing.

[In the opinion of legal counsel to the Corporation and the County, there is no action, suit proceeding known to be pending or threatened, restraining or enjoining the Corporation or the County in any way which would have a material adverse effect on the County's financial position or ability of the County to pay the Base Rental Payments.]

RATINGS

S&P is expected to assign a rating of "_" to the Certificates. An explanation of the significance of the rating may be obtained from S&P. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by such rating agency, if in their respective judgments, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the County, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest portion of the Base Rental Payments paid by the County under the Lease and received by the Owners of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Special Counsel is of the further opinion that such interest portion is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Counsel observes that such interest is included in adjusted current

earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Special Counsel is included in Appendix D hereto.

To the extent the issue price of any maturity of the Certificates is less than the amount to be paid at maturity of such Certificates (excluding amounts stated to be interest and payable at least annually over the term of such Certificates), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Certificates is the first price at which a substantial amount of such maturity of the Certificates is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Certificates accrues daily over the term to maturity of such Certificates on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Certificates to determine taxable gain or loss upon disposition (including sale, prepayment, or payment on maturity) of such Certificates. Owners of the Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of Owners who do not purchase such Certificates in the original offering to the public at the first price at which a substantial amount of such Certificates are sold to the public.

Certificates purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Certificates") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium for certificates, like Premium Certificates, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an Owner's basis in a Premium Certificate, will be reduced by the amount of amortizable bond premium properly allocable to such Owner. Owners of Premium Certificates should consult their own tax advisors with respect to the proper treatment of amortizable certificate premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Certificates. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that the interest portion of the Base Rental Payments will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in the interest portion on the Base Rental Payments being included in gross income for federal purposes, possibly from the date of execution and delivery of the Certificates. The opinion of Special Counsel assumes the accuracy of these representations and compliance with these covenants. Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Counsel's attention after the date of execution and delivery of the Certificates may adversely affect the value of the Certificates or the tax status of the interest portion of the Base Rental Payments. Accordingly, the opinion of Special Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Counsel is of the opinion that the interest portion of the Base Rental Payments is excluded from gross income for federal income tax purposes and is exempt from State of

California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest with respect to, the Certificates may otherwise affect an Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Owner and the Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the interest portion of the Base Rental Payments to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from State income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

The opinion of Special Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Counsel's judgment as to the proper treatment of the interest portion of the Base Rental Payments for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Special Counsel's engagement with respect to the Certificates ends with the execution and delivery of the Certificates, and, unless separately engaged, Special Counsel is not obligated to defend the County or the Owners regarding the tax-exempt status of the interest portion of the Base Rental Payments in the event of an audit examination by the IRS. Under current procedures, parties other than the County and its appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Certificates for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues may affect the market price for, or the marketability of, the Certificates, and may cause the County or the Owners to incur significant expense.

APPROVAL OF LEGALITY

The validity of the Certificates and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, California, Special Counsel to the County. A complete copy of the proposed form of such opinion is contained in Appendix D hereto. Special Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the County by Hawkins Delafield & Wood LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Schiff Hardin LLP, Underwriter's Counsel. Certain legal matters will be passed upon for the County by County Counsel. The compensation of Special Counsel and Underwriter's Counsel is contingent upon the sale and delivery of the Certificates.

CONTINUING DISCLOSURE OBLIGATION

The County has covenanted in the Continuing Disclosure Agreement for the benefit of the holders and beneficial owners of the Certificates to provide certain financial information and operating data relating to the County by not later than March 31 following the end of the fiscal year (currently their fiscal years end on June 30) (the "Annual Report"), commencing with the fiscal year ending June 30, 2017, and to provide notices of the occurrence of certain events.

The Annual Report and the notices of material events will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board (the "MSRB") or any other repository designated by the Securities and Exchange Commission. The specific nature of the information to be contained in the Annual Reports and the notice of material events is set forth in Appendix F – "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934.

In connection with the issuance of the 2004 POBs, the 2005 POBs, 2007 COPs and the 2009 COPs, the County covenanted to submit an annual report to the Electronic Municipal Market Access system ("EMMA") of the MSRB containing the County's audited financial statements and certain other financial information and operating data relating to the County (the "Annual Report"). For fiscal year 2012-13, the audited financial statements were filed six days late and the fiscal year 2011-12 audited financial statements were filed 37 days late, and supplemented later to add two missing CUSIP numbers.

The Annual Report for fiscal year 2013-14 was filed 323 days late and did not include two required tables. The Annual Report for fiscal year 2012-13 was filed 688 days late and did not include two required tables. The Annual Report for fiscal year 2011-12 was filed 688 days late and did not include two required tables. The missing tables described in this paragraph were subsequently posted on EMMA. [The County has engaged Digital Assurance Certification, Inc. ("DAC") to serve as dissemination agent for the County's annual reports.]

UNDERWRITING

The Certificates are being purchased through negotiation by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Certificates at a price of \$_____ (computed as the par amount of the Certificates, plus a net original issue premium of \$_____, and less an Underwriter's discount of \$_____). The purchase agreement relating to the Certificates provides that the Underwriter will purchase all of the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said purchase agreement, including the approval of certain legal matters by counsel and certain other conditions.

MUNICIPAL ADVISOR

The County has retained PFM Financial Advisors LLC, San Francisco, California as municipal advisor (the "Municipal Advisor") in connection with the delivery of the Certificates. PFM Financial Advisors LLC is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

The foregoing summaries do not purport to be complete and are expressly made subject to the provisions of the documents, copies of which may be obtained from the Trustee, or during the period of the offering, the Underwriter.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement does not constitute an agreement between the Corporation, the County or the Underwriter and the purchasers or owners of any of the Certificates.

This Official Statement, and its distribution and use by the Underwriter, has been duly authorized and approved by the Corporation and the County.

COUNTY OF SOLANO

By: _____
[Authorized Officer]

APPENDIX A
THE COUNTY OF SOLANO

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR THE FISCAL YEAR
ENDED JUNE 30, 2016**

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APPENDIX C

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

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APPENDIX D

PROPOSED FORM OF OPINION OF SPECIAL COUNSEL

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APPENDIX E

DTC AND THE BOOK ENTRY SYSTEM

The information in numbered paragraphs 1-10 of this Appendix E concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry system, has been furnished by DTC for use in official statements and the County and the Corporation take no responsibility for the completeness or accuracy thereof. The County and the Corporation cannot and do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Certificates, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Certificates and "Agent" means the Trustee.

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual

purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the County of Solano (the "County") and Digital Assurance Certification, L.L.C., as dissemination agent (the "Dissemination Agent"), in connection with the execution and delivery by the County of its \$[Principal Amount] Series 2017 Refunding Certificates of Participation (the "Certificates"). The Certificates are being issued pursuant to a Trust Agreement, dated as of September 1, 2017, (the "Trust Agreement"), by and among the County, the Solano County Facilities Corporation, Inc. (the "Corporation") and MUFG Union Bank, N.A. (the "Trustee"). The County and the Dissemination Agent covenant as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income purposes.

"Disclosure Representative" shall mean the chief finance officer of the County or his or her designee, or such other officer or employee as the County shall designate from time to time.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C. or any successor Dissemination Agent, which may be designated in writing by the County.

"Holder" shall mean the person in whose name any Certificate shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Official Statement" shall mean the Official Statement dated _____, 2017, issued by the County in connection with the sale of the Certificates.

"Participating Underwriter" shall mean any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Repository" shall mean the MSRB or any other information repository as recognized from time to time by the Securities and Exchange Commission for the purposes referred to in the Rule.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than March 31 of each calendar year, commencing with the report for Fiscal Year 2016-17 (ending June 30, 2017) to be filed by March 31, 2018, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the County's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the County shall provide the Annual Report to the Dissemination Agent (if the County is not the Dissemination Agent); provided, however, that the County may distribute the Annual Report to the Repository itself after providing written notice to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the County to determine if the County is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) to the extent the County has provided the Annual Report to the Dissemination Agent, file a report with the County (if the County is not the Dissemination Agent) certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing each Repository to which it was provided.

SECTION 4. Content of Annual Reports. The County's Annual Report shall contain or include by reference the following:

(a) The financial statements of the County for the most recent fiscal year of the County then ended. If the County will prepare audited financial statements for such fiscal year, then such audited financial statements shall be filed. If the County prepares audited financial statements each fiscal year and if the audited financial statements are not available by the time the Annual

Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the County in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the County shall be audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited financial statements, if prepared by the County, shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the County may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the County shall modify in any material respect the basis upon which its financial statements are prepared, the County shall provide a description of such modification in its Annual Report, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) The following information from the Official Statement shall be updated for the most recently completed fiscal year:

- (1) Table 3 entitled "Taxable Transactions" from Appendix A;
- (2) Table 9 entitled "Statement of Revenues, Expenditures and Changes in Fund Balances for General Fund" from Appendix A;
- (3) Table 11 entitled "Summary of Full Cash and Ad Valorem Property Taxation" from Appendix A; and
- (4) a summary of outstanding General Fund obligations as described under "Outstanding Payment Obligations" from Appendix A.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the County shall give or cause to be given to the Repository a notice of the occurrence of any of the following events with respect to the Certificates, in a timely manner not in excess of 10 business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment related defaults, if material;
- (3) Unscheduled draws on any debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to the rights of Beneficial Owners, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) Consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Dissemination Agent (if the County is not the Dissemination Agent) shall, promptly upon obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the County promptly notify the Dissemination Agent in writing to report the event pursuant to subsection (d); provided, that failure by the Dissemination Agent to so notify the Disclosure Representative and make such request shall not relieve the County of its duty to report Listed Events as required by this Section 5.

(c) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by the County to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Repository in the manner set forth in Section 10 hereof. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Certificates pursuant to the Trust Agreement.

(e) The Dissemination Agent may conclusively rely on an opinion of counsel that the County's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(d).

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C.

SECTION 8. Amendment; Waiver. This Disclosure Agreement may be amended, by written agreement of the parties and the Participating Underwriter, if all of the following conditions are satisfied: (1) this Disclosure Agreement as so amended complies with the requirements of the Rule, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (2) the County shall have delivered to the Dissemination Agent an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the County and the Dissemination Agent, to the same effect as set forth in clause (1) above, and (3) the County shall have delivered copies of such amendment to each Repository.

To the extent any amendment to this Disclosure Agreement results in a change in the type of financial information or operating data provided pursuant to this Disclosure Agreement, the first Annual Report provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Electronic Filing. The County may satisfy its disclosure obligations hereunder to file any notice, document or information by filing the same with the MSRB through MSRB's Electronic Municipal Market Access system, in the format and with identifying or other information as may be required by the Securities and Exchange Commission or the MSRB, or by filing the same with any other Repository that may be recognized by the Securities and Exchange

Commission, in such manner as may be required by the Securities and Exchange Commission or such Repository.

SECTION 11. Default. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the sole remedy of any Owner or Beneficial Owner of the Certificates under this Disclosure Agreement shall be an action to compel performance, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent (if the County is not the Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and the payment of the Certificates.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

Dissemination Agent:	Digital Assurance Certification, L.L.C. [390 N. Orange Avenue, Suite 1750 Orlando, Florida 32801 Attention: Sharon Stringfellow Telephone: (407) 515-1100 Fax: (407) 515-6513]
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Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: _____, 2017.

DIGITAL ASSURANCE CORPORATION, L.L.C.,
as Dissemination Agent

By: _____
Authorized Officer

COUNTY OF SOLANO

By: _____
County Administrator

[Signature Page to the Continuing Disclosure Agreement]

EXHIBIT A

FORM OF NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of County: County of Solano

Name of Issue: County of Solano Series 2017 Refunding Certificates of Participation

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the County of Solano (the "County") has not provided an Annual Report with respect to the above-named Certificates as required by Section 3 of the Continuing Disclosure Agreement, dated _____, 2017. The County anticipates that the Annual Report will be filed by _____.

Dated: _____

COUNTY OF SOLANO

By _____ [form only; no signature required]

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: County of Solano

Name of Certificate Issue: County of Solano Series 2017 Refunding Certificates of Participation

Date of Issuance: [Closing Date], 2017

NOTICE IS HEREBY GIVEN that the County of Solano (the "County") has not provided an Annual Report with respect to the above-named Certificates as required by Section 3 of the Continuing Disclosure Agreement, dated as of [Dated Date], 2017. The County anticipates that the Annual Report will be filed by _____.

DIGITAL ASSURANCE CORPORATION,
L.L.C., as Dissemination Agent

Dated: _____

By: _____
Authorized Officer

cc: County of Solano



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 11 **Status:** Regular Calendar
Type: Resolution **Department:** Treasurer-Tax Collector-County Clerk
File #: 17-573 **Contact:** Charles Lomeli, 784-3419
Agenda date: 8/8/2017 **Final action:**
Title: Consider adopting a resolution to approve the form of the Site Lease, Lease, Trust Agreement, Assignment Agreement, and Certificate of Purchase Agreement related to the execution and delivery of the 2017 Certificates of Participation ("2017 Certificates"); Authorize Corporation officials, Raymond James ("Underwriter"), Orrick, Herrington & Sutcliffe LLP, as special counsel, and Hawkins Delafield and Wood LLP, as disclosure counsel, to prepare all documents necessary for the transaction; and Authorize Corporation officials to execute and deliver all necessary documents
Governing body: Board of Supervisors
District: All
Attachments: [A - Resolution](#)
[B - Site Lease](#)
[C - Lease Agreement](#)
[D - Trust Agreement](#)
[E - Assignment Agreement](#)
[F - Certificate Purchase Agreement](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

Staff recommends that the Board, sitting as the Board of Directors of the Solano County Facilities Corporation:

1. Consider adopting a resolution to approve the form of the Site Lease, Lease, Trust Agreement, Assignment Agreement, and Certificate of Purchase Agreement related to the execution and delivery of the 2017 Certificates of Participation ("2017 Certificates");
2. Authorize Corporation officials, Raymond James ("Underwriter"), Orrick, Herrington & Sutcliffe LLP, as special counsel, and Hawkins Delafield and Wood LLP, as disclosure counsel, to prepare all documents necessary for the transaction; and
3. Authorize Corporation officials to execute and deliver all necessary documents.

SUMMARY/DISCUSSION:

The current favorable interest rate environment provides the opportunity for the County to refinance the 2007 Certificates of Participation ("2007 Certificates") to achieve debt service savings. The proposed transaction will result in the issuance of the 2017 Certificates that will fully refund the \$84,200,000 of outstanding 2007 Certificates, which were in turn issued in the amount of \$99,860,000 to refund outstanding 2002 Certificates of

Participation ("2002 Certificates"). The 2007 Certificates are callable on November 1, 2017 at par.

The Board of Directors is being asked to adopt the attached Resolution in order to approve each of the following documents in substantially final form:

- Site Lease: Between the County and the Corporation, leasing the Solano County Government Center, adjacent parking facility, and the associated site ("Leased Property") from the County to the Corporation
- Lease Agreement: Between the County and the Corporation, leasing back the Leased Property from the Corporation to the County
- Trust Agreement: By and among MUFG Union Bank, N.A. ("Trustee"), the Corporation, and the County, engaging the Trustee
- Assignment Agreement: Between the Corporation and the Trustee assigning all lease payments from the Corporation to the Trustee
- Certificate Purchase Agreement: By and among the Underwriter, the County, and the Corporation setting the terms of the Underwriter's engagement

County staff and the financing team are targeting pricing of the 2017 Certificates on Tuesday, August 15, 2017 and closing on Wednesday, September 20, 2017. An escrow agent will then redeem the 2007 Certificates on November 1, 2017.

FINANCING IMPACT:

The purpose of the transaction is to achieve debt service savings. The Board of Supervisors has previously considered the refunding of the County's 2007 Certificates of Participation ("2007 Certificates") at its July 25, 2017 and August 1, 2017 meetings. As part of this consideration, the Board was asked to select between a funding alternative that was intended to optimize annual cash flow savings and a second alternative that provided greater total savings which will be realized after thirteen calendar years at the expense of annual savings. After careful consideration of the merits of both scenarios, the Board selected the scenario providing the greater total savings.

The Underwriter currently estimates net present value (NPV) savings of \$12,687,304.39, or 15.07% of refunded principal assuming a shortened final maturity of 2030 and a continuance of annual debt service expense at levels approximately equal to current levels. The Resolution requires a minimum of 5.00% NPV savings to proceed with the transaction. Costs of issuance will be paid from the proceeds of the transaction, and savings are net of costs.

The transaction will also increase the County's flexibility for future lease financing transactions if the need for them arises. The 2007 Certificates encumber the Solano County Government Center and parking facility, probation facility, and improvements to the utility plant and library. The repayment of principal and appreciation in the value of the assets since 2007 allows for the removal from the lease of the probation facility and improvements to the utility plant and library. Their value could be encumbered for future transactions after issuance of the 2017 Certificates and refunding of the 2007 Certificates.

ALTERNATIVES:

The Board may choose not to adopt the Resolution. This is not recommended because it would mean the County will not be able to complete the transaction at this time thereby foregoing potential savings which are beneficial to the County. Delaying the transaction risks that any future transaction to refund the 2007 Certificates will not achieve the same level of savings expected to be available now.

OTHER AGENCY INVOLVEMENT:

County Counsel, County Administrator, The County's Financial Advisor, Bond Counsel, Disclosure Counsel,

Trustee, and the Debt Advisory Committee have reviewed and assisted in the drafting of this item.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

RESOLUTION NO. 2017-_____

**RESOLUTION BOARD OF DIRECTORS OF THE SOLANO COUNTY FACILITIES CORPORATION, INC.
APPROVING FORMS OF AND AUTHORIZING EXECUTION OF A SITE LEASE, A LEASE AGREEMENT, A
TRUST AGREEMENT, AN ASSIGNMENT AGREEMENT AND A CERTIFICATE PURCHASE AGREEMENT,
FOR THE SALE OF SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION, AND AUTHORIZING
CORPORATION OFFICERS TO TAKE NECESSARY ACTIONS**

Whereas, the Solano County Facilities Corporation, Inc. (herein called the "Corporation") is a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California; and

Whereas, the Corporation has been formed for the purpose of rendering financial assistance to the County of Solano (herein called the "County") by leasing or subleasing improved or unimproved property to the County, and in connection therewith, financing or refinancing, acquiring, constructing or improving the property; and

Whereas, pursuant to and in accordance with the Government Code of the State of California, and other applicable laws of the State of California, the County has heretofore determined to lease from the Corporation, for the use of the County during the term thereof the public facilities described in Exhibit A attached hereto, together with improvements (herein called the "Leased Property"); and

Whereas, the Corporation has not made, and does not intend to make, any profit by reason of any business or venture in which it may engage or by reason of the lease of the Leased Property and no part of the Corporation's net earnings, if any, will ever inure to the benefit of any person except the County; and

Whereas, pursuant to a trust agreement dated as of February 1, 2007, the County caused the execution and delivery of the 2007 Refunding Certificates of Participation (the "2007 Certificates") in the aggregate principal amount of \$99,860,000; and

Whereas, the County has determined that it would be in its best interest to refund and defease the 2007 Certificates; and

Whereas, such refunding will be effected by the execution and delivery of a lease, entitled "Lease Agreement (Series 2017 Refunding Certificates of Participation)," tentatively dated as of September 1, 2017, by and between the County and the Corporation (herein called the "Lease"), and through the sale and delivery of refunding certificates of participation; and

Whereas, under the Lease, the County would be obligated to make base rental payments to the Corporation for the lease of Leased Property; and

Whereas, it is proposed that all rights to receive such base rental payments (together with the additional payments provided for in the Lease) will be assigned without recourse by the Corporation to Union Bank, N.A., as trustee (herein called the "Trustee"), pursuant to an agreement, entitled "Assignment Agreement" and tentatively dated as of September 1, 2017 (herein called the "Assignment Agreement"); and

Whereas, it is further proposed that the Corporation, the County and the Trustee shall enter into an agreement, entitled "Trust Agreement" and tentatively dated as of September 1, 2017 (herein called the "Trust Agreement"), pursuant to which the Trustee will execute and deliver refunding certificates of participation (herein called the "Certificates") in an amount equal to the aggregate principal components of such base rental payments, each evidencing and representing a fractional undivided interest in such base rental payments, and will use the proceeds to refund the 2007 Certificates; and

Whereas, it is further proposed that the Corporation and the County shall enter into a lease, entitled "Site Lease (Series 2017 Refunding Certificates of Participation)" and tentatively dated as of September 1, 2017 (herein called the "Site Lease"); and

Whereas, the form of the Certificate Purchase Agreement, to be dated its date of execution, has been submitted to this Board of Directors; and

Whereas, this Board of Directors has been presented with the form of each document referred to herein, relating to such refunding of the 2007 Certificates, and the Board of Directors has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing.

Resolved by the Board of Directors of the Solano County Facilities Corporation, Inc. as follows:

SECTION 1. All of the recitals herein are true and correct and this Board of Directors so finds.

SECTION 2. The form of lease, entitled "Site Lease (Series 2017 Refunding Certificates of Participation)" and tentatively dated as of September 1, 2017, between the County and the Corporation, in substantially the form submitted to this Board of Directors, is approved. The Secretary of the Corporation is directed to file a copy of the form of instrument with the minutes of this meeting. The President and the Secretary of the Corporation are authorized and directed to execute and deliver a lease in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The form of Lease, entitled "Lease Agreement (Series 2017 Refunding Certificates of Participation)" and tentatively dated as of September 1, 2017, from the Corporation to the County, in the form submitted to this Board of Directors, is approved. The Secretary of the Corporation is directed to file a copy of the form of Lease with the minutes of this meeting. The President and the Secretary of the Corporation are authorized and directed to execute and deliver a lease in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. The form of Trust Agreement, by and among Union Bank, N.A., as trustee, the Corporation and the County, and tentatively dated as of September 1, 2017, submitted to this Board of Directors, is approved. The Secretary of the Corporation is directed to file a copy of the proposed Trust Agreement with the minutes of this meeting. The President and the Secretary of the Corporation are authorized and directed to execute and deliver the Trust Agreement in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 5. The form of Assignment Agreement, by and between the Corporation and the Trustee, and tentatively dated as of September 1, 2017, submitted to this Board of Directors, is approved. The Secretary of the Corporation is directed to file a copy of the proposed Assignment Agreement with the minutes of this meeting. The President and the Secretary of the Corporation are authorized and directed to execute and deliver the Assignment Agreement in substantially the form, with such additions thereto and changes therein as such officers executing such instrument may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The form of Certificate Purchase Agreement, by and among the purchasers of the Certificates, the County and the Corporation, submitted to this Board of Directors, is approved. The Secretary of the Corporation is directed to file a copy of the Certificate Purchase Agreement with the minutes of this meeting.

SECTION 7. Raymond James & Associates, Inc., as underwriter, Orrick, Herrington & Sutcliffe LLP, as special counsel, Hawkins Delafield and Wood LLP as disclosure counsel and the appropriate Corporation officials are authorized and directed to continue to prepare the necessary legal documents to accomplish the financing, and to take any and all necessary actions in connection therewith.

SECTION 8. The officers of this Corporation be and they are authorized and directed, jointly and severally, in the name and on behalf of the Corporation, to execute and deliver any and all certificates, agreements and other documents, including signature, no-litigation and arbitration certificates, and to take any and all steps which they might deem necessary or appropriate in order to effectuate the actions which the Board of Directors has heretofore approved and that all actions heretofore taken by the officers and agents of this Corporation with respect to the purposes for which this Corporation was formed be and they are approved and ratified.

SECTION 9. This resolution shall take effect from and after its date of adoption.

Passed and adopted by the Board of Directors of the Solano County Facilities Corporation, Inc. this 8th day of August, 2017.

BIRGITTA E. CORSELLO, Secretary
Solano County Facilities Corporation, Inc.

EXHIBIT A

Leased Property

DESCRIPTION OF LEASED ASSET

All that certain real property situated in the County of Solano, State of California,
described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

SECRETARY'S CERTIFICATE

I certify that I am the duly elected, qualified and acting Secretary of the Solano County Facilities Corporation, Inc., a California nonprofit public benefit corporation organized and existing under the laws of the State of California, and that the foregoing is a full, true and correct copy of the resolution adopted at a special meeting of the board of directors of the Corporation held on the 8th day of August, 2017.

Date _____, 2017.

BIRGITTA E. CORSELLO, Secretary
Solano County Facilities Corporation, Inc.

Recording requested by
and return to:
COUNTY OF SOLANO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: John Y. Wang, Esq.

**Free Recording Requested
Pursuant to California
Government Code § 6103**

SITE LEASE
(Series 2017 Refunding Certificates of Participation)

Between the

COUNTY OF SOLANO

and

SOLANO COUNTY FACILITIES CORPORATION, INC.

Dated as of [September 1, 2017]

SITE LEASE

This Site Lease, dated as of [September 1, 2017], by and between the COUNTY OF SOLANO, a political subdivision organized and existing under and by virtue of the laws of the State of California (herein called the “County”), as lessor, and the SOLANO COUNTY FACILITIES CORPORATION, INC., a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (herein called the “Corporation”), as lessee;

WITNESSETH:

WHEREAS, on December 1, 2002, the County and the Corporation entered into an Site Lease (the “2002 Site Lease”) under which the County leased certain land (the “Prior Site”) owned by the County to the Corporation; and

WHEREAS, the Corporation as lessor subleased to the County the Prior Site and leased to the County the buildings and equipment to be acquired, constructed, and equipped on the Prior Site (the “Prior Leased Property”) pursuant to that certain Lease Agreement dated as of December 1, 2002, by and between the Corporation as lessor and the County as lessee (the “2002 Lease”); and

WHEREAS, the County agreed to pay Lease Payments due under the 2002 Lease to the Trustee under that certain Trust Agreement dated as of December 1, 2002 (the “2002 Trust Agreement”); and

WHEREAS, the County previously determined to cause the execution and delivery of its Series 2007 Refunding Certificates of Participation (the “Prior Certificates”) to provide funds to advance refund and defease a portion of the 2002 Lease; and

WHEREAS, on February 1, 2007, the Corporation and the County entered into an Amended and Restated Lease Agreement (the “2007 Lease”), whereby the Corporation agreed to sublease the Prior Site and lease the Prior Leased Property to the County, and an Amended and Restated Site Lease (the “2007 Site Lease”) as a material consideration for the Corporation’s agreement to lease the Prior Leased Property back to the County pursuant to the 2007 Lease; and

WHEREAS, the County has determined to cause the execution and delivery of Series 2017 Refunding Certificates of Participation (the “Certificates”) to provide funds to refinance the 2007 Certificates and satisfy all of the County’s obligations under the 2007 Lease; and

WHEREAS, the Corporation and the County have entered in an Lease Agreement (Series 2017 Refunding of Certificates of Participation) and dated as of the date hereof (herein called the “Lease”), whereby the Corporation has agreed to sublease certain land owned by owned by the County (the “Site”) and lease to the County the buildings and equipment on the Site (the “Leased Property”); and

WHEREAS, the County proposes to enter into this lease with the Corporation as a material consideration for the Corporation's agreement to lease the Leased Property back to the County pursuant to the Lease; and

WHEREAS, under the Lease, the County will be obligated to make base rental payments to the Corporation for the lease of the Leased Property; and

WHEREAS, all rights to receive such base rental payments will be assigned without recourse by the Corporation to Union Bank, N.A. (herein called the "Trustee"), as trustee pursuant to an agreement, entitled "Trust Agreement" and dated as of [September 1, 2017] (herein called the "Trust Agreement"); and

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Certificates, in an amount equal to the aggregate principal components of such base rental payments, each evidencing and representing a fractional undivided interest in such base rental payments; and

WHEREAS, the net proceeds of the Certificates will be applied to the refunding and defeasance of the 2007 Certificates (as defined in the Trust Agreement);

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. Site.

The County hereby leases to the Corporation and the Corporation hereby hires from the County, on the terms and conditions hereinafter set forth, the Site, described in Exhibit A attached hereto and made a part hereof.

SECTION 2. Term.

The term of this lease shall commence on the date of recordation of this lease in the office of the County Recorder of Solano County, State of California, or on [September 1, 2017], whichever is earlier, and shall end on November 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

If on November 1, 20__ the Certificates shall not be fully paid, or if the rental payable under the Lease shall have been abated at any time and for any reason, then the term of this lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this lease shall in no event be extended beyond November 1, 20__. If prior to November 1, 20__ the Certificates shall be fully paid, the term of this lease shall end ten (10) days thereafter or ten (10) days after written notice by the County to the Corporation, whichever is earlier.

SECTION 3. Rental.

The Corporation shall pay to the County as and for rental hereunder the sum of \$[_____], being the net proceeds of the Certificates applied to the retirement of the 2007 Certificates as provided in the Trust Agreement.

SECTION 4. Purpose.

The Corporation shall use the Site solely for the purpose of constructing the Leased Property and leasing back the Site, and the certain improvements the Corporation has constructed thereon to the County pursuant to the Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Lease the Corporation may exercise the remedies provided in the Lease.

SECTION 5. Owner in Fee.

The County covenants that it is the owner in fee of the Site, as described in Exhibit A hereto. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Corporation harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

SECTION 6. Assignments and Subleases.

Unless the County shall be in default under the Lease, the Corporation may not assign its rights under this lease or sublet the Site, except pursuant to the Assignment Agreement, without the written consent of the County.

SECTION 7. Right of Entry.

The County reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Corporation agrees, upon the termination of this Site Lease or any substitution pursuant to Section 2.03 of the Facility Lease, to quit and surrender the Site in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Lease and upon payment of the option price required by said section, the term of this lease shall

terminate as to the portion of the Site upon which the part of the Leased Property being so purchased is situated.

SECTION 9. Default.

In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the County may exercise any and all remedies granted by law, except that no merger of this lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this lease by reason of any default on the part of the Corporation if such termination would affect or impair any assignment or sublease of all or any part of the Site then in effect between the Corporation and any assignee or subtenant of the Corporation (other than the County under the Lease). So long as any such assignee or subtenant of the Corporation shall duly perform the terms and conditions of this lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Corporation at all times during the term of this lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Site.

SECTION 11. Waiver of Personal Liability.

All liabilities under this lease on the part of the Corporation shall be solely liabilities of the Corporation, as a corporation, and the County hereby releases each and every member, director, officer, agent, or employee of the Corporation of and from any personal or individual liability under this lease. No member, director, officer, agent, or employee of the Corporation shall at any time or under any circumstances be individually or personally liable under this lease to the County or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

SECTION 12. Taxes.

The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site (including both land and improvements).

SECTION 13. Eminent Domain.

In the event the whole or any part of the Site or the improvements thereon (including all or any part of the Leased Property) is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the

then unpaid or outstanding Certificates attributable to such part of the Leased Property and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

SECTION 14. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this lease shall be affected thereby, and each provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the Corporation, addressed to the Corporation in care of the Solano County Administrator's Office, County of Solano, 675 Texas Street, Fairfield, California 94533, or if to the County, addressed to the County in care of the Solano County Administrator's Office, County of Solano, 675 Texas Street, Fairfield, California 94533, in either case with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 16. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 17. Execution.

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may separately be executed by the County and the Corporation, all with the same force and effect as though the same counterpart had been executed by both the County and the Corporation.

IN WITNESS WHEREOF, the County and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

COUNTY OF SOLANO,
as Lessor

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

**SOLANO COUNTY
FACILITIES CORPORATION, INC.,**
as Lessee

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

EXHIBIT A

All that certain real property situated in the County of Solano, State of California,
described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

[Attach property description]

DRAFT

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

Recording requested by
and return to:
COUNTY OF SOLANO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: John Y. Wang, Esq.

**Free Recording Requested
Pursuant to California
Government Code § 6103**

LEASE AGREEMENT
(Series 2017 Refunding Certificates of Participation)

By and between

SOLANO COUNTY FACILITIES CORPORATION, INC.

and the

COUNTY OF SOLANO

Dated as of [September 1, 2017]

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EXHIBIT A - DESCRIPTION OF LEASED PROPERTY A-1

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LEASE AGREEMENT

This Lease Agreement, dated as of [September 1, 2017], by and between SOLANO COUNTY FACILITIES CORPORATION, INC. (the "Corporation"), a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, as lessor, and the COUNTY OF SOLANO (the "County"), a political subdivision duly organized and existing under the Constitution and laws of the State of California, as lessee;

WITNESSETH:

WHEREAS, on December 1, 2002, the County and the Corporation entered into a Site Lease (the "2002 Site Lease") under which the County leased certain land (the "Prior Site") owned by the County to the Corporation; and

WHEREAS, the Corporation as lessor subleased to the County the Prior Site and leased to the County the buildings and equipment to be acquired, constructed, and equipped on the Prior Site (the "Prior Leased Property") pursuant to that certain Lease Agreement dated as of December 1, 2002, by and between the Corporation as lessor and the County as lessee (the "2002 Lease"); and

WHEREAS, the County agreed to pay Lease Payments due under the 2002 Lease to the Trustee under that certain Trust Agreement dated as of December 1, 2002 (the "2002 Trust Agreement"); and

WHEREAS, the County previously determined to cause the execution and delivery of its Series 2007 Refunding Certificates of Participation (the "Prior Certificates") to provide funds to advance refund and defease a portion of the 2002 Lease; and

WHEREAS, on February 1, 2007, the Corporation and the County entered into an Amended and Restated Lease Agreement (the "2007 Lease"), whereby the Corporation agreed to sublease the Prior Site and lease the Prior Leased Property to the County, and an Amended and Restated Site Lease (the "2007 Site Lease") as a material consideration for the Corporation's agreement to lease the Prior Leased Property back to the County pursuant to the 2007 Lease; and

WHEREAS, the County has determined to issue its Series 2017 Refunding Certificates of Participation (the "Certificates") to provide funds to prepay the 2007 Lease and satisfy all of the County's obligations under the 2007 Lease; and

WHEREAS, to provide funds to refund and defease the Prior Certificates, the County and the Corporation have entered into a Site Lease as hereinafter defined; and in order to provide for its governmental and proprietary needs and in furtherance of its public purposes, the County desires to sublease certain land owned by the County (the "Site") and to lease the buildings and equipment on the Site (the "Leased Property") from the Corporation and the Corporation desires to sublease the Site and lease the Leased Property to the County.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement.

Additional Payments

The term “Additional Payments” means all amounts payable to the Corporation or the Trustee or any other person from the County as Additional Payments pursuant to Section 3.02 hereof.

Base Rental Payments

The term “Base Rental Payments” means all amounts payable to the Corporation from the County as Base Rental Payments pursuant to Section 3.01 hereof.

Base Rental Payment Fund

The term “Base Rental Payment Fund” means the fund by that name established in Section 3.07 hereof.

Base Rental Payment Schedule

The term “Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Corporation from the County pursuant to Section 3.01 hereof and attached hereto as Exhibit B.

Certificates

The term “Certificates” means the refunding certificates of participation executed and delivered by the Trustee under and pursuant to the Trust Agreement.

Code

The term “Code” means the Internal Revenue Code of 1986.

Corporation

The term “Corporation” means (i) the Solano County Facilities Corporation, Inc., a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, acting as lessor hereunder; (ii) any surviving, resulting or transferee entity; and (iii) except where the context requires otherwise, any assignee of the Corporation, other than the Trustee.

County

The term “County” means the County of Solano, a political subdivision of the State of California organized and existing under and by virtue of the Constitution and laws of the State of California.

Event of Default

The term “Event of Default” shall have the meaning specified in Section 6.01 hereof.

Lease

The term “Lease” means this lease, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

Leased Property

The term “Leased Property” means that certain real property situated in the County of Solano, State of California, described in Exhibit A attached hereto and made a part hereof, together with any additional real property added thereto by any supplement or amendment hereto; subject, however, to any conditions, reservations, and easements of record or known to the County.

Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the County or the Corporation and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

Outstanding

The term “Outstanding,” when applied to Certificates, shall have the meaning ascribed to such term in the Trust Agreement.

Permitted Investments

The term “Permitted Investments” shall have the meaning ascribed to such term in the Trust Agreement.

Qualified Carrier

The term “Qualified Carrier” shall mean (i) a commercial insurer rated “A” by A.M. Best or in one of the two highest rating categories by S&P or Moody’s or (ii) the CSAC Excess Insurance Authority.

Site Lease

The term “Site Lease” means that certain lease, entitled “Site Lease (Series 2017 Refunding Certificates of Participation),” by and between the County and the Corporation, dated as of [September 1, 2017], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof and of the Trust Agreement.

S&P

The term “S&P” means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Supplemental Trust Agreement

The term “Supplemental Trust Agreement” means any supplement or amendment to the Trust Agreement hereafter duly authorized and entered into between the Corporation, the County and the Trustee in accordance with the provisions of the Trust Agreement.

Tax Certificate

The term “Tax Certificate” shall have the meaning ascribed to such term in the Trust Agreement.

Trust Agreement

The term “Trust Agreement” means the trust agreement dated as of [September 1, 2017], by and among the Trustee, the Corporation and the County, pursuant to which the Trustee will execute and deliver the Certificates, as originally executed or as it may from time to time be

supplemented, modified or amended by a Supplemental Trust Agreement entered into pursuant to the provisions of the Trust Agreement.

Trustee

The term “Trustee” means MUFG Union Bank, N.A., appointed as trustee pursuant to the Trust Agreement, and any successor appointed under the Trust Agreement.

Written Request of the Corporation

The term “Written Request of the Corporation” means an instrument in writing signed by or on behalf of the Corporation by its President or its Vice President or its Treasurer or its Secretary or an Assistant Secretary or by any other person (whether or not an officer of the Corporation) who is specifically authorized by resolution of the Board of Directors of the Corporation to sign or execute such a document on its behalf.

Written Request of the County

The term “Written Request of the County” means an instrument in writing signed by the Chair of the Board of Supervisors of the County, or by the Clerk of the Board of Supervisors of the County, or by the Treasurer-Tax Collector of the County, or by the County Administrative Officer of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

ARTICLE II

LEASE OF LEASED PROPERTY; TERM

SECTION 2.01 Lease of Leased Property. The Corporation hereby leases to the County and the County hereby leases from the Corporation the Leased Property; subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Lease. The County hereby agrees and covenants during the term of this Lease that, except as hereinafter provided, it will use the Leased Property for public and County purposes so as to afford the public the benefits contemplated by this Lease.

The leasing by the County to the Corporation of the Leased Property shall not effect or result in a merger of the County’s leasehold estate pursuant to this Lease and its fee estate as lessor under the Site Lease, and the Corporation shall continue to have and hold a leasehold estate in said Leased Property pursuant to the Site Lease throughout the term thereof and the term of this Lease. As to said Leased Property this Lease shall be deemed and constitute a sublease.

SECTION 2.02 Term; Occupancy. The term of this Lease shall commence on the date of recordation of this Lease in the office of the County Recorder of Solano County, State of California, or on [September 1, 2017] whichever is earlier, and shall end on November 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

If on November 1, 20__, the Certificates shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Lease shall be extended until ten (10) days after all Certificates shall be fully paid, except that the term of this Lease shall in no event be extended beyond November 1, 20__. If prior to November 1, 20__ all Certificates shall be fully paid, or provision therefor made, the term of this Lease shall end ten (10) days thereafter or ten (10) days after written notice by the County to the Corporation, whichever is earlier.

SECTION 2.03 Substitution. The County and the Corporation may substitute real property for all or for part of the Leased Property for purposes of this Lease (“Substitute Property”), but only after the County shall have filed with the Corporation and the Trustee, with copies to each rating agency then providing a rating for the Certificates, all of the following:

(a) Executed copies of the Lease or amendments thereto containing the amended description of the Leased Property to reflect the Substitute Property.

(b) A Certificate of the County with copies of the Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Leased Property to reflect the Substitute Property stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(c) A Certificate of the County, stating that the County intends to use and maintain the Substitute Property for at least the remaining term of the Certificates, and that the annual fair rental value of the Leased Property which will constitute the Leased Property after such substitution will be at least equal to the 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending October 31 or in any subsequent year ending October 31 during the term of the Certificates.

(d) Either (i) a policy of title insurance in an amount equal to the principal amount of Bonds then Outstanding (or, if only part of the Leased Property will be substituted, in an amount equal to such proportion of the principal amount of the Certificates then Outstanding as the fair rental value of the Substitute Property bears to the fair rental value of the existing Facilities), naming the County as insured owner and showing good and marketable title to the Substitute Property, or (ii) a Certificate of the County stating that, based upon a Title Commitment, if available, the County has good and marketable title to the Substitute Property. The term “Title Commitment” shall mean an irrevocable commitment to issue a CLTA standard coverage owner’s policy of title insurance, issued by a national title insurance company, each such insurance instrument, when issued, shall name the Trustee as the insured, which policy if issued would insure fee simple title in the County, or if not available, a preliminary title report issued by a national title insurance company, in each case subject only to such exceptions to title as would not render such property insufficient for the needs and operations of the County.

(e) A Certificate of the County stating that such substitution does not adversely affect the County’s use and occupancy of the Leased Property.

(f) An Opinion of Counsel stating that such substitution (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement and (ii) will not in and of itself cause the interest component of the Base Rental Payments to be included in gross income for federal income tax purposes.

ARTICLE III

RENTAL PAYMENTS; USE OF PROCEEDS

SECTION 3.01 Base Rental Payments. The County agrees to pay to the Corporation, as Base Rental Payments for the use and occupancy of the Leased Property (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments with principal and interest components, the interest components being payable semi-annually, in accordance with the Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. Base Rental shall be calculated on an annual basis, for the twelve-month periods commencing on November 1 and ending on October 31, and each annual Base Rental shall be divided into two interest components, payable on May 1 and November 1 of each rental payment period, and one principal component, payable on November 1 of each rental payment period, except that the first Base Rental Payment period shall commence on the date of recordation of this Lease or a memorandum thereof in the office of the County Recorder of Solano County and shall end on October 31, 2017 and no Base Rental shall be payable for such period. Each Base Rental Payment installment shall be payable on its due date and any interest or other income with respect thereto accruing prior to such due date shall belong to the County and shall be returned by the Corporation to the County on May 15 and November 15 of each year. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in two installments as aforesaid) shall be for the use of the Leased Property or portions thereof for the twelve-month period commencing on November 1 of the period in which such installments are payable. If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on May 1 and November 1 in each year, and payable as hereinabove described, continuing to and including the date of termination of this Lease, in an amount equal to the amount of Base Rental payable for the twelve-month period commencing November 1, 20___. Upon such extension of this Lease, the principal and interest components of the Base Rental Payments shall be established so that the principal components will in the aggregate be sufficient to pay all unpaid principal components with interest components sufficient to pay all unpaid interest components plus interest on the extended principal components at a rate equal to the rate of interest on the principal component of the Base Rental payable on November 1, 20___.

If at any time the Base Rental hereunder shall not have been paid by the County, for any reason not permitted under this Lease, and no other source of funds shall have been available to make the payments of principal and interest represented by the Certificates to the persons entitled to receive such payments, the principal and interest components of the Base Rental shall be recalculated by the County to reflect interest on the unpaid principal components at the rate or rates specified in the Trust Agreement, and a revised Exhibit B to this Lease shall

be prepared by the County and supplied to the Corporation and the Trustee reflecting such reallocation.

SECTION 3.02 Additional Payments. The County shall also pay such amounts (herein called the “Additional Payments”) as shall be required by the Corporation for the payment of all costs and expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease or any assignment hereof, the Trust Agreement, its interest in the Leased Property and the lease of the Leased Property to the County, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Corporation related to the Leased Property, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Corporation under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Certificates or of the Trust Agreement; but not including in Additional Payments amounts required to pay the principal or interest represented by the Certificates.

Such Additional Payments shall be billed to the County by the Corporation or the Trustee from time to time, and for bills from the Corporation together with a statement certifying that the amount billed has been paid by the Corporation, for one or more of the items above described, or that such amount is then payable by the Corporation for such items. Amounts so billed shall be paid by the County within 15 days after receipt of the bill by the County. The County reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the County to make full and timely payment for all Additional Payments. Any payments of Additional Payments not expended upon receipt shall be held by the Trustee in the Base Rental Fund pursuant to the Trust Agreement.

SECTION 3.03 Fair Rental Value. Such payments of Base Rental Payments for each rental period during the term of this Lease shall constitute the total rental for said rental period and shall be paid by the County in each rental payment period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the Leased Property during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each twelve-month period beginning November 1 represents the fair rental value of the Leased Property for each such period. In making such determination, consideration has been given to costs of construction and financing of the Leased Property, other obligations of the parties under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the County and the general public.

SECTION 3.04 Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Corporation at the office of the Trustee in Los Angeles, California, or such other place as the Trustee shall designate. Any such installment of rental accruing hereunder which shall not be paid when due and payable under the terms of this Lease shall bear interest at the rate of five percent (5%) per annum, or such lesser rate of interest as may be permitted by law, from the 15th day of the month when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Corporation and the County, the County shall make all rental payments

when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this Section on any date shall be reduced to the extent of amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund and available therefor.

All payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Rental is subject to abatement as provided in Section 3.06.

Nothing contained in this Lease shall prevent the County from making from time to time contributions or advances to the Corporation for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Leased Property in the event of damage to or the destruction of the Leased Property.

SECTION 3.05 Appropriations Covenant. The County covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all such Base Rental Payments and Additional Payments and to take such action annually as may be necessary to provide funds in such year for such Base Rental Payments and Additional Payments. The County will deliver to the Corporation and the Trustee copies of the portion of each annual County budget relating to the payment of Base Rental Payments and Additional Payments hereunder within thirty (30) days after the filing or adoption thereof. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the County.

SECTION 3.06 Rental Abatement. Except to the extent of (a) amounts held by the Trustee in the Base Rental Payment Fund, (b) amounts received in respect of use and occupancy insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Certificates, during any period in which, by reason of material damage, destruction, title defect or condemnation there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments and Additional Payments, in which case rental payments shall be abated only by an amount equal to the difference. Any abatement of rental payments pursuant to this Section shall not be considered an event of default as defined

in Article VI hereof. The County waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Lease by virtue of any such interference and this Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and ending with the substantial completion of the work of repair or replacement of the portions of the Leased Property so damaged, destroyed, defective or condemned.

SECTION 3.07 Use of Proceeds; Lease Fund; Investments.

(a) Use of Proceeds. The parties hereto agree that the proceeds of the Certificates will be used to defease and prepay the 2007 Certificates (as such term is defined in the Trust Agreement) and to pay the costs of execution and delivery of the Certificates and incidental and related expenses. The amount transferred to the MUFG Union Bank, N.A., as escrow agent pursuant to the Escrow Agreement, together with interest thereon and other funds made available therefor, shall be used to make the final lease payment under the 2007 Lease and pay the prepayment price of the 2007 Certificates on November 1, 2017.

(b) Base Rental Payment Fund. In consideration for the agreements and covenants of the County herein, upon the sale and delivery of the Certificates, the Corporation agrees to pay to the County a sum (which shall include the amount of accrued interest, if any, received by the Trustee upon the sale of the Certificates) equal to the Base Rental Payments due from the County to the Corporation for deposit in a separate special fund, to be held by the Trustee for and on behalf of the County, known as the "Lease (Series 2017 Refunding Certificates of Participation) Base Rental Payment Fund" (herein called the "Base Rental Payment Fund").

Earnings on investments of money in the Base Rental Payment Fund shall be applied pursuant to Section 5.02 of the Trust Agreement. The County hereby pledges and grants a lien on and a security interest in the Base Rental Payment Fund to the Corporation in order to secure the County's obligation to pay the Base Rental Payments as herein provided.

(c) Investments. Investments of any moneys held by the Trustee in the Base Rental Payment Fund shall be invested in accordance with Section 5.05 of the Trust Agreement.

ARTICLE IV

USE OF THE LEASED PROPERTY;

MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01 Use of the Leased Property. The County agrees to use and occupy the Leased Property for its governmental purposes during term of the Lease.

SECTION 4.02 Maintenance and Utilities. During such time as the County is in possession of the Leased Property, all maintenance and repair, both ordinary and extraordinary, of the Leased Property and any taxes on the Leased Property shall be the

responsibility of the County, which shall at all times maintain or otherwise arrange for the maintenance of the Leased Property in first class condition, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Leased Property. In exchange for the rental herein provided, the Corporation agrees to provide only the Leased Property.

SECTION 4.03 Changes to the Leased Property. Subject to Section 8.02 hereof, the County shall, at its own expense, have the right to remodel the Leased Property or to make additions, modifications and improvements to the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

SECTION 4.04 Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of such party, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the County from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Leased Property.

ARTICLE V

INSURANCE

SECTION 5.01 Fire and Extended Coverage Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease, insurance from a Qualified Carrier against loss or damage to any structures constituting any part of the Leased Property by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of

the Leased Property, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$10,000), or, in the alternative, shall be in an amount and in a form sufficient, in the event of total or partial loss, to enable all Certificates then Outstanding to be prepaid at par.

In the event of any damage to or destruction of any part of the Leased Property, caused by the perils covered by such insurance, the Corporation, except as hereinafter provided, shall cause the proceeds of such insurance to be paid immediately upon receipt by the Corporation or other named insured parties to the Trustee, as assignee of the Corporation, for deposit in the "Insurance and Condemnation Proceeds Fund" to be established in accordance with the Trust Agreement and utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Leased Property to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Leased Property to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall permit withdrawals of said proceeds from time to time upon receiving the Written Request of the Corporation, stating that the Corporation has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred, and containing the additional information required to be included in a Written Requisition of the Corporation prepared pursuant to Section 3.03 of the Trust Agreement. Any balance of said proceeds not required for such repair, reconstruction or replacement in accordance with written instructions of the Corporation shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.02 of the Trust Agreement. Alternatively, the Corporation, at its option, with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to prepay an aggregate principal amount represented by Outstanding Certificates, equal to the amount of Outstanding Certificates attributable to the portion of the Leased Property so destroyed or damaged (determined by reference to the proportion which the acquisition and construction cost of such portion of the Leased Property bears to the acquisition and construction cost of the Leased Property), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property and thereupon shall cause said proceeds to be used for the prepayment of Outstanding Certificates pursuant to the provisions of the Trust Agreement.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County, with the written consent of the Corporation, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. Before such other method or plan may be provided by the County, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed with the Trustee a certificate of an actuary, insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable coverage for the risks required to be insured against. There shall also be filed a certificate of the County setting forth the details of such substitute method or plan. In the event

of loss covered by any such self insurance method, the liability of the County hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method.

SECTION 5.02 Liability Insurance. Except as hereinafter provided, the County shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Lease, a standard comprehensive general liability insurance policy or policies in protection of the Corporation and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Leased Property, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$1,250,000 for personal injury or deaths per event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$1,250,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the County. Such liability insurance may be subject to a deductible of no more than \$50,000; provided that the County shall maintain a separate fund in trust against payment of such deductibles which shall be reviewed at least every three years for actuarial soundness by an independent insurance consultant.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the County, with the written consent of the Corporation, may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Corporation, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the County. Before such other method or plan may be provided by the County, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Lease, there shall be filed with the Trustee a certificate of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Corporation, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a certificate of the County setting forth the details of such substitute method or plan.

SECTION 5.03 Rental Interruption or Use and Occupancy Insurance. The County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance from a Qualified Carrier to cover partial loss of the rental in an amount sufficient to pay the Base Rental Payments for a period of at least two successive years. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Lease attributable to such structure for a period of two years during which the payment of rental under this Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments).

SECTION 5.04 Worker's Compensation. The County shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the

State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance with the prior written consent of the Corporation.

SECTION 5.05 Title Insurance. The County shall obtain upon the execution and delivery of this Lease title insurance on the Leased Property, in the form of a lender's leasehold title policy or policies, in an aggregate amount equal to the aggregate principal component of unpaid Base Rental Payments, issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances (as defined in the Trust Agreement) naming the Trustee as insured thereunder.

SECTION 5.06 Insurance Proceeds; Form of Policies. All policies of insurance required by Sections 5.01 and 5.03 hereof shall provide that all proceeds thereunder shall be payable to the Trustee pursuant to a lender's loss payable endorsement substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. All policies of insurance required by this Lease shall provide that the Trustee shall be given thirty (30) days notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The County shall pay when due the premiums for all insurance policies required by this Lease, and shall promptly furnish evidence of such payments to the Corporation.

The County will deliver to the Corporation and the Trustee in the month of [October] in each year a written certificate of an officer of the County stating that such policies satisfy the requirements of this Lease, setting forth the insurance policies then in force pursuant to this Section, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an actuary, independent insurance consultant or other qualified person containing the information required for such self-insurance program and described in Sections 5.01, 5.02, 5.03 and 5.04. Delivery to the Trustee of the certificate under the provisions of this Section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies. The County shall also deliver to the Trustee certificates or duplicate originals or certified copies of each insurance policy described in such schedule.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Defaults and Remedies. (a) If (i) the County shall fail to pay any rental payable hereunder when the same becomes due and payable, time being expressly

declared to be of the essence of this Lease, or (ii) the County shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County (other than as referred to in (i)) for a period of sixty (60) days after notice of the same has been given to the County by the Corporation or the Trustee (or if the County notifies the Corporation and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an Event of Default if the County commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time), or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the County shall be deemed to be in default hereunder and it shall be lawful for the Corporation and the Trustee to exercise any and all remedies available pursuant to law or granted pursuant to this Lease. Upon any such default, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this Lease in the manner hereinafter provided on account of default by the County, notwithstanding any re-entry or re-letting of the Leased Property as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Leased Property and, to the extent permitted by law, remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and place such personal property in storage in any warehouse or other suitable place located within the County of Solano, California. In the event of such termination, the County agrees to surrender immediately possession of the Leased Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the County, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Leased Property given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Property nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this Lease shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the County shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the County of the election on the part of the Corporation to terminate this Lease. The County covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(2) Without terminating this Lease, (i) to collect each installment of rent as it becomes due and enforce any other terms or provision hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Leased Property, or (ii) to exercise any and all rights of entry and

re-entry upon the Leased Property. In the event the Corporation does not elect to terminate this Lease in the manner provided for in subparagraph (1) hereof, the County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and, if the Leased Property are not re-let, to pay the full amount of the rent to the end of the term of this Lease or, in the event that the Leased Property are re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such entry or re-entry or obtaining possession of the Leased Property. Should the Corporation elect to enter or re-enter as herein provided, the County hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the County to re-let the Leased Property, or any part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and to place such personal property in storage in any warehouse or other suitable place located in the County of Solano, California, for, to the extent permitted by law, the account of and at the expense of the County, and the County, to the extent permitted by law, hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re-let the Leased Property and to do all other acts to maintain or preserve the Leased Property as the Corporation deems necessary or desirable in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the County the right to terminate this Lease shall vest in the Corporation to be effected in the sole and exclusive manner provided for in sub-paragraph (1) hereof. The County further waives the right to any rental obtained by the Corporation in excess of the rental herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Leased Property or any part thereof. The County further agrees, to the extent permitted by law, to pay the Corporation the reasonable cost of any alterations or additions to the Leased Property necessary to place the Leased Property in condition for re-

letting immediately upon notice to the County of the completion and installation of such additions or alterations.

The County hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Leased Property as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Leased Property.

(b) If (1) the County's interest in this Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Corporation, as hereinafter provided for, or (2) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Corporation, or if the County shall make a general or any assignment for the benefit of the County's creditors, or if (3) the County shall abandon or vacate the Leased Property, then the County shall be deemed to be in default hereunder.

(c) The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the County to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation. In the event of default by the Corporation, the County shall be entitled to pursue any remedy provided by law.

(d) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default as described in this Section, the Corporation shall be entitled to proceed to protect and enforce the rights vested in the Corporation by this Lease and under the Site Lease or by law or by equity. The provisions of this Lease and the duties of the County and of its supervisors, officers or employees shall be enforceable by the Corporation by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Corporation shall have the right to bring the following actions:

(1) Accounting. By action or suit in equity to require the County and its supervisors, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation.

(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Corporation's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided herein.

The exercise of any rights or remedies under this Lease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Corporation to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Leased Property. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this Lease, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

SECTION 6.02 Waiver. Failure of the Corporation to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Corporation to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease.

ARTICLE VII

EMINENT DOMAIN; PREPAYMENT

SECTION 7.01 Eminent Domain. If the whole of the Leased Property or so much thereof as to render the remainder unusable for the purposes for which it was used by the County shall be taken under the power of eminent domain, the term of this Lease shall cease as of the day that possession shall be so taken. If less than the whole of the Leased Property shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the County at the time of such taking, then this Lease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the

contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal and interest represented by Certificates then Outstanding will be reduced by the application of the award in eminent domain to the prepayment of Outstanding Certificates. So long as any of the Certificates shall be Outstanding, any award made in eminent domain proceedings for taking the Leased Property or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the County.

SECTION 7.02 Prepayment. (a) The County shall prepay on any date from insurance and eminent domain proceeds, to the extent provided in Sections 5.01, 5.03, 5.05 and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the Leased Property caused by perils covered by insurance, if in the judgment of the Corporation the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property, such proceeds shall be paid to the Trustee and held by the Trustee in the Insurance and Condemnation Fund to be used to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property, pursuant to the procedure set forth in Section 5.01 for proceeds of insurance), or prepay all or any part (in an integral multiple of \$5,000) of the principal components of Base Rental Payments then unpaid so that the aggregate annual amounts of principal components of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of principal components of Base Rental Payments unpaid prior to the prepayment date, at a prepayment amount equal to the sum of the principal component prepaid plus accrued interest thereon to the date of prepayment, plus any applicable premium.

(b) The County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Trust Agreement sufficient to make such Base Rental Payments when due; provided that the County furnishes the Trustee with an opinion of counsel that such deposit will not cause interest evidenced by and payable with respect to the Certificates to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Leased Property are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

(c) Before making any prepayment pursuant to this article, the County shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Corporation and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.

SECTION 7.03 Option to Purchase; Sale of Personal Property. The County shall have the option to purchase the Corporation's interest in any part of the Leased Property upon payment of an option price consisting of moneys or securities of the category specified in clause (1) of the definition of the term Permitted Investments contained in Section 1.01 of the Trust Agreement (not callable by the issuer thereof prior to maturity) in an amount sufficient

(together with the increment, earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Lease of the part of the total rent hereunder attributable to such part of the Leased Property (determined by reference to the proportion which the acquisition, design and construction cost of such part of the Leased Property bears to the acquisition, design and construction cost of all of the Leased Property). Any such payment shall be made to the Trustee and shall be treated as rental payments and shall be applied by the Trustee to pay the interest and principal components of the Certificates and to prepay Certificates if such Certificates are subject to prepayment pursuant to the terms of the Trust Agreement. Upon the making of such payment to the Trustee, (a) the interest and principal components of each installment of Base Rental thereafter payable under this Lease shall be reduced by the amount thereof attributable to such part of the Leased Property and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Lease shall not thereafter be applicable to such part of the Leased Property, (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Lease need not be maintained as to such part of the Leased Property, and (d) title to such part of the Leased Property and of the portion of the Leased Property upon which such part of the Leased Property is located shall vest in the County and the term of this Lease shall end as to the portion of the Leased Property upon which such part of the Leased Property is located and to such part of the Leased Property.

The County, in its discretion, may request the Corporation to sell or exchange any personal property which may at any time constitute a part of the Leased Property, and to release said personal property from this Lease, if (a) in the opinion of the County the property so sold or exchanged is no longer required or useful in connection with the operation of the Leased Property, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Corporation, exceed the amount of \$50,000, the Corporation shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Corporation) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Leased Property. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Corporation. Any money so paid to the Corporation may, so long as the County is not in default under any of the provisions of this Lease, be used upon the Written Request of the County to purchase personal property, which property shall become a part of the site leased hereunder. The Corporation may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Lease or before releasing for the purchase of new personal property money received by it for personal property so sold.

When

(a) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Leased Property or any portion or item thereof, in trust for the benefit of the Owners of the Certificates and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal,

premium, if any, and interest of the Base Rental Payments represented by the Certificates to the due date of the Base Rental Payments or date when the County may exercise its option to purchase the Leased Property, as the case may be; and

(b) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Certificates shall remain unpaid;

then and in that event the right, title and interest of the Corporation herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Corporation and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental Payments or option price) and the Corporation's interest in and title to the Leased Property or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Corporation shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Corporation and evidence such discharge and satisfaction, and the Corporation shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Corporation to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee.

ARTICLE VIII

COVENANTS

SECTION 8.01 Right of Entry. The Corporation and its assignees shall have the right to enter upon and to examine and inspect the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Corporation's or the County's rights or obligations under this Lease, and (c) for all other lawful purposes.

SECTION 8.02 Liens. In the event the County shall at any time during the term of this Lease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Leased Property and shall keep the Leased Property free of any and all mechanics' or materialmen's liens or other liens against the Leased Property or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Corporation's interest therein, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the County desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and

said stay thereafter expires, the County shall forthwith pay and discharge said judgment. The County agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.

SECTION 8.03 Quiet Enjoyment. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Corporation.

SECTION 8.04 Corporation Not Liable. The Corporation and its members, directors, officers, agents and employees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Property. The County, to the extent permitted by law, shall indemnify and hold the Corporation and its members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Leased Property, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Leased Property regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05 Assignment and Subleasing. Neither this Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Corporation, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Base Rental Payments payable by the County hereunder. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.06 Title to Leased Property. During the term of this Lease, the Corporation shall hold title to the Leased Property and any and all additions which comprise fixtures, repairs, replacements or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the County and which may be removed without damaging the Leased Property, and except for any items added to the Leased Property by the County pursuant to Section 4.04 hereof. This provision shall not operate to the benefit of any insurance company if there is a rental interruption covered by insurance pursuant to Section 5.03 hereof. During the term of this Lease, the Corporation shall have a leasehold interest in the Leased Property pursuant to the Site Lease.

Upon the termination or expiration of this Lease (other than as provided in Sections 6.01 and 7.01 of this Lease), title to the Leased Property shall vest in the County pursuant to the Site Lease. Upon any such termination or expiration, the Corporation shall have executed such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

SECTION 8.07 Tax Covenants. The County and the Corporation will not make any use of the proceeds of the obligations provided herein or any other funds of the County or the Corporation which will cause such obligations to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The County and the Corporation will not make any use of the proceeds of the obligations provided herein or any other funds of the County or the Corporation which will cause such obligations to be “federally guaranteed” and subject to inclusion in gross income for federal income tax purposes by reason of Section 149(b) of the Code. To that end, so long as any rental payments are unpaid, the County and the Corporation, with respect to such proceeds and such other funds, will comply with all requirements of such Sections 148 and 149(b) and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect.

The County further covenants that it will not use or permit the use of the Leased Property by any person not an “exempt person” within the meaning of Section 141(a) of the Code or by an “exempt person” (including the County) in an “unrelated trade or business”, in such manner or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

If at any time the County is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any moneys held by the Trustee or the County or the Corporation under this Lease or the Trust Agreement, the County shall so instruct the Trustee or the appropriate officials of the County in writing, and the Trustee or the appropriate officials of the County, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of the County set forth above, the County will comply with the Tax Certificates and will cause the Trustee to comply with the Tax Certificates. The Trustee and the Corporation may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Corporation for any loss, claim, damage, liability or expense incurred by the Corporation for any actions taken by the Corporation in accordance with such instructions.

The County and the Corporation shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest component of the Base Rental Payments will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

SECTION 8.08 Corporation’s Purpose. The Corporation covenants that, prior to the discharge of this Lease, it will not engage in any activities inconsistent with the purposes for which the Corporation is organized, as set forth in the Corporation’s Articles of Incorporation, as filed in the office of the Secretary of State of the State of California and in effect on the date of this Lease.

SECTION 8.09 Purpose of Lease. The County covenants that during the term of this Lease, except as hereinafter provided, (a) it will use, or cause the use of, the Leased Property for public purposes and for the purposes for which the Leased Property facilities are

customarily used, (b) it will not vacate or abandon the Leased Property or any part thereof, and (c) it will not make any use of the Leased Property which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof. The County hereby declares that the Leased Property is essential to the general governmental operations of the County.

SECTION 8.10 Continuing Disclosure Agreement. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; any Certificateholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this Section 8.10. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries).

ARTICLE IX

DISCLAIMER OF WARRANTIES;

VENDOR'S WARRANTIES; USE OF THE LEASED PROPERTY

SECTION 9.01 Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE COUNTY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the County's use of any item or products or services provided for in this Lease.

SECTION 9.02 Vendor's Warranties. The Corporation hereby irrevocably appoints the County its agent and attorney-in-fact during the term of this Lease, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Leased Property, which the Corporation may have against the manufacturers, vendors and contractors of the Leased Property. The County's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the Leased Property, and not against the Corporation, nor shall such matter have any effect whatsoever on the rights and obligations of the Corporation with respect to this Lease, including the right to receive full and timely payments hereunder. The County expressly acknowledges that the Corporation makes, and has made, no representation or

warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor.

SECTION 9.03 Use of the Leased Property. The County will not install, use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease. The County shall provide all permits and licenses, if any, necessary for the installation and operation of the Leased Property. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Leased Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Property; provided, however, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Corporation, adversely affect the estate of the Corporation in and to the Leased Property or its interest or rights under this Lease.

ARTICLE X

MISCELLANEOUS

SECTION 10.01 Law Governing. This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02 Notices. All written notices to be given hereunder shall be given by mail, overnight mail, courier (or by fax or email to the Trustee) to the party entitled thereto at its address (or fax number or email, if applicable) set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:	County of Solano Administrator's Office 675 Texas Street Fairfield, CA 94533
-------------------	--

If to the Corporation:	Solano County Facilities Corporation, Inc. c/o Solano County Administrator's Office 675 Texas Street Fairfield, CA 94533
------------------------	---

If to the Trustee:	MUFG Union Bank, N.A. 350 California Street, 15th Floor San Francisco, CA 94104 Attention: Corporate Trust Services Fax Number: 415-273-2492 Email: AccountAdministration- CorporateTrust@unionbank.com and CashControlGroup- LosAngeles@unionbank.com
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or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03 Validity and Severability. If for any reason this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Corporation or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Lease is and shall be deemed to be a lease under which the rentals are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the Leased Property, and all of the rental and other terms, provisions and conditions of this Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04 Net-Net-Net Lease. This Lease shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the rentals provided for herein shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05 Taxes. The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Lease as and when the same become due.

The County shall also pay directly such amounts, if any, in each year as shall be required by the Corporation for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the County to pay any of the foregoing or failure to file or furnish to the Corporation or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Corporation or the Leased Property, the rentals and other payments required hereunder or any parts thereof or interests of the County or the Corporation or the Trustee therein by any governmental authority.

The County may, at the County’s expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation or the Trustee shall notify the County that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property, or any part thereof, will be subject to loss or forfeiture, in which event the County shall promptly pay

such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

SECTION 10.06 Third Party Beneficiary. The Trustee shall be a third-party beneficiary of this Lease entitled to enforce the reimbursement and indemnification provisions included herein.

SECTION 10.07 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 10.08 Amendment or Termination. The Corporation and the County may at any time agree to the amendment or termination of this Lease; provided, however, that the Corporation and the County agree and recognize that this Lease is entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

Copies of any of the amendments listed in this Section 10.08 must be sent to S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investor Service, Inc., 7 World Trade Center at 250 Greenwich Street, 23rd Floor, New York, New York 10007.

SECTION 10.09 Execution. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the Corporation and the County, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the County.

IN WITNESS WHEREOF, the Corporation and the County have caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**SOLANO COUNTY
FACILITIES CORPORATION, INC.,**
as Lessor

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

COUNTY OF SOLANO, as Lessee

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

All that certain real property situated in the County of Solano, State of California,
described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

[Attach property description]

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EXHIBIT B

RENTAL PAYMENT SCHEDULE

<u>Base Rental Payment Dates</u>	<u>Total Base Rental Payment</u>	<u>Amount Attributable to Interest</u>	<u>Amount Attributable to Principal</u>
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DRAFT

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

TRUST AGREEMENT

by and among

**SOLANO COUNTY
FACILITIES CORPORATION, INC.**

and the

COUNTY OF SOLANO

and

MUFG UNION BANK, N.A.

Dates as of [September 1, 2017]

Relating to

**[\$[PAR]
COUNTY OF SOLANO
SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION**

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TRUST AGREEMENT

This TRUST AGREEMENT, made and entered into as of [September 1, 2017], by and among MUFG UNION BANK, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the "Trustee"), THE SOLANO COUNTY FACILITIES CORPORATION, INC., a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), and the COUNTY OF SOLANO, a political subdivision duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "County");

WITNESSETH:

WHEREAS, the County and the Corporation have entered into a site lease, dated as of [September 1, 2017] (the "Site Lease"), pursuant to which the County has agreed to lease to the Corporation certain real property (the "Site");

WHEREAS, the Corporation has agreed to lease both the Site and the improvements located thereon (the "Leased Property") to the County pursuant to a lease agreement, dated as of [September 1, 2017], (the "Lease");

WHEREAS, under the Lease, the County is obligated to make base rental payments to the Corporation for the lease of the Leased Property;

WHEREAS, all rights under the Site Lease and the Lease have been assigned without recourse by the Corporation to the Trustee pursuant to an agreement, entitled "Assignment Agreement" and dated as of [September 1, 2017] (the "Assignment Agreement");

WHEREAS, in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation in an amount equal to the aggregate principal components of such base rental payments, evidencing the proportionate interests of the holders thereof in base rental to be made by the County to the Corporation (the "Certificates"); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Certificates and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Additional Payments

The term “Additional Payments” means the additional payments payable by the County under and pursuant to Section 3.02 of the Lease.

Assignment Agreement

The term “Assignment Agreement” means that certain Assignment Agreement by and between the Corporation and the Trustee, dated as of [September 1, 2017], or as it may from time to time be supplemented, modified or amended.

Base Rental Payment Fund

The term “Base Rental Payment Fund” means the fund by that name established in Section 5.01 herein.

Base Rental Payments

The term “Base Rental Payments” means the base rental payments with interest components and principal components payable by the County under and pursuant to Section 3.01 of the Lease.

Board of Supervisors

The term “Board of Supervisors” means the Board of Supervisors of the County or any successor thereto.

Business Day

The term “Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in San Francisco, California or New York, New York are authorized or obligated by law or executive order to be closed.

Certificate of the Corporation

The term “Certificate of the Corporation” means an instrument in writing signed by the President or the Vice President or the Treasurer or the Secretary or the Assistant Secretary of the Corporation, or by any other officer of the Corporation duly authorized by the Corporation

in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 11.06, each Certificate of the Corporation shall include the statements provided for in Section 11.06.

Certificate of the County

The term “Certificate of the County” means an instrument in writing signed by the Chair of the Board of Supervisors of the County, or by the Clerk of the Board of Supervisors of the County, or the County Administrative Officer of the County, or by the County Treasurer-Tax Collector of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose. If and to the extent required by the provisions of Section 11.06, each Certificate of the County shall include the statements provided for in Section 11.06.

Certificate Payment Date

The term “Certificate Payment Date” means, with respect to any Certificate, the [November 1] date designated therein, which is the date on which the principal component of the Base Rental Payments evidenced and represented thereby shall become due and payable.

Certificate Purchase Agreement

The term “Certificate Purchase Agreement” means the purchase contract dated [August __, 2017], by and among the Purchaser, the County and the Corporation for the purchase of the Certificates.

Certificates

The term “Certificates” means the certificates of participation executed and delivered by the Trustee pursuant hereto and then Outstanding.

Code

The term “Code” means the Internal Revenue Code of 1986.

Corporation

The term “Corporation” means (i) Solano County Facilities Corporation, Inc., a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, acting as lessor under the Lease; (ii) any surviving, resulting or transferee entity; and (iii) except where the context requires otherwise, any assignee of the Corporation, other than the Trustee.

Costs of Delivery

The term “Costs of Delivery” means all items of expense directly or indirectly payable by or reimbursable to the County or the Corporation and related to the authorization, execution and delivery of the Lease, the Site Lease, this Trust Agreement, the Assignment

Agreement and the execution and delivery of the Certificates, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Certificates, fees of the Corporation and any other authorized cost, charge or fee in connection with the delivery of the Certificates.

Costs of Delivery Fund

The term “Costs of Delivery Fund” means the fund by that name established pursuant to Section 3.02 herein.

County

The term “County” means the County of Solano, a political subdivision of the State of California, duly organized and existing under and by virtue of the Constitution and laws of the State of California.

Defeasance Securities

The term “Defeasance Securities” shall mean:

- (1) Cash;
- (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- “SLGs”);
- (3) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (4) Resolution Funding Corp. (REFCORP) -- only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;
- (5) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition; and
- (6) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (i) U.S. Export-Import Bank (Eximbank) – direct obligations or fully guaranteed certificates of beneficial ownership;
 - (ii) Farmers Home Administration (FmHA) – certificates of beneficial ownership;

- (iii) Federal Financing Bank;
- (iv) General Services Administration – participation certificates;
- (v) U.S. Maritime Administration – guaranteed Title XI financing; and
- (vi) U.S. Department of Housing and Urban Development (HUD) Project Notes – Leased Property Notes, Local Corporation Bonds, new communities debentures – U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

EMMA

The term “EMMA” means the Electronic Municipal Market Access system established by the Municipal Securities Rulemaking Board available at www.emma.msrb.org.

Escrow Agreement

The term “Escrow Agreement” means the escrow agreement dated as of [September 1, 2017], by and among MUFG Union Bank, N.A. and the County, as originally executed or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof.

Event of Default

The term “Event of Default” shall have the meaning specified in the Lease.

Extraordinary Prepayment Fund

The term “Extraordinary Prepayment Fund” means the fund by that name established in Section 5.02 herein.

Interest Fund

The term “Interest Fund” means the fund by that name established in Section 5.02 herein.

Interest Payment Date

The term “Interest Payment Date” means a date on which interest evidenced and represented by the Certificates becomes due and payable, being [May 1] and [November 1] of each year to which reference is made (commencing on [November 1, 2017]).

Insurance and Condemnation Fund

The term “Insurance and Condemnation Fund” means any fund by that name established pursuant to Section 5.04 herein.

Lease

The term “Lease” means that certain lease, entitled “Lease Agreement (Series 2017 Refunding Certificates of Participation),” by and between the Corporation and the County, dated as of [September 1, 2017], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Leased Property

The term “Leased Property” means that certain real property situated in the County of Solano, State of California, described in the Lease, together with any additional real property added thereto by any supplement or amendment hereto; subject, however, to any conditions, reservations, and easements of record or known to the County.

Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal obligations, appointed and paid by the County or the Corporation and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

Outstanding

The term “Outstanding,” when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 9.02 herein) all Certificates except --

- (1) Certificates cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Certificates paid or deemed to have been paid within the meaning of Section 10.01 herein; and

- (3) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 herein.

Owner

The term "Owner" means any person who shall be the registered owner of any Outstanding Certificate.

Payment Date

The term "Payment Date" means that May 1 or November 1 during the period beginning _____ 1, 20__ and terminating on November 1, 20__ to which reference is made.

Permitted Encumbrances

"Permitted Encumbrances" means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Lease in the office of the County Recorder of Solano County and which the County certifies in writing will not materially impair the use of the Leased Property; (3) the Site Lease, as it may be amended from time to time; (4) the Lease, as it may be amended from time to time; (5) the Assignment Agreement, as it may be amended from time to time; (6) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease and to which the Corporation and the County consent in writing and which do not materially adversely affect the rights of owners of the Certificates; and (8) liens relating to special assessments levied with respect to the Leased Property.

Permitted Investments

The term "Permitted Investments" means any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties including, without limitation, the provisions of California Government Code Section 5922(d):

- (1) Direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;
- (2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- (a) Government National Mortgage Association (GNMA or “Ginnie Mae”);
GNMA-guaranteed mortgage-backed bonds
GNMA-guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues);
 - (b) Farmers Home Administration (FmHA);
Certificates of beneficial ownership
 - (c) General Services Administration;
Participation certificates
 - (d) Federal Housing Administration Debentures (FHA);
 - (e) U.S. Maritime Administration;
Guaranteed Title XI financing
 - (f) U.S. Department of Housing and Urban Development (HUD);
Project Notes
Local Authority Bonds
 - (g) Resolution Trust Corporation obligations consisting of the right to receive interest which has been separated from the right to receive principal;
- (3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
- (a) Federal Home Loan Bank System;
Senior debt obligations (Consolidated debt obligations)
 - (b) Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”);
Participation certificates (Mortgage-backed securities)
Senior debt obligations
 - (c) Federal National Mortgage Association (FNMA or “Fannie Mae”);
Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal)
 - (d) Student Loan Marketing Association (SLMA or “Sallie Mae”);
Senior debt obligations
 - (e) Resolution Funding Corp (REFCORP);

Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(f) Farm Credit System;

Consolidated systemwide bonds and notes

- (4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAAm; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2; including funds offered by the Trustee, affiliates of the Trustee or other persons sharing an economic interest with the Trustee, but excluding such funds with a floating net asset value;

- (5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Certificates of deposit must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's.

The collateral must be held by a third party and the certificateholders must have a perfected first security interest in the collateral;

- (6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF or collateralized by Permitted Investments described in clauses (1) or (2) above for amounts in excess of such insurance;
- (7) Investment Agreements, including Guaranteed Investment Contracts;
- (8) Commercial paper rated "Prime-1 by Moody's and "A-1+" or better by S&P;
- (9) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one or two of the highest long-term rating categories assigned by such agencies;
- (10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P;
- (11) Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date;

- (12) Participation in the Solano County Investment Pool; and
- (13) Participation in the California Asset Management Program.

Principal Fund

The term “Principal Fund” means the fund by that name established in Section 5.02 herein.

Purchaser

The term “Purchaser” means Raymond James & Associates, Inc., as underwriter and purchaser of the Certificates.

Rebate Fund

The term “Rebate Fund” means the fund by that name established in Section 5.03 herein.

Refunding Escrow

The term “Refunding Escrow” means the fund by that name established in the Escrow Agreement.

Rental Payments

The term “Rental Payments” means the Base Rental Payments.

Representations Letter

The term “Representations Letter” means the blanket issuer letter of representations, dated as of December 18, 1996, from the County to The Depository Trust Company.

Securities Depositories

The term “Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099, Fax (212) 855-7232, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories, or no such depositories, as the Corporation may designate to the Trustee in writing.

Site

The term “Site” means the real property described in Exhibit A to the Site Lease, together with all property subsequently added thereto.

Site Lease

The term “Site Lease” means that certain lease, entitled “Site Lease (Series 2017 Refunding Certificates of Participation),” by and between the County and the Corporation, dated as of [September 1, 2017], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

S&P

The term “S&P” means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

Supplemental Trust Agreement

The term “Supplemental Trust Agreement” means an agreement amending or supplementing the terms hereof entered into pursuant to the terms hereof.

Tax Certificate

“Tax Certificate” means the certificate relating to Section 103 of the Code, executed by the County on the date of delivery of the Certificates to the Purchaser, as originally delivered and as it may be amended from time to time.

Trust Agreement

The term “Trust Agreement” means this Trust Agreement by and among the Trustee, the Corporation and the County, dated as of [September 1, 2017], as originally executed and as it may from time to time be amended or supplemented by a Supplemental Trust Agreement or otherwise in accordance herewith.

Trustee

The term “Trustee” means MUFG Union Bank, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any other bank or trust company which may at any time be substituted in its place as provided in Section 8.02 herein.

2007 Certificates

The term “2007 Certificates” means the original aggregate principal amount of \$99,860,000 County of Solano, California 2007 Refunding Certificates of Participation authorized by the 2007 Trust Agreement and executed and delivered by the 2007 Trustee under and pursuant to 2007 Trust Agreement.

2007 Trust Agreement

The term “2007 Trust Agreement” means that certain Amended and Restated Trust Agreement, dated as of February 1, 2007, by and among the Corporation, the County and the 2007 Trustee and relating to the 2007 Certificates.

2007 Lease

The term “2007 Lease” means the lease, entitled “Lease Agreement” and dated as of February 1, 2007, by and between the Corporation and the County, which was recorded in the Office of the County Recorder of the County of Solano on February 7, 2007.

2007 Trustee

The term “2007 Trustee” means MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A., as trustee under the 2007 Trust Agreement, its successors and assigns, and any other corporation or association which may at any time be substituted in its place.

Written Request of the Corporation

The term “Written Request of the Corporation” means an instrument in writing signed by or on behalf of the Corporation by its President or its Vice President or its Treasurer or its Secretary or an Assistant Secretary or by any other person (whether or not an officer of the Corporation) who is specifically authorized by resolution of the Board of Directors of the Corporation to sign or execute such a document on its behalf.

Written Request of the County

The term “Written Request of the County” means an instrument in writing signed by the Chair of the Board of Supervisors of the County, or by the Clerk of the Board of Supervisors of the County, or by the Treasurer-Tax Collector of the County, or by the County Administrative Officer of the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Certificates by the Owners, the Trust Agreement shall be deemed to be and shall constitute a contract between the Trustee and the Owners to secure the full and final payment of the interest and principal represented by the Certificates which may be executed and delivered hereunder, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to security or otherwise of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

TERMS AND CONDITIONS OF CERTIFICATES

SECTION 2.01 Preparation of Certificates. The Trustee is hereby authorized to register, execute and deliver the Certificates in the aggregate principal amount of [PAR dollars] (\$[PAR]), evidencing the proportionate interests of the Holders thereof in Base Rental Payments to be made by the County to the Corporation pursuant to the Lease.

SECTION 2.02 Denominations and Dating of Certificates. The Certificates shall be prepared in the form of fully registered Certificates in the denomination of five thousand dollars (\$5,000) each or any integral multiple thereof so long as no Certificate shall represent principal becoming payable on more than one Certificate Payment Date.

The Certificates shall be dated as of their date of delivery and shall evidence and represent interest from such date.

The Certificates shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and shall be evidenced by one Certificate for each Certificate Payment Date, to be in a denomination corresponding to the total principal designated to be paid on such date. Registered ownership of the Certificates, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.11 herein.

SECTION 2.03 Payment Dates of Certificates; Medium, Method and Place of Payment. The Certificates shall have Certificate Payment Dates of November 1 in the years and shall evidence and represent principal components in the amounts, with an interest component with respect thereto calculated on the basis of a 360-day year composed of twelve 30-day months at the rates, as follows:

Certificate Payment Date (November 1)	Principal Amount	Interest Rate
20__	\$	%

The interest evidenced and represented by the Certificates shall be payable on May 1 and November 1 of each year, beginning on _____ 1, 20__ and continuing to and including their Certificate Payment Dates or on prepayment prior thereto, and shall evidence and

represent the sum of the portions of the Base Rental Payments designated as interest components coming due on the Payment Dates in each year.

The principal evidenced and represented by the Certificates shall be payable on each Certificate Payment Date, beginning on November 1, 20__ and continuing to and including November 1, 20__.

The principal of and premium, if any, evidenced and represented by the Certificates shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the principal corporate trust office of the Trustee in Los Angeles, California. The interest represented by the Certificates shall be payable in like lawful money to the person whose name appears on the Certificate registration books of the Trustee as the Owner thereof as of the close of business on the fifteenth day of the month preceding each Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on the date such interest is due to such Owner at such address as appears on such registration books.

SECTION 2.04 Form of Certificates. The Certificates and the form of the assignment to appear thereon shall be in substantially the form set forth in Exhibit A hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

SECTION 2.05 Execution of Certificates. The Certificates shall be executed by the Trustee by the manual signature of an authorized signatory of the Trustee.

SECTION 2.06 Transfer and Payment of Certificates; Exchange of Certificates. All Certificates are transferable by the Owner thereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California on the books required to be kept by the Trustee pursuant to the provisions of Section 2.07, upon surrender of such Certificates for cancellation accompanied in the case of transfer by delivery of a duly executed written instrument of transfer in the form appearing on the Certificate. The Trustee may treat the Owner of any Certificate as the absolute owner of such Certificate for all purposes, whether or not such Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by such Certificate shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge the liability represented by such Certificate to the extent of the sum or sums so paid.

Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same Certificate Payment Date representing the same principal amount. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Certificates may be exchanged at the principal corporate trust office of the Trustee in Los Angeles, California, for a like aggregate principal amount of Certificates of other authorized denominations of the same Certificate Payment Date. The Trustee shall require the

payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to transfer or exchange any Certificate after the fifteenth day of the month next preceding each Payment Date or during the period designated by the Trustee for selection of Certificates for prepayment, and the Trustee shall not be required to transfer or exchange any Certificate selected for prepayment in whole or in part from and after the date of mailing the notice of prepayment of such Certificate or such part thereof.

SECTION 2.07 Certificate Registration Books. The Trustee will keep sufficient books for the registration and transfer of the Certificates, which books shall be available for inspection by the Corporation, the County or any Owner or his agent duly authorized in writing upon reasonable prior notice during regular business hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates on such books as hereinabove provided.

SECTION 2.08 Temporary Certificates. The Certificates may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery, which temporary Certificates shall be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Trustee, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Certificate shall be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates, it will prepare and execute definitive Certificates without delay, and thereupon the temporary Certificates may be surrendered at the principal corporate trust office of the Trustee in Los Angeles, California in exchange for such definitive Certificates, and until so exchanged such temporary Certificates shall be entitled to the same benefits hereunder as definitive Certificates executed and delivered hereunder.

SECTION 2.09 Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate of like tenor, Certificate Payment Date and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee (without liability to the Trustee for such determination) and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate of like tenor and Certificate Payment Date, numbered as the Trustee shall determine, in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Certificates executed and delivered hereunder, and the Trustee shall not be required to treat both the original Certificate and any

replacement Certificate as being Outstanding for the purpose of determining the amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of executing and delivering a new Certificate for a Certificate which has been lost, destroyed or stolen and which has matured, the Trustee may make payment of the principal and interest evidenced and represented by such Certificate to the Owner thereof.

SECTION 2.10 Destruction of Cancelled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee of any Certificates, the Trustee shall cancel and destroy such Certificates and deliver a certificate of such cancellation and destruction to the County.

SECTION 2.11 Special Covenants as to Book-Entry Only System.

(a) Except as otherwise provided in subsections (b) and (c) of this Section, the Certificates initially executed and delivered hereunder shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representations Letter. Payment of the principal and interest represented by each Certificate registered in the name of Cede & Co. shall be made to the account, in the manner and at the address indicated in or pursuant to the Representations Letter.

(b) The Certificates executed and delivered hereunder shall be in the form of a single fully registered certificate for each Certificate Payment Date representing the aggregate principal amount of the Certificates with such Certificate Payment Date. Upon initial execution of the Certificates, the ownership of all such Certificates shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representations Letter. The Trustee, the County, the Corporation and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name for the purposes of payment of the principal or prepayment price of and interest represented by such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to the Owners under this Trust Agreement, registering the transfer of the Certificates, obtaining any consent or other action to be taken by the Owners and for all other purposes whatsoever; and neither the Trustee, the Corporation nor the County nor any paying agent shall be affected by any notice to the contrary. Neither the Trustee, the Corporation nor the County nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest represented by such Certificates, (iii) any notice which is permitted or required to be given to the Owners under the Trust Agreement, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial

prepayment of the Certificates, or (v) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal and premium, if any, and interest represented by the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representations Letter. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with subsection (f) of this Section.

(c) In the event that the County determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificates evidencing the Certificates, the Trustee shall, upon the written instruction of the County, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of such certificates. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with subsection (f) of this Section. Whenever DTC requests the County to do so, the County will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such securities depository in accordance with subsection (f) of this Section, and thereafter, all reference in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Certificates Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal and interest represented by each such Certificate and all notices with respect to each such Certificate shall be made and given, respectively, to DTC as provided in the Representations Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representations Letter and, in connection with any successor nominee for DTC and any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Trust Agreement.

(f) In the event that any transfer or exchange of Certificates is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Section 2.06. In the event certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Certificates, another securities depository as holder of all the Certificates, or the nominee of such successor securities depository, the provisions of Sections 2.02, 2.03 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal of, premium, if any, and interest represented by the Certificates.

ARTICLE III

PROCEEDS OF CERTIFICATES

SECTION 3.01 Delivery of Certificates. The Trustee is hereby authorized to execute and deliver the Certificates to the Purchaser pursuant to the Certificate Purchase Agreement upon receipt of a Written Request of the Corporation and upon receipt of the proceeds of sale thereof.

SECTION 3.02 Deposit of Proceeds of Certificates and Other Moneys.

(a) The proceeds received from the sale of the Certificates, together with \$[_____] transferred from the 2007 Certificates funds, shall be deposited into a temporary account called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust, and which shall be disbursed in full on the Closing Date (whereupon said temporary account shall be closed) as follows:

(1) The Trustee shall transfer to the escrow agent under the Escrow Agreement the amount of \$[_____] , being the amount necessary to defease the principal and interest of the 2007 Certificates outstanding.

(2) The Trustee shall deposit the amount of \$[_____] in the Costs of Delivery Fund. All money in the Costs of Delivery Fund shall be used and withdrawn by the Trustee to pay the Costs of Delivery of the Certificates upon receipt of a Written Request of the Corporation filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. 180 days from closing, or upon the earlier Written Request of the Corporation, any remaining balance in the Costs of Delivery Fund shall be transferred to the County per the instructions of the County Treasurer.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

SECTION 4.01 Terms of Prepayment. (a) The Certificates are subject to prepayment on any date prior to their respective Certificate Payment Dates, as a whole, or in part by lot within each Certificate Payment Date so that the aggregate annual amounts of principal represented by the Certificates which shall be payable after such prepayment date shall correspond to the principal component of the reduced Base Rental resulting from a casualty loss or governmental taking or defect in title of the Site and the Leased Property or portions thereof, from prepaid Base Rental Payments made by the County from funds received by the County due to such casualty loss or governmental taking or defect in title, if such amounts are not used to repair or replace the Site and the Leased Property in accordance with the provisions of the Lease, under the circumstances and upon the conditions and terms prescribed herein and in the Lease, at

a prepayment price equal to the sum of the principal amount represented thereby plus accrued interest represented thereby to the date fixed for prepayment, without premium.

(b) The Certificates payable with respect to principal on or after November 1, 20__, shall be subject to prepayment on any date on or after November 1, 20__, at the option of the County, as a whole, or in part, among such Certificate Payment Dates as the County may determine, or, if so specified, in inverse order of Certificate Payment Dates, from any source of available funds, at a prepayment price equal to 100% of the principal amount thereof, plus accrued interest represented thereby to the date fixed for prepayment, without premium.

SECTION 4.02 Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates payable on any one Certificate Payment Date are to be prepaid on any one date, the County shall select the Certificates of such Certificate Payment Date to be prepaid from the Outstanding Certificates payable on such Certificate Payment Date by lot in any manner customary within the industry, and the County shall promptly notify the Corporation and the Trustee in writing of the Certificates so selected for prepayment on such date. For purposes of such selection, Certificates shall be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid.

SECTION 4.03 Notice of Prepayment. Notice of prepayment shall be mailed, first class postage prepaid, to the respective Owners of any Certificates designated for prepayment at their addresses appearing on the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 not less than thirty (30) nor more than sixty (60) days prior to the date fixed for prepayment. Each notice of prepayment shall state the date fixed for prepayment, the prepayment price and shall designate the CUSIP numbers of the Certificates to be prepaid and shall require that such Certificates be then surrendered for prepayment; and shall also state that the interest represented by the Certificates designated for prepayment shall cease to accrue from and after such date fixed for prepayment and that on such date there will become due and payable on each of the Certificates designated for prepayment the prepayment price represented thereby. Such notice shall, in addition to setting forth the above information, in the case of each Certificate called for prepayment in part only state the amount of the principal amount represented thereby which is to be prepaid. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not such Owner receives the notice.

The Trustee shall give notice of prepayment of any Certificates to be prepaid upon receipt of a Written Request of the County (which request shall be given to the Trustee at least thirty-five (35) days prior to the date fixed for prepayment).

At least thirty (30) days before each prepayment date such notice of prepayment shall also be given first class mail or other means approved by the Trustee to EMMA.

Neither the failure to receive the notice of prepayment as provided in this Section, nor any defect in such notice shall affect the sufficiency of the proceedings for the prepayment of the Certificates or the cessation of interest on the date fixed for prepayment.

SECTION 4.04 Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof a new

Certificate or Certificates representing the unprepaid principal amount of the Certificate surrendered.

SECTION 4.05 Effect of Prepayment. If notice of prepayment has been duly given as aforesaid and moneys for the payment of the prepayment price on the Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice the Certificates so called for prepayment shall become payable at the prepayment price specified in such notice; and from and after the date so designated interest represented by the Certificates so called for prepayment shall cease to accrue, such Certificates shall cease to be entitled to any benefit or security hereunder and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the prepayment price represented thereby. The Trustee shall, upon surrender for payment of any of the Certificates to be prepaid, pay such Certificates at the prepayment price thereof.

All Certificates prepaid pursuant to the provisions of this Article shall be cancelled by the Trustee and shall not be redelivered.

SECTION 4.06 Rescission of Notice of Prepayment. At any time prior to one day before the date fixed for prepayment of any Certificates, the County may rescind such notice of prepayment by written notice to the Trustee with subsequent notice to the Holders within three (3) business days thereafter.

ARTICLE V

RENTAL PAYMENTS

SECTION 5.01 Pledge of Base Rental Payments; Base Rental Payment Fund. The Base Rental Payments are hereby irrevocably pledged to and shall be used for the punctual payment of the interest and principal represented by the Certificates, and the Base Rental Payments shall not be used for any other purpose while any of the Certificates remain Outstanding. This pledge shall constitute a first and exclusive lien on the Base Rental Payments in accordance with the terms hereof.

All Base Rental Payments shall be paid directly by the County to the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one business day after the receipt thereof. All Base Rental Payments shall be held in trust by the Trustee in the Base Rental Payment Fund, which fund the Trustee hereby agrees to establish and maintain so long as any Certificates are Outstanding, for the benefit of the County until deposited in the funds provided in Section 5.02, whereupon they shall be held in trust by the Trustee in such funds for the benefit of the Owners from time to time.

SECTION 5.02 Deposit of Base Rental Payments. The Trustee shall deposit the Base Rental Payments contained in the Base Rental Payment Fund at the times and in the manner hereinafter provided in the following respective funds, each of which the Trustee hereby agrees to establish and maintain so long as any Certificates are Outstanding, and the moneys in each of such funds shall be disbursed only for the purposes and uses hereinafter authorized, and

if there shall be insufficient money in any such fund, payments from such fund shall be made in the manner specified in Section 7.09.

(a) Interest Fund. The Trustee, on or before May 1 and November 1 of each year (commencing on _____ 1, 20__), shall deposit in the Interest Fund that amount of moneys representing the portion of the Base Rental Payments designated as interest components coming due on each such May 1 and November 1 date, respectively. Moneys in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest represented by the Certificates when due and payable.

(b) Principal Fund. The Trustee, on or before November 1 of each year (commencing on November 1, 20__), shall deposit in the Principal Fund that amount of moneys representing the portion of the Base Rental Payments designated as the principal component coming due on such November 1 date, respectively. Moneys in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal represented by the Certificates when due and payable.

(c) Extraordinary Prepayment Fund. The Trustee, on or before the prepayment date specified in the Written Request of the County filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease, shall deposit in the Extraordinary Prepayment Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Moneys in the Extraordinary Prepayment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest and principal and any applicable premium represented by the Certificates to be prepaid.

If any funds shall remain on deposit in the Base Rental Payment Fund on any May 1 or November 1 after the Trustee shall have transferred the required amounts to the Interest Fund, Principal Fund and Extraordinary Prepayment Fund as provided above, such excess shall be held in the Base Rental Payment Fund and shall be applied as a credit against the Base Rental Payment next due under the Lease.

SECTION 5.03 Establishment and Application of Rebate Fund. (a) The Trustee shall, when required upon the County's Written Request, establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be specified in a Written Request of the County necessary in order to comply with the terms and requirements of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate) for payment to the federal government of the United States of America. The County and the Owners of any Certificates shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 8.07 of the Lease and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows a Written Request of the County including supplying all necessary information in the manner provided in the Tax Certificate and

shall have no liability or responsibility to enforce compliance by the County with the terms of the Tax Certificate.

(b) Upon the County's Written Request, an amount shall be deposited into the Rebate Fund by the Trustee from deposits by the County if and to the extent required, so that the balance of the amount on deposit in the Rebate Fund after such deposit shall equal the Rebate Amount for the Certificate Year calculated as of the most recent Calculation Date (as those terms are defined in the Tax Certificate). Computations of the Rebate Amount shall be furnished to the Trustee by or on behalf of the County in accordance with the Tax Certificate.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section other than from moneys held in the Rebate Fund or from other moneys provided to it by the County for this specific purpose.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments specified in a Written Request of the County. The first such Written Request shall be filed with the Trustee on the date of the delivery of this Trust Agreement.

(e) Upon receipt of the County's Written Request, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the County so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the County's written directions. Any funds remaining in the Rebate Fund after prepayment and payment of all of the Certificates, or provision made therefor satisfactory to the Trustee, and payment and satisfaction of any Rebate Amount, shall be withdrawn and remitted to the County upon its Written Request to the Trustee.

(f) Notwithstanding any other provision of this Trust Agreement, including in particular Article X hereof, the obligation to remit the Rebate Amounts to the United States and to comply with all other requirements of this Section, Section 8.07 of the Lease and the Tax Certificate shall survive the defeasance or payment in full of the Certificates.

SECTION 5.04 Establishment and Application of Insurance and Condemnation Fund. The Trustee shall, when required upon the Written Request of the County, establish and maintain a fund separate from any other fund established designated as the Insurance and Condemnation Fund, and administer such fund as set forth in Section 5.01 of the Lease.

SECTION 5.05 Investments. Upon the Written Request of the County, any moneys held by the Trustee in the Costs of Delivery Fund or in the Base Rental Payment Fund shall be invested as directed in a Written Request of the County in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder or under the Lease. In the absence of such Written Request of the County, the Trustee is instructed to invest the aforementioned moneys in money market funds meeting the requirements of clause (4) of the definition of Permitted Investments; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction specifying a specific money market fund and, if no such written direction is so received, the

Trustee shall hold such moneys uninvested. The Trustee or an affiliate of the Trustee may act as agent in the acquisition or disposition of any such investment. The County shall notify the Trustee in writing if any investments included in the definition of Permitted Investments are no longer legal investments for counties in California or do not constitute Permitted Investments hereunder. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment is credited and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for redemption. All interest, profits and other earnings received from the investment of moneys in any fund or account established hereunder shall be deposited in the Base Rental Payment Fund. The Trustee shall furnish the County periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the County. Upon the County's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The County waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The County further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

ARTICLE VI

COVENANTS

SECTION 6.01 Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions hereof, and the Corporation and the County will not suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

SECTION 6.02 Compliance with or Amendment of Site Lease or Lease. The Corporation and the County will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Site Lease and the Lease required to be complied with, kept, observed and performed by them and will enforce the Site Lease and the Lease against the other party thereto in accordance with their terms.

The Corporation and the County will not alter, amend or modify the Site Lease or the Lease without the prior written consent of the Trustee, which consent of the Trustee shall be given only (i) if the Trustee receives an Opinion of Counsel and a Certificate of the County, upon which it may conclusively rely that such alterations, amendments or modifications are not materially adverse to the interests of the Owners, or (ii) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power therein reserved to the County, or (iii) to cure, correct or supplement any ambiguous or defective provision contained therein, or (iv) to resolve questions arising thereunder, as the parties thereto may deem

necessary or desirable and which, based upon an Opinion of Counsel and a Certificate of the County (upon which the Trustee may conclusively rely), the Trustee acknowledges do not materially adversely affect the interests of the Owners of the Certificates, or (v) to modify the legal description of the Site to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended to be included therein, or (vi) if the Trustee first obtains the written consents of the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding to such alterations, amendments or modifications; provided, however, that no such alteration, amendment or modification shall extend the date for the making of any Rental Payment, extend a Certificate Payment Date or reduce the rate of interest represented by any Certificate or extend the time of payment of such interest or reduce the amount of principal represented thereby without the prior written consent of the Owner of any Certificate so affected, nor shall any such alteration, amendment or modification reduce the percentage of Owners whose consent is required for the execution of any alteration, amendment or supplement.

SECTION 6.03 Observance of Laws and Regulations. The Corporation and the County will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

SECTION 6.04 Other Liens. The County will keep the Site and the Leased Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character other than Permitted Encumbrances, and free from any claim or liability which might embarrass or hamper the County in conducting its business or utilizing the Site and the Leased Property, and the Trustee at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings in which the validity hereof is or might be questioned, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder to defend the validity hereof and to perform such agreements and covenants.

So long as any Certificates are Outstanding, neither the Corporation nor the County will create or suffer to be created any pledge of or lien on the Base Rental Payments other than the pledge and lien hereof.

SECTION 6.05 Prosecution and Defense of Suits. The County will promptly, upon request of the Trustee or any Owner or otherwise, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Site or

the Leased Property or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

The County will defend against every action, suit or other proceeding at any time brought against the Trustee or any Owner upon any claim arising out of the receipt, deposit or disbursement of any of the Base Rental Payments or involving the rights of the Trustee or any Owner hereunder; provided, however, that the Trustee or any Owner at its or his election may appear in and defend any such action, suit or other proceeding. The County will indemnify and hold harmless the Trustee and the Owners against any and all liability claimed or asserted by any person arising out of any such receipt, deposit or disbursement, and will indemnify and hold harmless the Owners and the Trustee against any attorneys' fees or other expenses which any of them may incur in connection with any litigation or otherwise in connection with the foregoing to which any of them may become a party in order to enforce their rights hereunder or under the Certificates, provided that with respect to any such liability or expense suffered by Owners, such litigation shall be concluded favorably to such Owners' contentions therein.

SECTION 6.06 Accounting Records and Statements. The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, deposit and disbursement of the Rental Payments, and such accounting records shall be available for inspection by the County or any Owner or his agent duly authorized in writing with prior notice at reasonable hours and under reasonable conditions. Not later than January 1 in each year, commencing on January 1, 2010 and continuing so long as any Certificates are Outstanding, the County will furnish to the Trustee and any Owner who may so request a complete statement covering the receipts, deposits and disbursements of the Rental Payments for the twelve-month period ending on the preceding June 30, accompanied by an audit report and related opinion of an independent firm of certified public accountants to be employed by the County, or, if so requested in writing by the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, accompanied by an audit report and related opinion of an independent firm of certified public accountants of their selection.

SECTION 6.07 Further Assurances. Whenever and so often as requested to do so by the Trustee or any Owner, the Corporation and the County will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Assignment Agreement or the Lease.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 7.01 Action on Default. If an Event of Default (as that term is defined in Section 6.01 of the Lease) occurs, then such Event of Default shall constitute a default hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall be entitled, upon notice in writing to the County, to exercise the remedies provided to the Corporation in the Lease and to the Trustee in the Assignment Agreement.

SECTION 7.02 Other Remedies of the Trustee. The Trustee shall have the right --

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Corporation or the County or any member, director, officer or employee thereof, and to compel the Corporation or the County or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require the Corporation and the County and any members, directors, officers and employees thereof to account as the trustee of an express trust.

SECTION 7.03 Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee, the Trustee and the Corporation and the County shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.04 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law.

SECTION 7.05 No Liability by the Corporation to the Owners. Except as expressly provided herein, the Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Rental Payments by the County, or with respect to the performance by the County of the other agreements and covenants required to be performed by it contained in the Lease or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

SECTION 7.06 No Liability by the County to the Owners. Except for the payment when due of the Rental Payments and the performance of the other agreements and covenants required to be performed by it contained in the Lease or herein, the County shall not have any obligation or liability to the Owners with respect to the Trust Agreement or the preparation, execution, delivery or transfer of the Certificates or the disbursement of the Base Rental Payments by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

SECTION 7.07 No Liability by the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Base Rental Payments by the County, or with respect to the performance by the County or the Corporation of other agreements and covenants required to be performed by either of them contained in the Lease or herein.

SECTION 7.08 Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Trust Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Owners of the Certificates in respect of which such judgment has been recovered.

SECTION 7.09 Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee:

FIRST, Costs and Expenses: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default and exercising their rights and remedies under this Article VII, including reasonable compensation and disbursements to its or their agents, attorneys and counsel;

SECOND, Interest: to the payment to the persons entitled thereto of all payments of interest represented by the Certificates then due in the order of the due date of such payments, and, if the amount available shall not be sufficient to pay in full any payment or payments coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

THIRD, Principal: to the payment to the persons entitled thereto of the unpaid principal represented by any Certificates which shall have become due, whether on the Payment Date or by call for prepayment, in the order of their due dates, with interest on the overdue principal and interest represented by the Certificates at a rate equal to the rate paid with respect to the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.10 Owners' Direction of Proceedings. The Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall be otherwise in accordance with law and the provisions of this Trust Agreement. The Trustee shall have no liability with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of such Owners.

SECTION 7.11 Limitations on Suits. No Owner of any Certificate shall have any right to institute any proceeding, judicial or otherwise, with respect to this Trust Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

1. such Owner has previously given written notice to the Trustee of a continuing Event of Default;
2. the Owners of not less than a majority in principal amount of the Outstanding Certificates shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
3. such Owner or Owners have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and
4. the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding;

it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Trust Agreement to affect, disturb or prejudice the rights of any other Owners of Certificates, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal and ratable benefit of all Owners of the Certificates.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 Employment of the Trustee. The Corporation and the County hereby appoint and employ the Trustee to receive, deposit and disburse the Rental Payments, to

prepare, execute, deliver and transfer the Certificates and to perform the other functions contained herein; all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering the Trust Agreement, the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, as well as the obligations of Trustee set forth in the Lease, subject to the conditions and terms hereof. The Lease is hereby incorporated herein by reference.

SECTION 8.02 Duties, Removal and Resignation of the Trustee. So long as no Event of Default has occurred and is continuing, the Corporation and the County, or the Owners of a majority in aggregate principal amount represented by the Certificates at the time Outstanding, may by an instrument in writing remove the Trustee initially a party hereto and any successor thereto and may appoint a successor Trustee, but any Trustee hereunder shall be a bank or trust company (or an affiliate of one) doing business in California, having (alone or together with its corporate parent) a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state authorities. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under this Section, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

The Trustee may at any time resign by giving written notice of such resignation to the Corporation, the County and the Owners, which notice to the Owners shall be mailed, first class postage prepaid. Upon receiving such notice of resignation, the Corporation and the County shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Corporation and the County do not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

SECTION 8.03 Compensation and Indemnification of the Trustee. The County shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services and reimburse the Trustee for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, counsel or other experts employed by it in the exercise and performance of its rights and obligations hereunder; provided, further, that the Trustee shall have a lien for such compensation or reimbursement against any moneys held by it in any of the funds (except the Rebate Fund) established hereunder or under the Lease. The

Trustee may take whatever legal actions are lawfully available to it directly against the Corporation or the County.

The County shall indemnify and hold harmless the Trustee to the extent and in the amounts provided by the laws of the State of California from and against all claims, damages and losses, including legal fees and expenses, arising out of (i) the condition, management, maintenance or use of or from any work or thing done in connection with the Site and the Leased Property by the County, (ii) any act of negligence by the County or of any of its agents, contractors, employees, invitees, licensees, officers or servants in connection with the Site and the Leased Property, including breach of any environmental laws, (iii) the authorization of the payment of any costs or expenses of construction of the Leased Property, (iv) the exercise of any rights or obligations of the Trustee hereunder or under the Lease, provided that no indemnification will be made for negligence or willful misconduct by the Trustee.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Certificates.

SECTION 8.04 Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at the request of any such person unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the Corporation or the County, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers, consultants, or employees but shall not be answerable for the selection of the same if appointed with due care.

The Trustee shall not be responsible for the sufficiency, validity, or priority of the Site Lease or the Lease, or of the assignment made to it by the Assignment Agreement of all rights to receive the Rental Payments under the Lease, or of the title to or value of the Site and the Leased Property. The Trustee shall not be responsible for the correctness of any recitals of fact contained in, or any representations as to the legality, validity, sufficiency or priority of, this Trust Agreement, the Lease, the Certificates or any other related document other than in connection with the duties or obligations expressly assigned to or imposed upon it herein. The Trustee makes no representation or warranty with respect to and has made no independent investigation concerning the Leased Property. The Trustee assumes no responsibility with

respect to any information, statement, or recital in any offering memorandum or other disclosure material prepared or distribution with respect to the Certificates.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, the Trustee may request, and such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by, a Certificate of the County or a Certificate of the Corporation, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable. At reasonable times, the Trustee and its duly authorized agents, accountants, attorneys, and experts, shall have the right to inspect fully all books, papers and records of the County and the Corporation solely relating to the Certificates and to take such photocopies therefrom and in regard thereto as may be desired.

The Trustee may buy, sell, own, hold and deal in any of the Certificates and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Corporation or the County, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Corporation or the County as freely as if it were not the Trustee hereunder.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own negligence or willful misconduct. The Trustee shall not be responsible for the application by the County, the Corporation or any other person or entity, as the case may be, of the proceeds of the Certificates. The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have actual knowledge thereof.

Prior to the occurrence of an Event of Default, as defined in Section 6.01 of the Lease, of which it is deemed to have knowledge and after the curing of all Events of Default which may have occurred, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and in the Lease (which duties are incorporated herein), and no implied covenants or obligations, fiduciary or otherwise, shall be read into this Trust Agreement against the Trustee. The right of the Trustee to perform any discretionary act enumerated or contemplated in this Trust Agreement or the Lease shall not be construed as a duty.

During the existence of any Event of Default of which it is deemed to have knowledge and which has not been cured, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement and the Lease, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of the prudent person's own affairs.

The Trustee has no obligation or liability to the Owners to make payment of principal, premium, if any, or interest pertaining to the Certificates except from Base Rental

Payments. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights and powers, if it shall have reasonable grounds for believing the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in this Trust Agreement.

The Trustee shall not be deemed to have knowledge of any Event of Default (other than an Event of Default described in Sections 6.01(a)(i) of the Lease) unless and until the Trustee has received written notice of such an Event of Default at its principal corporate trust office.

The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, facsimile, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition, Certificate of the County or Corporation, Written Request of the County or Corporation or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Trustee may consult with counsel with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority or other percentage specified herein in aggregate principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Trust Agreement, except for actions arising from the negligence or willful misconduct of the

Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of Holders pursuant to the provisions of this Trust Agreement unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustee will not incur liability for not performing any act or not fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond its control (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

If the Trustee acts on any communication sent by electronic transmission, the Trustee, absent negligence or willful misconduct, will not be responsible or liable if such communication is not an authorized or authentic communication of the party involved or is not in the form the party involved sent or intended to send (whether due to fraud, distortion or otherwise). The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County and the Corporation agree to assume all risks arising out of the use of such electronic transmission to submit instructions and directions to the Trustee.

ARTICLE IX

AMENDMENT OF OR SUPPLEMENT TO TRUST AGREEMENT

SECTION 9.01 Amendment or Supplement. The Trust Agreement and the rights and obligations of the Corporation and the County and the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.02, are filed with the Trustee. No such amendment or supplement shall (1) change the fixed Certificate Payment Date of any Certificate or reduce the rate of interest represented thereby or extend the time of payment of such interest or reduce the amount of principal represented thereby without the prior written consent of the Owner of the Certificate so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto, or (3) modify any of the rights or

obligations of the Trustee without its prior written consent thereto, or (4) amend this Section 9.01 without the prior written consent of the Owners of all Certificates then Outstanding.

The Trust Agreement and the rights and obligations of the Corporation and the County and the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel and only for any one or more of the following purposes --

(a) to add to the agreements, conditions, covenants and terms required by the Corporation or the County to be observed or performed herein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Corporation or the County, or to surrender any right or power reserved herein to or conferred herein on the Corporation or the County, and which in either case shall not materially adversely affect the interests of the Owners; or

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Corporation or the County may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Owners; or

(c) to modify, amend or supplement this Trust Agreement or any agreement supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Certificates for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Trust Agreement or any agreement supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute; or

(d) to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest represented by the Certificates for federal income tax purposes.

Copies of any of the amendments listed in this Section 9.01 must be sent by the County to S&P Global Ratings, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investor Service, Inc., 7 World Trade Center at 250 Greenwich Street, 23rd Floor, New York, New York 10007.

SECTION 9.02 Disqualified Certificates. Certificates owned or held by or for the account of the County (but excluding Certificates held in any pension or retirement fund of the County) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article or Section 7.01 hereof, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided

for herein shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

SECTION 9.03 Endorsement or Replacement of Certificates After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee may (but shall not be required to) determine that the Certificates may bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of such Certificate for such purpose at the principal corporate trust office of the Trustee in Los Angeles, California a suitable notation as to such action shall be made on such Certificate. If the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Certificates such new Certificates shall be exchanged at the principal corporate trust office of the Trustee in Los Angeles, California without cost to each Owner for Certificates then Outstanding upon surrender of such Outstanding Certificates.

SECTION 9.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Certificates owned by him, provided that due notation thereof is made on such Certificates.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Certificates and Trust Agreement. (a) If the County shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Certificates the interest and principal and premium, if any, represented thereby at the times and in the manner stipulated herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Base Rental Payments as provided herein, and all agreements and covenants of the Corporation, the County and the Trustee to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied except only as provided in subsection (b) and (c) below, provided further, however, that the provisions of Section 10.02 shall apply in all events.

(b) Any Outstanding Certificates shall be deemed to have been paid if there shall be on deposit with the Trustee Defeasance Securities (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the increment, earnings and interest on such securities) to pay the interest and principal and premium, if any, represented by such Certificates payable on their Payment Dates or on any dates of prepayment prior thereto, except that the Owners thereof shall be entitled to the principal, premium and interest represented by such Certificates, and the County shall remain liable for such Base Rental Payments, but only out of such moneys or securities deposited with the Trustee as aforesaid for such payment.

(c) After the payment of all the interest and principal represented by all Outstanding Certificates as provided in this Section, the Trustee shall execute and deliver to the Corporation and the County all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Trust Agreement, and the Trustee shall pay over or deliver

to the County all moneys or securities held by it pursuant hereto which are not required for the payment of the interest and principal and premium, if any, evidenced and represented by such Certificates and any unpaid fees and expenses of the Trustee.

SECTION 10.02 Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of the interest, premium, if any, or principal represented by any of the Certificates which remain unclaimed for two (2) years after the date when the payments represented by such Certificates have become payable, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after the date when the interest, premium, if any, and principal represented by such Certificates have become payable, shall be repaid by the Trustee to the County as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the County for the payment of the interest and principal represented by such Certificates.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Benefits of Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation, the County, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Corporation or the County shall be for the sole and exclusive benefit of the Trustee and the Owners.

SECTION 11.02 Successor Deemed Included in all References to Predecessor. Whenever either the Corporation, the County or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Corporation, the County or the Trustee or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Corporation, the County or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.03 Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Certificates and the amount, payment date, number and date of owning the same may be proved by the books required to be kept by the Trustee pursuant to the provisions of Section 2.07.

Any declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the Corporation or the County or the Trustee in good faith and in accordance therewith.

SECTION 11.04 Waiver of Personal Liability. No member of the Board of Supervisors, officer or employee of the County shall be individually or personally liable for the payment of the interest or principal represented by the Certificates, but nothing contained herein shall relieve any member of the Board of Supervisors, officer or employee of the County from the performance of any official duty provided by any applicable provisions of law or by the Lease or hereby.

SECTION 11.05 Acquisition of Certificates by County. All Certificates acquired by the County, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

SECTION 11.06 Content of Certificates. Every Certificate of the County or of the Corporation with respect to compliance with any agreement, condition, covenant or term contained herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

Any Certificate of the County or of the Corporation may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, information with respect to which is in the possession of the County or the Corporation, upon a representation by an officer or officers of the County or the Corporation, as the case may be, unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 11.07 Funds. Any fund required to be established and maintained herein by the Trustee except the Rebate Fund may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be

treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with current industry standards and with due regard for the protection of the security of the Certificates and the rights of the Owners.

Except for moneys held in the Rebate Fund, the Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Trust Agreement or the Lease.

SECTION 11.08 Article and Section Headings, Gender and References. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding Articles, Sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, subdivision or clause thereof.

SECTION 11.09 Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Corporation, the County or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Corporation, the County and the Trustee hereby declare that they would have executed this Trust Agreement, and each and every other Article, Section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.10 California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

SECTION 11.11 Notices. All written notices to be given hereunder shall be given by mail, overnight mail, courier (or by fax or email to the Trustee) to the party entitled thereto at its address (or fax number or email, if applicable) set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the County:

County Administrator’s Office
675 Texas Street
Fairfield, CA 94533

If to the Corporation:

Solano County Facilities Corporation, Inc.

c/o Solano County Administrator's Office
675 Texas Street
Fairfield, CA 94533

If to the Trustee:

MUFG Union Bank, N.A.
350 California Street, 15th Floor
San Francisco, CA 94104
Attention: Corporate Trust Services
Fax Number: 415-273-2492
Email: AccountAdministration-CorporateTrust@unionbank.com and
CashControlGroup-LosAngeles@unionbank.com

SECTION 11.12 Nonbusiness Days. When any action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next succeeding Business Day with effect as though performed on the appointed day or within the specified period.

SECTION 11.13 Effective Date. This Trust Agreement shall become effective upon its execution and delivery.

SECTION 11.14 Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

MUFG UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

**SOLANO COUNTY FACILITIES
CORPORATION, INC.**

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

COUNTY OF SOLANO

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

No. _____

\$ _____

SERIES 2017 REFUNDING CERTIFICATE OF PARTICIPATION

Evidencing the Proportionate Interest of the Holder Hereof
in Base Rental Payments to be Made
by the

COUNTY OF SOLANO

to the

SOLANO COUNTY
FACILITIES CORPORATION, INC.

Interest Rate	Payment Date	Dated Date	CUSIP NO.
_____%	November 1, 20__	[September __, 2017]	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

THIS IS TO CERTIFY that the registered owner named above, as the registered owner of this Certificate of Participation (the "Certificate"), is the owner of a proportionate interest in the rights to receive certain Base Rental Payments made by the County of Solano to the Solano County Facilities Corporation, Inc. (as those terms are defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain Lease Agreement (Series 2017 Refunding Certificates of Participation) (the "Lease") dated as of [September 1, 2017], by and between the Solano County Facilities Corporation, Inc. (the "Corporation"), a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California, and the County of Solano (the "County"), a political subdivision of the State of California duly organized and existing under and by virtue of the Constitution and laws of the State of California, all of which rights to receive such Base Rental Payments having been assigned without recourse by the Corporation to MUFG Union Bank, N.A., as trustee (the "Trustee"), a national banking association duly organized and existing under and by virtue of the laws of the United States of America and having a principal corporate trust office in Los Angeles, California.

The registered owner of this Certificate is entitled to receive, subject to the terms of the Lease and any right of prepayment prior thereto hereinafter provided for, on the certificate payment date set forth above (the "Certificate Payment Date"), upon surrender of this Certificate on the Certificate Payment Date or on the date of prepayment prior thereto at the principal

corporate trust office of the Trustee in Los Angeles, California, the principal sum specified above representing the registered owner's proportionate interest in the Base Rental Payments designated as principal components coming due on the Certificate Payment Date, and on each May 1 and November 1 commencing _____ 1, 20__ (the "Interest Payment Date"), the registered owner of this Certificate as shown in the registration books maintained by the Trustee at the close of business on the last day of the month preceding each Interest Payment Date is entitled to receive such registered owner's proportionate interest in the Base Rental Payments constituting interest components accruing [September 1, 2017] to such Certificate Payment Date or the date of prepayment prior thereto, whichever is earlier. Such interest components are the result of the multiplication of the aforesaid portion of the Base Rental Payments designated as principal components by the interest rate per annum stated above calculated on the basis of a 360-day year composed of twelve 30-day months. The interest is payable to the person whose name appears on the certificate registration books of the Trustee as the registered owner hereof as of the close of business on the last day of the month immediately preceding an Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on the date such interest is due to such registered owner at his address as it appears on such registration books. All such amounts are payable in lawful money of the United States of America.

This Certificate is one of the duly authorized certificates of participation entitled, "Series 2017 Refunding Certificates of Participation," which have been executed by the Trustee pursuant to the terms of a Trust Agreement (together with any supplements or amendments thereto, the "Trust Agreement") by and among the Trustee, the Corporation and the County, dated as of [September 1, 2017]. Copies of the Trust Agreement are on file at the principal corporate trust office of the Trustee in Los Angeles, California, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, to which agreements, conditions, covenants and terms the owner hereof, by acceptance hereof, hereby consents.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Lease, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto.

This Certificate is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in the form appearing hereon. Upon such transfer, a new Certificate or Certificates of the same Certificate Payment Date representing the same principal amount will be issued to the transferee in exchange herefor. The Certificates are exchangeable at the principal corporate trust office of the Trustee in Los Angeles, California, for a like aggregate principal amount of Certificates of authorized

denominations of the same Certificate Payment Date, in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement.

The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal represented by this Certificate shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability represented by this Certificate to the extent of the sum or sums so paid.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in denominations of five thousand dollars (\$5,000) each or any integral multiple thereof so long as no Certificate shall represent principal becoming payable on more than one Certificate Payment Date.

The Certificates are subject to prepayment as provided in the Trust Agreement.

The Certificates shall not otherwise be subject to prepayment before their respective stated Certificate Payment Dates.

As provided in the Trust Agreement, notice of prepayment hereof shall be mailed, first class postage prepaid, not less than thirty (30) or more than sixty (60) days before the prepayment date, to the registered owner of this Certificate at its address as it appears on the registration books maintained by the Trustee. If this Certificate is called for prepayment and payment is duly provided herefor as specified in the Trust Agreement, interest represented hereby shall cease to accrue from and after the date fixed for prepayment.

The Certificates each evidence and represent a proportionate interest in the Base Rental Payments in an amount equal to the aggregate principal amount of Certificates originally executed and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of a security interest in the moneys held in the funds established pursuant to the Trust Agreement (except for the Rebate Fund), subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein. The obligation of the County to make the Base Rental Payments is a special obligation of the County, and does not constitute a debt of the County or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

The Trustee has no obligation or liability to the Certificate owners for the payment of the interest or principal represented by the Certificates, but rather the Trustee's sole obligations are to administer, for the benefit of the County and the Corporation and the Certificate owners, the various funds established under the Trust Agreement and the Lease. The Corporation has no obligation or liability whatsoever to the Certificate owners.

The County has certified to the Trustee that all acts, conditions and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Certificate. This is to further certify that the amount of this Certificate, together with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the amount of Certificates authorized to be executed and delivered thereunder.

IN WITNESS WHEREOF, this Certificate has been dated as of the date set forth above and has been executed by the manual signature of an authorized signatory of the Trustee.

Date of Execution: [September 1, 2017]

MUFG UNION BANK, N.A.
as Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within Certificate and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such Certificate on the Certificate register of the Trustee, with full power of substitution in the premises.

Dated: _____

By _____
Authorized Signatory

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

Signature(s) must be guaranteed by
an eligible guarantor institution.

Recording requested by
and return to:
COUNTY OF SOLANO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: John Y. Wang, Esq.

**Free Recording Requested
Pursuant to California
Government Code § 6103**

ASSIGNMENT AGREEMENT

by and between

SOLANO COUNTY FACILITIES CORPORATION, INC.

and

UNION BANK, N.A.

Dated as of [September 1, 2017]

**RELATING TO THE LEASE AGREEMENT
(Series 2017 Refunding Certificates of Participation)**

**ASSIGNMENT AGREEMENT
RELATING TO THE LEASE AGREEMENT**

This ASSIGNMENT AGREEMENT, made and entered into as of [September 1, 2017], by and between the SOLANO COUNTY FACILITIES CORPORATION, INC., a nonprofit corporation duly organized and existing under the laws of the State of California (the “Corporation”), and UNION BANK, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America (the “Trustee”);

WITNESSETH:

WHEREAS, the Corporation and the County of Solano, California (the “County”), have entered into a lease, entitled “Site Lease (Series 2017 Refunding Certificates of Participation)” and dated as of [September 1, 2017] (the “Site Lease”), and have entered into a lease, entitled “Lease Agreement (Series 2017 Refunding Certificates of Participation)” and dated as of [September 1, 2017] (the “Lease”), with respect to certain real property situated in Solano County, California, and as more particularly described in said Site Lease and in Exhibit A attached hereto and made a part hereof; and

WHEREAS, under the Lease, the County is and will be obligated to make certain rental payments to the Corporation for the lease of the Leased Property (as that term is defined in the Lease); and

WHEREAS, the Corporation desires to assign without recourse all of its rights, title, and interest under and pursuant to the Site Lease and Lease to the Trustee; and

WHEREAS, in consideration of such assignment and the execution and entering into of a trust agreement by and among the Trustee, the Corporation and the County, entitled “Trust Agreement” and dated as of [September 1, 2017], as supplemented from time to time (the “Trust Agreement”), the Trustee has agreed to execute and deliver the Series 2017 Refunding Certificates of Participation (the “Certificates”) in an aggregate principal amount equal to the aggregate principal components of said rental payments as are designated base rental payments in the Lease, each evidencing and representing a fractional undivided interest in such base rental payments; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties thereto are now duly authorized to execute and enter into this Assignment Agreement.

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

SECTION 1. Assignment.

The Corporation, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby unconditionally grant, transfer and assign to the Trustee for the benefit of the owners of the Certificates without recourse all of the Corporation’s right, title and interest under the Site Lease and Lease, including without limitation the following; (i) all its

rights to receive the rental payments scheduled to be paid by the County under and pursuant to the Lease for the benefit of the owners of the Certificates, (ii) all rents, profits, products and proceeds from the Leased Property (as such term is defined in the Lease) to which the Corporation has any right or claim whatsoever under the Lease, (iii) the right to take all actions and give all consents under the Site Lease and Lease, and (iv) any right of access provided in the Site Lease and Lease.

SECTION 2. Acceptance.

The Trustee hereby accepts the foregoing assignment for the benefit of the owners of the Certificates, subject to the terms and provisions of the Trust Agreement, and all such rental payments shall be applied and all such rights so assigned shall be exercised by the Trustee as provided in the Trust Agreement. The Trustee hereby accepts the obligation imposed upon it in the Site Lease and Lease.

SECTION 3. Conditions.

This Assignment Agreement shall confer no rights and shall impose no obligations upon the Trustee beyond those expressly provided in the Trust Agreement, the Site Lease, and the Lease.

SECTION 4. California Law.

The Assignment Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

SECTION 5. Severability.

If any agreement, condition, covenant or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 6. Execution in Counterparts.

The Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Assignment Agreement.

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

**SOLANO COUNTY
FACILITIES CORPORATION, INC.**

By: _____
John M. Vasquez, President

UNION BANK, N.A., as Trustee

By: _____
Authorized Officer

DRAFT

EXHIBIT A

All that certain real property situated in the County of Solano, State of California,
described as follows:

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

[Attach property description]

DRAFT

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

[illegible]

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature_____ [SEAL]

7/19/2017

\$ _____
COUNTY OF SOLANO
SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

CERTIFICATE PURCHASE AGREEMENT

August __, 2017

County of Solano
675 Texas Street
Fairfield, California 94533

Solano County Facilities Corporation, Inc.
675 Texas Street
Fairfield, California 94533

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the “*Underwriter*”) offers to enter into this Certificate Purchase Agreement (the “*Purchase Agreement*”) with the County of Solano, a public agency organized and existing under the Constitution and laws of the State of California (the “*County*”) and the Solano County Facilities Corporation, Inc., a nonprofit public benefit corporation, organized and existing under the laws of the State of California (the “*Corporation*”), and, which upon acceptance will be binding upon the County, the Corporation, and the Underwriter. This offer is made subject to the acceptance by the County and the Corporation on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the County and the Corporation at any time prior to such acceptance.

Capitalized terms used and not defined herein shall have the same meanings as set forth in the Trust Agreement relating to the Certificates dated as of September 1, 2017 (the “*Trust Agreement*”), by and among the Corporation, the County, and MUFG Union Bank, N.A., as Trustee (the “*Trustee*”).

Section 1. Purchase, Execution, and Delivery of the Certificates.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter, hereby agrees to purchase from the County, and the County hereby agrees to cause to be executed by the Trustee and delivered to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of County of Solano Series 2017 Refunding Certificates of Participation (the “*Certificates*”). The Certificates are dated the Closing Date (defined herein) and shall have the maturities and bear interest at the rates and on the dates set forth in Schedule I hereto. The purchase price for the Certificates shall be \$_____, which is ____% of the principal amount of the Certificates (being the principal amount of the Certificates, plus a net original premium of \$_____ and less an Underwriter’s discount of \$_____). The Certificates shall be substantially in the form described in, shall be executed and secured under the provisions of, and shall be payable as provided in, the Trust Agreement. The Certificates are subject to prepayment as provided in the Trust Agreement.

(b) The County and the Corporation each acknowledge and agree that (i) the purchase and sale of the Certificates pursuant to this Purchase Agreement is an arm's-length commercial transaction among the County and the Corporation, and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the County or the Corporation; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the County or the Corporation with respect to the offering of the Certificates or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the County on other matters) nor has it assumed any other obligation to the County except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the County and the Corporation; and (v) the County and the Corporation have consulted with their own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Certificates.

(d) The County hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

[(e) The Underwriter shall deliver to the County, as promptly as practical but in no event later than the Closing Date (defined herein) a post pricing analysis which shall include, by maturity, the orders, net designations, investor and allocations. Within 60 days following the Closing Date, the Underwriter shall deliver to the County information satisfactory to the County regarding net designations.]

Section 2. Public Offering. It shall be a condition to the obligation of the Underwriter to purchase, accept delivery of, and pay for the Certificates that the entire \$____,000 principal amount of the Certificates authorized by the Trust Agreement shall be executed and delivered to the Underwriter on the Closing Date. The Underwriter agrees to make a bona fide public offering of all the Certificates at a price not in excess of respective price, or a yield not lower than the respective yield, set forth on the cover page of the Official Statement, plus interest accrued thereon, if applicable, from the date of the Certificates. The Underwriter reserves the right to make concessions to dealers and to change such initial public offering prices or yields as the Underwriter reasonably deems necessary in connection with the marketing of the Certificates. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

Section 3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the County in establishing the issue price of the Certificates and shall execute and deliver to the County at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the County and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) [Except as otherwise set forth in Schedule ____ to Exhibit A, the County will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the County and PFM Financial Advisors LLC, as the

municipal advisor to the County (the “*Municipal Advisor*”) the price or prices at which it has sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Underwriter agrees to promptly report to the County and the Municipal Advisor the prices at which it sells the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

[Schedule to Exhibit A and subsection (c) shall apply only if the Underwriter agrees to apply the hold-the-offering-price rule, as described below.]

(c) The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the “*initial offering price*”), or at the corresponding yield or yields, set forth in Schedule to Exhibit A, except as otherwise set forth therein. Schedule to Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the County and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “*hold-the-offering-price rule*”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the County or the Municipal Advisor when it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The County acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(e) The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this Section 3:

(i) “*public*” means any person other than an underwriter or a related party;

(ii) “*underwriter*” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public);

(iii) a purchaser of any of the Certificates is a “*related party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “*sale date*” means the date of execution of this Purchase Agreement by all parties.

Section 4. The Certificates.

(a) The Certificates shall be dated their date of delivery and shall have the maturities and bear interest at the rates per annum and have the yields all as set forth on Schedule I hereto. The Certificates shall be as described in and shall be secured under and issued pursuant to the Trust Agreement, and shall be payable and subject to prepayment as provided in the Trust Agreement and as described in the Official Statement (defined herein).

(b) The Certificates evidence proportionate interests in Base Rental Payments to be made by the County pursuant to a Lease Agreement dated as of September 1, 2017 (the “*Lease Agreement*”) between the Corporation, as lessor, and the County, as lessee, the for the use of certain real property located in the County and described in the Lease (the “*Leased Property*”). The County and the Corporation will enter into a Site Lease dated as of September 1, 2017 (the “*Site Lease*”) pursuant to which the County, as lessor, will lease the Leased Property to the Corporation, as lessee. Pursuant to an Assignment Agreement dated as of September 1, 2017 (the “*Assignment Agreement*”) between the Corporation and the Trustee, the Corporation has assigned to the Trustee, for the benefit of the owners of the Certificates, its rights and remedies under the Lease Agreement, including its rights to amounts payable by the County thereunder. The Certificates are being executed and delivered to provide funds to: (i) cause a current refunding of all of the outstanding County of Solano 2007 Certificates of Participation (the “*2007 Certificates*”), and (ii) pay certain expenses in connection with the delivery of the Certificates.

A portion of the proceeds from the sale of the Certificates will be deposited by the County Agency in an irrevocable escrow account (the “*Refunding Escrow*”) established pursuant to an escrow agreement dated as of September 1, 2017 (the “*Escrow Agreement*”), by and between the County and MUFG Union Bank, N.A., as escrow agent (the “*Escrow Agent*”) to prepay the 2007 Certificates.

Section 5. Preliminary Official Statement and Continuing Disclosure.

(a) The County has delivered to the Underwriter a Preliminary Official Statement dated August __, 2017, including the cover page, all appendices thereto, information incorporated by reference, if any, and any supplements or amendments thereto disseminated in printed or electronic form (the "*Preliminary Official Statement*") and hereby certifies that such Preliminary Official Statement was deemed "final" as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("*Rule 15c2-12*"), except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. Prior to the date hereof the County delivered a certificate to the Underwriter in substantially the form attached as Exhibit B:

(b) The County shall prepare and deliver to the Underwriter, as promptly as practical but in any event not later than two business days prior to the Closing Date (defined herein) or seven business days from the date hereof, a final official statement with respect to the Certificates, with such changes and amendments as may be agreed to by the Underwriter, in such quantities as the Underwriter may reasonably request in order to comply with paragraph (b)(4) Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "*MSRB*") (such official statement, including the cover page and Appendices thereto, as the same may be supplemented or amended pursuant to this Purchase Agreement is referred to as the "*Official Statement*").

(c) The Underwriter agrees that from the time the Official Statement becomes available until the earlier of (i) 90 days from the "*end of the underwriting period*," as defined in Section 6(j), or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the end of the underwriting period, the Underwriter shall send no later than the next business day following a request for a copy thereof, by first class mail or other equally prompt means, to any Potential Customer, as defined in Rule 15c2-12, on request, a single copy of the Official Statement. The Underwriter agrees to file as soon as reasonably practicable a copy of the Official Statement, including any supplements prepared by the County or the Corporation, with the MSRB on its Electronic Municipal Markets Access ("*EMMA*") system. In addition, the County will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the final Official Statement to the Underwriter in the currently required designated electronic format stated in MSRB Rule G-32 and the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information by underwriters under Rule G-32(b). The parties agree that the format in which the Preliminary Official Statement was delivered meets such electronic format requirements.

(d) The County hereby covenants and agrees that it will, on or prior to the Closing Date, enter into an agreement for the benefit of the owners of the Certificates in which the County will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of the Rule substantially in the applicable form in Appendix F to the Official Statement (the "*Continuing Disclosure Agreement*").

Section 6. Representations, Warranties and Agreements of the County. The County represents, warrants and covenants with the Underwriter that:

(a) The County is, and will be on the Closing Date, a public agency organized and existing under the Constitution and laws of the State of California, with full legal right, power and authority to authorize the execution, sale and delivery of the Certificates pursuant to the Trust Agreement and execute,

deliver and perform its obligations, as the case may be, under the Trust Agreement, the Lease Agreement, the Site Lease, this Purchase Agreement, the Escrow Agreement, the Tax and Non-Arbitrage Certificate dated as of the date of the initial delivery of the Certificates, and the Continuing Disclosure Agreement (collectively, the “*County Agreements*”) and to carry out and consummate all transactions contemplated by each of the County Agreements and the Official Statement, and compliance with the provisions of the County Agreements will not materially conflict with or constitute a material breach of or default under any applicable constitutional provision, law, charter provision, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the County is a party or may be otherwise subject;

(b) At the time of the acceptance hereof by the County, and (unless an event occurs of the nature described in Section 6(h)) and at all times during the period from the date of this Purchase Agreement to and including the date which is 25 days following the end of the underwriting period for the Certificates), the statements and information contained in the Preliminary Official Statement as of its date, and the Official Statement as of its date (excluding statements and information under the captions “THE CORPORATION” and “UNDERWRITING” and contained in APPENDIX E–“DTC AND THE BOOK-ENTRY SYSTEM,” and information as to bond prices on the cover of the Official Statement) are true, correct and complete in all material respects, and do not or will not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements and information contained therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(c) The County has duly authorized the execution and delivery of the County Agreements and when executed and delivered, the County Agreements, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the County enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally;

(d) Except as disclosed in the Official Statement, the County is not in violation or breach of or default under any applicable law or administrative regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a violation or a breach of or a default under any such instrument which violation, breach or default would materially adversely affect the County’s ability to perform its obligations under the County Agreements;

(e) At the date hereof and as of the Closing Date, the County will be in compliance in all respects with the material covenants and agreements contained in the County Agreements, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) To the best knowledge of the County, after due investigation, other than as set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the County (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the County or the title of any official of the County to such person’s office, or (ii) seeking to restrain or enjoin the execution, sale or delivery of the Certificates, or (iii) in any way contesting or affecting the validity or enforceability of the County Agreements, or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement, or (v) contesting the power of the County or its authority with respect to the Certificates or the County Agreements, or (vi) contesting the exclusion of interest on the

Certificates from gross income for Federal income tax purposes; nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the County Agreements or the authorization, execution, delivery or performance by the County of the County Agreements;

(g) All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the County of its obligations under the County Agreements have been duly obtained or made, and are, and will be as of the Closing Date, in full force and effect;

(h) If between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates (as defined in Section 6(j)), an event occurs, or facts or conditions become known of which the County has knowledge which in the reasonable opinion of Schiff Hardin LLP (“*Underwriter’s Counsel*”) or the County Counsel, might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect, the County will notify the Underwriter, and, if in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriter (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect. If such notification shall be subsequent to the Closing Date, the County shall forthwith provide to the Underwriter such certificates as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates, the County will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(i) If the information contained in the Official Statement is amended or supplemented pursuant to Section 6(h), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the end of the underwriting period for the Certificates, the portions of the Official Statement so supplemented or amended (excluding statements and information under the captions “THE CORPORATION” and “UNDERWRITING” and contained in APPENDIX E–“DTC AND THE BOOK-ENTRY-ONLY SYSTEM,” and information as to bond prices on the cover of the Official Statement) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect;

(j) As used herein and for the purposes of the foregoing, the term “*end of underwriting period*” for the Certificates shall mean the earlier of (i) the Closing Date unless the County shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the end of the underwriting period for the Certificates has occurred under Rule 15c2-12, provided, however, that the County may treat as the end of the underwriting period for the Certificates the date specified as such in a notice from the Underwriter stating the date which is the end of the underwriting period;

(k) The County will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter which the Underwriter may reasonably request in order for the Underwriter to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions; provided, however, that in no event shall the County be required to take any action which would subject it to service of process in any jurisdiction in which it is not now subject;

(l) The County will comply with the requirements of the Tax and Non-Arbitrage Certificate executed by the County in connection with the delivery of the Certificates;

(m) Any certificate signed by any officer of the County and delivered to the Underwriter pursuant to the Trust Agreement, the Lease Agreement, or this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(n) To the best knowledge of the County, there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the Official Statement, the County Agreements, or the Certificates, or the validity or enforceability of the Certificates;

(o) The financial statements of the County contained in the Official Statement as Appendix B fairly present the financial positions and results of operations thereof as of the dates and for the periods therein set forth, and the County has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied; and

(p) On or prior to the Closing Date, the County shall have duly authorized, executed and delivered the Continuing Disclosure Agreement, and as of the date of this Purchase Agreement (other than as described in the Official Statement), the County is in material compliance with all prior written undertakings to provide continuing disclosure.

Section 7. Representations, Warranties and Agreements of the Corporation. The Corporation represents, warrants and covenants with the Underwriter that:

(a) The Corporation is, and will be on the Closing Date, a nonprofit public benefit corporation duly organized and validly existing under and pursuant to the laws of the State of California, with full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under the Trust Agreement, the Lease Agreement, the Site Lease, this Purchase Agreement, and the Assignment Agreement (collectively, the "*Corporation Agreements*"), to carry out and consummate all transactions contemplated by each of the Corporation Agreements and the Official Statement, and compliance with the provisions of the Corporation Agreements will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Corporation is a party or may be otherwise subject;

(b) At the time of acceptance hereof by the Corporation, and (unless an event occurs of the nature described in Section 7(h)) at all times during the period from the date of this Purchase Agreement to and including the date which is 25 days following the end of the underwriting period for the Certificates (as determined in accordance with Section 7(j)), the statements and information contained in

the Preliminary Official Statement and the Official Statement under the caption "THE CORPORATION" are true, correct and complete in all material respects and such statements with respect to the Preliminary Official Statement do not, and with respect to the Official Statement will not, omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading;

(c) The Corporation will duly execute and deliver the Corporation Agreements on the Closing Date, has duly authorized and approved the Preliminary Official Statement, has duly authorized and approved the execution and delivery of the Corporation Agreements, and when executed and delivered, the Corporation Agreements, assuming due authorization, execution and delivery by the other respective parties thereto, will constitute the legally valid and binding obligations of the Corporation enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(d) To the best of its knowledge, the Corporation is not in violation or breach of or default under any applicable law or administrative rule or regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both would constitute a violation or a breach of or a default under any such instrument;

(e) As of the date hereof and as of the Closing Date, the Corporation will be in compliance in all respects with the material covenants and agreements contained in the Corporation Agreements and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(f) To the best knowledge of the Corporation, after due investigation, other than as set forth in the Official Statement or as the Corporation has otherwise disclosed to the Underwriter, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the Corporation, (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the Corporation or the title of any official of the Corporation to such person's office, or (ii) seeking to restrain or enjoin the execution, sale or delivery of the Certificates, or the assignment by the Corporation of its rights under the Lease Agreement, or (iii) in any way contesting or affecting the validity or enforceability of the Corporation Agreements or the Certificates, or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement, or (v) contesting the power of the Corporation or its authority with respect to the Certificates or the Corporation Agreements, or (vi) contesting the exclusion of interest on the Certificates from gross income for Federal income tax purposes; nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Corporation Agreements or the authorization, execution, delivery or performance by the Corporation of the Certificates or the Corporation Agreements;

(g) To the best of its knowledge, all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the Corporation of its obligations under the Corporation Agreements or the Certificates have been duly obtained or made, and are, and will be at the time of Closing, in full force and effect;

(h) If between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates (as defined in Section 7(j) herein), an event occurs, or facts or conditions become known to the Corporation which, in the reasonable opinion of Underwriter's Counsel or the General Counsel to the Corporation, might or would cause the information contained in the Official Statement relating to the Corporation, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect, the Corporation will notify the Underwriter, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation will forthwith prepare and furnish to the Underwriter (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in the form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect with respect to the information of the Corporation. If such notification shall be subsequent to the Closing, the Corporation shall forthwith provide to the Underwriter such legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the end of the underwriting period for the Certificates, the Corporation will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(i) If the information contained in the Official Statement relating to the Corporation is amended or supplemented pursuant to Section 7(h), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the end of the underwriting period for the Certificates, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect;

(j) As used herein and for the purposes of the foregoing, the term "*end of the underwriting period*" for the Certificates shall mean the earlier of (i) the Closing Date unless the Corporation shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the end of the underwriting period for the Certificates has occurred under Rule 15c2-12, provided, however, that the Corporation may treat as the end of the underwriting period for the Certificates the date specified as such in a notice from the Underwriter stating the date which is the end of the underwriting period; and

(k) Any certificate signed by any officer of the Corporation and delivered to the Underwriter pursuant to the Indenture or this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same.

Section 8. Closing. At 8:00 a.m., California time, on September __, 2017, or at such earlier or later time or date as shall be agreed by the County, the County and the Underwriter (such time and date being herein referred to as the "*Closing Date*"), the County will deliver or cause to be delivered to The Depository Trust Company in New York, New York ("*DTC*") by the initial deposit with the Trustee (in care of DTC) through the Fast Automated Securities Transfer ("*F.A.S.T.*") System, and will deliver or cause to be delivered at the offices of Orrick, Herrington & Sutcliffe LLP ("*Special Counsel*") in San

San Francisco, California, or such other place as shall have been mutually agreed upon by the parties, the other documents described herein; and the Underwriter shall will accept delivery and pay the purchase price of the Certificates as set forth in Section 1 of this Purchase Agreement to the order of the Trustee in immediately available funds.

The Certificates shall be executed and delivered in fully registered form. It is anticipated that CUSIP identification numbers will be inserted on the Certificates but neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Agreement. Upon initial issuance, the ownership of such Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee for DTC.

Section 9. Right to Terminate. Between the date hereof and the Closing Date, the Underwriter has the right to terminate its obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates by notifying the County of its election to do so if, after the execution hereof and prior to the Closing:

(a) (i) Legislation (including any amendments thereto) shall have been introduced in or adopted by either House of Congress of the United States or recommended to Congress or otherwise endorsed for passage by the President of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on ways and means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any staff of such committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code shall be filed in either house, or (ii) a decision shall have been rendered by any federal or state court, or (iii) an order, filing, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii), or (iv), would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Certificates or upon income of the general character to be derived by the County, other than as imposed on the Certificates and income therefrom under the federal tax laws in effect on the date hereof, in such manner as in the judgment of the Underwriter would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Certificates on the terms and in the manner contemplated in the Official Statement;

(b) The outbreak or declaration of war, institution of a police action, engagement in military hostilities by the United States, or any escalation of any existing conflict or hostilities in which the United States is involved or the occurrences of any other national emergency or calamity or crisis or any change in financial markets resulting from the foregoing, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price or marketability of the Certificates;

(c) (i) The Constitution of the State of California shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of California law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of California by an official, agency or department thereof, affecting the tax status of the County, its property or income, its notes or bonds (including the Certificates) or the interest thereon, which in the reasonable judgment of the Underwriter would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Certificates on the terms and in the manner contemplated in the Official Statement;

(d) The imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Certificates;

(e) Any actions shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Certificates, or any action shall have been taken by any court or by any governmental authority suspending the offering or sale of the bonds or the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority;

(f) Action by or on behalf of the State or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon such interest as would be received by the Owners of the Certificates;

(g) The occurrence of, or any notice given of, any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any obligations of the County (including the rating to be issued with respect to the Certificates);

(h) The marketability or the market price of the Certificates in the opinion of the Underwriter has been materially and adversely affected by the disruptive events, occurrences or conditions in the securities debt markets;

(i) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(j) Any change or development involving a prospective change in the condition of the County, financial or otherwise, or in the operations of the County from those set forth in the Official Statement that, in the reasonable judgment of the Underwriter, would make it impracticable or inadvisable to proceed with the offer, sale or delivery of the Certificates on the terms and in the manner contemplated in the Official Statement.

Section 10. Conditions to the Obligations of the Underwriter. The Underwriter hereby enters into this Purchase Agreement in reliance upon the representations and warranties of the County and the Corporation contained herein, the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the County, the Corporation, and the Trustee of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Certificates shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties of the County and the Corporation contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the County, the Corporation, and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the

County, the Corporation, and the Trustee of their respective obligations to be performed hereunder and under the County Agreements and Corporation Agreements at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven business days after the date hereof, copies of the Official Statement (including all information permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter) in such reasonable quantity as the Underwriter shall have requested.

(b) On the Closing Date, the County Agreements and the Corporation Agreements shall have been duly authorized, executed and delivered by the County and the Corporation, respectively, all in substantially the forms previously submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and such County Agreements and Corporation Agreements shall be in full force and effect; and there shall be in full force and effect such resolutions of the Board of Supervisors of the County and of the Board of Directors of the Corporation as, in the opinion of Special Counsel are necessary or appropriate in connection with the transactions contemplated hereby;

(c) At or prior to the Closing Date, all necessary actions of the Corporation relating to the execution and delivery of the Certificates will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(d) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) County Agreements, Resolution and Approvals. The County Agreements, each duly executed by the respective parties thereto, and a certified copy of the County Resolution (defined herein);

(ii) Corporation Agreements, Resolution and Approvals. The Corporation Agreements, each duly executed and delivered by the respective parties thereto, and certified copy of the Corporation Resolution (defined herein);

(iii) Official Statement. A copy of the Official Statement, executed on behalf of the County by an authorized representative or representative of the County;

(iv) Opinion of Special Counsel. The approving opinion of Special Counsel, dated the Closing Date and addressed to the County, in substantially the form attached to the Official Statement as Appendix D, and a letter of such counsel, dated the Closing Date and addressed to the Underwriter to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(v) Supplemental Opinion of Special Counsel. The supplemental opinion of Special Counsel, dated the Closing Date and addressed to the Underwriter, substantially to the effect that: (A) this Purchase Agreement has been duly executed and delivered by the County and is a valid and binding agreement of the County, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; (B) the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (C) the statements contained in the Official Statement under the captions "THE CERTIFICATES," "SECURITY FOR THE CERTIFICATES" (excluding information under the caption "The Leased Property") and "TAX MATTERS"

and Appendix C and Appendix D, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Certificates, the Trust Agreement, the Lease Agreement, the Site Lease, the Assignment Agreement, and the form and content of the final opinion of Special Counsel are accurate in all material respects;

(vi) *Defeasance Opinion of Special Counsel.* An opinion of Special Counsel, dated the Closing Date, and addressed to the U.S. Bank National Association, as trustee for the 2007 Certificates (the “2007 Trustee”), in form and substance satisfactory to the 2007 Trustee and the Underwriter, to the effect that the 2007 Certificates have been prepaid and defeased, and are no longer outstanding under the trust agreement authorizing the 2007 Certificates;

(vii) *Opinion of County Counsel.* The opinion of the County Counsel, dated the Closing Date and addressed to the Corporation and the Underwriter, to the effect that: (A) the County is duly organized and existing under the Constitution and laws of the State of California; (B) Resolution No. _____ approving and authorizing the execution and delivery by the County of the County Agreements (the “*County Resolution*”) was duly adopted at a meeting of the Board of Supervisors of the County on August __, 2017 which meeting was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and are in full force and effect and has not been amended or repealed; (C) to the best knowledge of such counsel after reasonable investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the County, to restrain or enjoin the execution and delivery of the Certificates, or in any way contesting or affecting the validity of the Certificates or the County Agreements, or in any way contesting or affecting the existence of the County or the title of any official of the County to such person’s office, or in any way contesting or affecting the validity or enforceability of the Certificates or the County Agreements, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the County or its authority with respect to the Certificates or the County Agreements; (D) the execution and delivery of the County Agreements and the Official Statement, the adoption of the County Resolution and compliance by the County with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach or default under any agreement or other instrument to which the County is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the County is subject; (E) the County Agreements have been duly authorized, executed and delivered by the County, and assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the County enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable principles if equitable remedies are sought; and (F) the information contained in the Official Statement, under the caption “LITIGATION” and contained in APPENDIX A–“THE COUNTY OF SOLANO” is accurate in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respects;

(viii) *Opinion of Corporation Counsel.* The opinion of the General Counsel to the Corporation, dated the Closing Date and addressed to the Underwriter, to the effect that: (A) the Corporation is a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California; (B) Resolution No. _____ approving and authorizing the execution and delivery by the Corporation of the Corporation Agreements (the “*Corporation Resolution*”) was duly adopted at a meeting on August __, 2017 of the Corporation which meeting was called and held pursuant

to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and have not been amended or repealed; (C) to the best knowledge of such counsel after reasonable investigation, other than as set forth in the Official Statement or as the Corporation has otherwise disclosed in writing to the Underwriter, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the Corporation, to restrain or enjoin the execution and delivery of the Certificates or the assignment by the Corporation of its rights under the Lease Agreement or the Site Lease, or in any way contesting or affecting the validity of the Certificates or the Corporation Agreements, or in any way contesting or affecting the existence of the Corporation or the title of any official of the Corporation to such person's office, or in any way contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Corporation or its authority with respect to the Certificates or the Corporation Agreements; (D) the execution and delivery of the Corporation Agreements and the Official Statement, the adoption of the Corporation Resolution, and compliance by the Corporation with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Corporation a breach or default under any agreement or other instrument to which the Corporation is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or by any existing law, regulation, court order or consent decree to which the Corporation is subject; (E) the Official Statement has been duly authorized and delivered and the Corporation Agreements have been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the Corporation enforceable in accordance with the respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; and (F) the information contained in the Official Statement relating to the Corporation as of its date and as of the date hereof is accurate in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading in any material respect;

(ix) Opinion of Disclosure Counsel. The opinion, dated the Closing Date and addressed to the County and the Underwriter, of Hawkins Delafield & Wood LLP ("*Disclosure Counsel*"), substantially in the form and substance presented in Exhibit C;

(x) Opinion of Underwriter's Counsel. The opinion of Schiff Hardin LLP ("*Underwriter's Counsel*"), dated the Closing Date and addressed to the Underwriter, to the effect that, on the basis of the information made available to them, no facts came to their attention in connection with the preparation of the Official Statement which cause them to believe that the Official Statement as of its date (excluding therefrom financial and statistical data, projections, statements relating to DTC, Cede & Co. and the operation of the book-entry system and Appendices A, B, C, D and E, as to all of which no view need be expressed) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect, and the Continuing Disclosure Agreement provides a suitable basis for the Underwriter, in connection with the Offering (as defined in Rule 15c2-12) of the Certificates to make a reasonable determination as required by section (b)(5) of such Rule;

(xi) Opinion of Counsel to the Trustee. The opinion of Counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the County and the Corporation, to the effect that: (A) the Trustee has been duly incorporated as a national banking association under the laws of the United States and is in good standing under the laws of the State of California, duly qualified to do business and to exercise trust powers therein, having full power and authority to enter into and to perform its duties as

Trustee under the Trust Agreement; (B) the Trustee has duly authorized, executed and delivered the Trust Agreement, and the Assignment Agreement, and by all proper corporate action has authorized the acceptance of the trusts of the Trust Agreement; (C) the Trust Agreement, and the Assignment Agreement each constitute a legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with their respective terms; (D) the Certificates have been validly authenticated, registered and delivered by the Trustee; (E) no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the Trustee, or, to such counsel's knowledge after reasonable investigation, any other person or corporation, is required for the valid authorization, execution, delivery and performance by the Trustee of the Trust Agreement, or the Assignment Agreement; and (F) the execution and delivery of the Trust Agreement, and the Assignment Agreement, and compliance by the Trustee with the provisions of the foregoing under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Trustee a breach or default under any agreements or other instrument to which the Trustee is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the Trustee is subject;

(xii) Opinion of Counsel to the Escrow Agent. Opinion of counsel to the Escrow Agent dated the Closing Date and addressed to the County, the Corporation, and the Underwriter with respect to due execution, delivery and enforceability of the Escrow Agreement.

(xiii) Certificate of the County. A certificate dated the Closing Date, signed by a duly authorized official of the County, in form and substance satisfactory to the Underwriter, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the County contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (B) the County has complied with the requirements of the County Agreements required to be complied with on and as of the Closing Date; (C) no event materially adversely affecting the County has occurred since the date of the Official Statement; and (D) that the financial statements of the County contained in the Official Statement fairly present the financial positions and results of operations thereof as of the dates and for the periods therein set forth, and such officer has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied;

(xiv) Certificate of the Corporation. A certificate dated the Closing Date, signed by a duly authorized official of the Corporation, in form and substance satisfactory to the Underwriter, to the effect that, to the best of such official's knowledge: (A) the representations and warranties of the Corporation contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; and (B) no event materially adversely affecting the Corporation has occurred since the date of the Official Statement;

(xv) Certificate of MUFG Union Bank, N.A. A certificate, dated the Closing Date, signed by a duly authorized official of MUFG Union Bank, N.A. ("Union Bank") in its capacities of Trustee and Escrow Agent, satisfactory in form and substance to the Underwriter, to the effect that: (A) Union Bank is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement and the Escrow Agreement, and to authenticate and deliver the Certificates to the Underwriter; (B) Union Bank is duly authorized to enter into the Trust Agreement and the Escrow Agreement, and to execute and deliver the Certificates to the Underwriter pursuant to the Trust Agreement; (C) when delivered to and paid for by the Underwriter on the Closing Date, the Certificates will have been duly authenticated and delivered by Union Bank; (D) the execution and delivery of the Trust Agreement and the Escrow Agreement and compliance with the respective provisions on the part of

Union Bank contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which Union Bank is a party or is otherwise subject (except that no representation or warranty is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by Union Bank pursuant to the lien created by the Trust Agreement 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 Trust Agreement; and (E) to the best knowledge of Union Bank, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against Union Bank, affecting the existence of Union Bank, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Certificates or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Certificates, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement or the Escrow Agreement, or contesting the powers of Union Bank or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates, the Trust Agreement, the Escrow Agreement, or the power and authority of Union Bank to enter into and perform its duties under the Trust Agreement or the Escrow Agreement, and to authenticate and deliver the Certificates to the Underwriter;

(xvi) General Resolution of Union Bank. Certified copies of the general resolution of Union Bank authorizing the execution and delivery of the Trust Agreement and the Escrow Agreement;

(xvii) Rating Letter. Evidence of a rating of “___” by Standard & Poor’s Credit Markets, a Division of the McGraw-Hill Companies (“S&P”), being in full force and effect as of the Closing Date;

(xviii) Tax and Non-Arbitrage Certificate. A Tax and Non-Arbitrage certificate of the County in form and substance acceptable to Special Counsel;

(xix) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing;

(xx) Evidence of Insurance. Evidence of insurance in the form and in the amounts specified in the Lease Agreement;

(xxi) CDIAC Notices of Sale. A copy of the Notices of Sale required to be delivered to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 8855(g) and 53583 of the California Government Code;

(xxii) DTC Blanket Letter of Representations. The Blanket Letter of Representations of the Corporation to the Depository Trust Company, New York, New York, relating to the book-entry only system for the Certificates;

(xxiii) Issue Price Certificate. The Issue Price Certificate substantially in the form of Exhibit A;

[(___) Verification Report. A report of _____ (the “Verification Agent”) stating that it has verified, in accordance with attestation standards established by the American Institute of Certified

Public Accountants, relating to the adequacy of cash to be held pursuant to the Escrow Agreement and the mathematical accuracy of the mathematical computations of yield on the 2007 Certificates, and consenting to use of its name in the Preliminary and final Official Statements;] and

(xxiv) Additional Documents. Such additional legal opinions, certificates, instruments or evidences thereof and other documents as the Underwriter's Counsel or Special Counsel may reasonably request to evidence the due authorization, execution and delivery of the Certificates and the conformity of the Certificates, the Site Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement with the terms of the Certificates and as summarized in the Official Statement.

If the County or the Corporation shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted herein, all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing Date, by written notice to the County and the Corporation, and none of the Underwriter, the Corporation or the County shall have any further obligations hereunder, except that the respective obligations of the parties set forth in Section 11 shall continue in full force and effect.

Section 11. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the County shall pay the following expenses incident to the performance of its obligations hereunder: (i) the fees and disbursements of Special Counsel, Disclosure Counsel, and the Municipal Advisor; (ii) the cost of printing and delivering the Certificates, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to this Purchase Agreement); (iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the Corporation or the County; and (iv) any other expenses and costs of the Corporation or the County incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Certificates, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The Underwriter shall pay all expenses incurred by them in connection with the public offering and distribution of the Certificates including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; (ii) all advertising expenses in connection with the offering of the Certificates; and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Certificates (including travel and other expenses, CDIAC and blue sky filing fees, CUSIP Service Bureau fees, and any other fees and expenses), except as provided in Section 11(a) or as otherwise agreed to by the Underwriter and the County..

Section 12. Notices. Any notice or other communication to be given to the County or the Corporation under this Purchase Agreement may be given by delivering the same in writing at the Corporation's and the County's addresses, respectively, set forth above, Attention: County Administrator, and any such notice or other communication to be given to the Underwriter may be delivered to the following address: One Embarcadero Center, Suite 650, San Francisco, California 94111.

Section 13. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Corporation, the County and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter or the Corporation or the County or (b) delivery of

and payment for the Certificates. The agreements contained in Section 11 shall survive any termination of this Purchase Agreement.

Section 14. Execution in Counterparts; Electronic Transmission. This Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

Section 15. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

Section 16. Governing Law; Venue. Purchase Agreement shall be governed and interpreted exclusively by and construed in accordance with the laws of the State applicable to contracts made and to be performed in the State. Any and all disputes or legal actions or proceedings arising out of this Purchase Agreement or any document related hereto shall be filed and maintained in a court of competent jurisdiction for matters arising in Solano County, California. By execution of and delivery of this Purchase Agreement, the parties hereto accept and consent to the aforesaid jurisdiction.

Section 17. Severability. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Entire Agreement. This Purchase Agreement, when accepted by the County and the Corporation in writing as heretofore specified, shall constitute the entire agreement between the Corporation, the County and the Underwriter.

Section 19. Effectiveness. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by duly authorized officers of the County and the Corporation and shall be valid and enforceable as of the time of such acceptance.

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Robert J. Larkins, Managing Director

COUNTY OF SOLANO

By: _____
Authorized Officer

Time of Execution: _____

SOLANO COUNTY FACILITIES CORPORATION, INC.

By: _____
Authorized Officer

Time of Execution: _____

SCHEDULE I

MATURITIES, AMOUNTS, RATES, YIELD & PRICES

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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\$ _____ % Term Bond Due November 1, ____ – Yield: ____% – Price: ____%
\$ _____ % Term Bond Due November 1, ____ – Yield: ____% – Price: ____%

[†] Priced to call at 100% on November 1, ____.

PREPAYMENT PROVISIONS

The Certificates payable with respect to principal on or after November 1, 20__, are subject to prepayment on any date, at the option of the County, as a whole or, in part, among such Certificate Payment Dates, as the County may determine, or, if so specified, in inverse order of Certificate Payment Dates, from any available source of funds, at a prepayment price equal to 100% of the principal amount represented by the Certificates subject to prepayment, plus accrued interest to the date fixed for prepayment, without premium.

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

\$ _____

COUNTY OF SOLANO SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Certificates”) based upon the information available to it.

The Issuer may rely on the statements made herein in connection with making the representations set forth in its Certificate as to Arbitrage for the Certificates and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the “Code”). Orrick, Herrington & Sutcliffe LLP (“Special Counsel”) may also rely on this Issue Price Certificate for purposes of its opinion regarding the treatment of interest on the Certificates as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

[1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.]

2. ***Initial Offering Price of the Certificates.***

(a) The Underwriter offered each Maturity of the Certificates to the Public for purchase at the respective initial offering prices listed in Schedule A hereto (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.

(b) As set forth in the Certificate Purchase Agreement dated _____, 2017 between the Underwriter and the Issuer, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Certificates at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Certificates listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *“Holding Period”* means, for each Maturity of the Certificates, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriter has sold at least 10% of such Maturity of the Certificates to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(d) *“Issuer”* means the County of Solano.

(e) *“Maturity”* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *“Public”* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(g) *“Sale Date”* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is _____, 2017.

(h) *“Underwriter”* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Certificates, and by Special Counsel in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

RAYMOND JAMES & ASSOCIATES, INC.,
as Underwriter

By: _____
Managing Director

Dated: _____, 2017

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

GENERAL RULE MATURITIES

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
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HOLD-THE-OFFERING-PRICE MATURITIES

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	Price
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SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

DRAFT

EXHIBIT B

**COUNTY OF SOLANO
SERIES 2017 REFUNDING CERTIFICATES OF PARTICIPATION**

**FORM OF THE CERTIFICATE OF THE COUNTY OF SOLANO
AS TO FINALITY OF THE PRELIMINARY OFFICIAL STATEMENT**

The undersigned hereby states and certifies:

1. That he is the duly qualified and acting Treasurer-Tax Collector-County Clerk of the County of Solano (the "County") and as such is authorized to execute this Certificate on behalf of the County.
2. That there has been delivered to Raymond James & Associates, Inc. (the "Underwriter"), a preliminary official statement relating to the above-referenced Certificates, dated August __, 2017, including the cover page and all appendices thereto, in electronic form (the "Preliminary Official Statement"), which the County deems to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12.
3. The County hereby approves the use and distribution by the Underwriter of the Preliminary Official Statement.

Dated: August __, 2017

COUNTY OF SOLANO

By: _____
Charles A. Lomeli
Treasurer-Tax Collector-County Clerk

EXHIBIT C

FORM OF OPINION OF DISCLOSURE COUNSEL

[Date of Closing]

County of Solano
675 Texas Street
Fairfield, California 94533

Raymond James & Associates, Inc.
One Embarcadero Center, Suite 650
San Francisco, California 94111

Re: County of Solano Series 2017 Refunding Certificates of Participation

Ladies and Gentlemen:

This letter is rendered pursuant to Section 9(d)(ix) of the Certificate Purchase Agreement, dated _____, 2017 (the "Purchase Agreement"), by and among _____ (the "Underwriter"), the Solano County Facilities Corporation, Inc. (the "Corporation") and the County of Solano (the "County") to provide for the purchase of the above-described Certificates of Participation in the aggregate principal amount of \$_____ (the "Certificates"). The Certificates are described in the Official Statement dated _____, 2017, pertaining to the Certificates (the "Official Statement"). Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Official Statement.

In rendering this opinion, we have reviewed the Official Statement, the Trust Agreement, the Lease, the Purchase Agreement, the certificates, opinions and other documents delivered pursuant to the Purchase Agreement and such other records, documents, certificates and opinions, and made such other investigations of law and fact as we have deemed necessary or appropriate as a basis for our opinion. We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

Although we have not undertaken to check the accuracy, completeness or fairness of, or otherwise verified the information contained in, the Official Statement and are therefore unable to make any representation to you in that regard, we have participated in conferences prior to the date of the Official Statement with, among others, representatives of the County and the Authority, County Counsel, Special Counsel, the Underwriter and PFM Financial Advisors LLC, as municipal advisor to the County, during which conferences the contents of the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing, our review of the documents referenced above and our reliance on the certificates and the opinions of counsel described above and our understanding of the applicable law, no information has come to our attention in connection with the preparation of the Official Statement which cause us to believe that the Official Statement as of its date and as of the date of this opinion (except for the financial and statistical data, forecasts and projections, information concerning the Depository Trust Company and the book-entry system included therein and Appendices B, C, D, E [and F] attached thereto, as to which no view is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

During the period from the date of the Official Statement to the date of this opinion, except for our review of the certificates and opinions regarding the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

This letter is furnished by us as Disclosure Counsel to the County. This opinion is rendered in connection with the transaction described herein, and may not be relied upon for any other purpose. This opinion is being rendered to the Underwriter solely for its benefit in connection with its purchase of the Certificates from the Authority and is not to be used, circulated, quoted or otherwise referred to by the Underwriter for any other purpose without our prior written consent. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Certificates or by virtue of this opinion. This opinion shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by, any other person, firm, corporation or other entity without our prior written consent, provided that a copy of this opinion may be placed in the transcript for the Certificates. This opinion is limited to matters governed by the Federal securities law of the United States, and we assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction. Our engagement with respect to this matter terminates upon the delivery of this opinion to you at the time of the closing relating to the Certificates, and we have no obligation to update this opinion.

Very truly yours,

31498-0027
SF\321991673.1



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 12 **Status:** Regular Calendar
Type: Report **Department:** Workforce Development Board
File #: 17-571 **Contact:** Matthew A. Davis, 784-6111
Agenda date: 8/8/2017 **Final action:**
Title: Receive a status report from Bruce Wagstaff on the continued progress of implementing the Solano Workforce Development Review recommendations approved by the Board on July 26, 2016
Governing body: Board of Supervisors
District: All
Attachments: [A - Presentation](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors receive a status report from Bruce Wagstaff on the continued progress of implementing the Solano Workforce Development Review recommendations approved by the Board on July 26, 2016.

SUMMARY/DISCUSSION:

On July 26, 2016, the Board of Supervisors received a report reviewing the County's Workforce Development effort from Patrick Duterte which identified the strengths of the existing workforce development system, looked at weaknesses, reviewed individual programs and potential duplication of services and focused on outcomes and measurable results. The review identified and culminated in fourteen (14) recommendations, all of which were accepted and approved by the Board.

On January 4, 2017, more than 40 workforce development partners met to discuss the 14 recommendations and begin the steps to implementation. The partners agreed to address the first three recommendations with individual taskforce workgroups and to form an overall steering committee to guide the coordinated efforts. The committee's work included (1) the adoption of a Standard Assessment Tool, (2) the adoption of a practical and useable employer definition of Soft Skills, and (3) the formation of a steering committee of providers and stakeholders to look for opportunities to coordinate, realign services, end duplicative practices and look for opportunities to blend funding and services. The partners met quarterly and agreed to give periodic updates to the Board of Supervisors and the Workforce Development Board.

An initial update was provided to the Board of Supervisors on April 25, 2017 by Patrick Duterte and Bruce Wagstaff. The report reviewed the establishment of the steering committee to oversee the ongoing implementation of the project and initial work in three areas, including (1) the development of an employer-driven set of Essential Skills that would be focused on throughout the system, (2) the establishment of an improved approach to Skills Assessments that are completed by the various workforce development programs to avoid duplication, and (3) the promotion of an improved collaboration and leveraging of resources among

the organizations involved in workforce development.

Since that time, work has proceeded in all three areas detailed in the report, including:

(1) The Essential Skills curriculum developed by the County Office of Education (COE), in partnership with the Fairfield-Suisun Chamber of Commerce, was determined to be a strong employer-oriented approach and is currently being reviewed by the various workforce development organizations to determine how to include training on the needed skills that employers have identified.

(2) The Adult Education system has worked closely with COE to pilot this program in their schools, and County Health and Social Services is working with the Workforce Development Board to review the skills identified for the CalWORKS program.

(3) Discussions are taking place regarding the creation of a shared database for the assessments being completed by the various programs. With a client's consent, these efforts would remove the duplicative way information is currently being collected, allowing job-seekers to move throughout the system more efficiently. The end goal is to establish a "no wrong door" approach, meaning clients can enter the system at any point and be referred to the appropriate program or job placement.

These conversations also include the exploration and development of a user-friendly website for job-seekers and employers that would provide information on the programs available in the workforce development system, including jobs available in the community and the experience required for available job openings.

It is expected that by the end of calendar year 2017 the County's workforce development programs will have (1) identified their approach to Essential Skills training focused on the skills identified in COE's program, (2) Established a method for sharing assessment information and developed a prototype "no wrong door" intake process, and (3) acted to strengthen the County's job posting system to be responsive to the needs of job seekers and employers.

FINANCIAL IMPACT:

The County Administrator staff time associated with this item is budgeted within the Department's FY2016/17 budget. Bruce Wagstaff's total contract is for \$56,425 to assist in transitioning the recommended actions into to a sustainable workforce development plan and program. The contract for implementation support service is included in the FY17/18 Recommended Budget for the County Administrator's Office.

ALTERNATIVES:

The Board may choose not to receive the status update on the Workforce Development Review implementation. This is not recommended because this presentation supports efforts to improve workforce development programs in Solano County by enhancing coordination between providers of workforce development services and expanding access to available services.

OTHER AGENCY INVOLVEMENT:

The Workforce Development Board, Fairfield/Suisun Adult School, Children's Network, Solano Family and Children's Services, Dreamcatchers, LCA (Probation) City of Fairfield, Sheriff, Goodwill, Fairfield-Suisun Chamber of Commerce, Caminar Jobs Plus, Solano Economic Development Corporation, Solano County Office of Education, Probation, Solano Public Health, Health and Social Services, Board of Supervisors, Solano County Library, Solano County Adult Education, Northbay Health Care, Solano Transportation Authority, Kaiser Permanente, Six Flags, Solano Community College, City of Vacaville, Central Labor Council, and Senior Coalition are all actively collaborating on workforce development program enhancements

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

SOLANO COUNTY

WORKFORCE DEVELOPMENT REVIEW



Solano County Administrators Office
675 Texas Street, Suite 6500
Fairfield, California - 94533
SolanoCounty.Com



**SOLANO
COUNTY**



Project Recap

- **Purpose of Review**

Improving coordination, removing duplication, making WD system more responsive to employers and job seekers

- **14 Recommendations**

- **Initial Focus Areas**

- Essential Skills
- Assessments
- Coordinated Opportunities

- **Project Steering Committee Established**



Essential Skills

Goal

Job seekers system-wide trained on skills that employers indicate are needed to succeed as employees.

Current Status

- Essential Skills program developed by COE and Fairfield-Suisun Chamber seen as a model for all WD programs.
- Piloted in Adult Ed system and reviewed for CalWORKS.
- Task Force to be reconvened to discuss approach in other programs.



Assessment

Goal

Originally to adopt one standard assessment tool. Now focused on sharing information to avoid duplication and establish "no wrong door" intake approach.

Current Status

- Discussions with IT on creating shared data base.
- Using a universal consent form to share assessment results and move clients through the system.
- Developing "No Wrong Door" intake process - ability to refer clients to appropriate programs or available jobs.



Coordinated Opportunities

Goal

Improve system-wide coordination of services to avoid duplication and maximize resources.

Current Status

- Language provided to consider for County RFPs to promote collaboration.
- Reviewing possible platforms for sharing information on available services and open slots.
- Discussions with IT on possible website to provide information for program staff, clients, and employers.
- Working with the Solano Employment Connection Steering Committee to identify opportunities for collaboration.



Other Actions Planned

- **Conduct Employer Outreach / Marketing**
- **Strengthening of Job Posting System**
- **Development of Common Outcome Measures**



Goals for Remainder of 2017

- **Organizations will have identified their approach to Essential Skills training.**
- **Will have identified a method for sharing assessment information and a prototype “no wrong door” referral process.**
- **Will have completed an action plan for coordination /collaboration of resources.**
- **Action taken to strengthen job posting system.**
- **Will have initiated a coordinated employer outreach effort.**



Project Outcomes

- **Employers are able to receive appropriate employee referrals on a timely basis.**
- **Job seekers receive the support they need to be referred for available jobs as quickly as possible.**
- **Those referred for jobs become successful employees.**



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 13 **Status:** Regular Calendar
Type: Resolution **Department:** Resource Management
File #: 17-544 **Contact:** Bill Emlen, 784-6062
Agenda date: 8/8/2017 **Final action:**
Title: Consider adopting a resolution approving Traffic Order 424, establishing "No Parking" zones on Gordon Valley Road and Mankas Corner Road; and establishing all-way stops at Porter Road/Pitt School Road, Suisun Valley Road/Mankas Corner Road, and Fry Road/ Lewis Road
Governing body: Board of Supervisors
District: All
Attachments: [A - Resolution](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Resource Management recommends that the Board of Supervisors:

1. Consider adopting a resolution approving Traffic Order 424, establishing "No Parking" areas on Gordon Valley Road and Mankas Corner Road; and
2. Establishing all-way stops at the intersections of Porter Road/Pitt School Road, Suisun Valley Road/Mankas Corner Road, and Fry Road/Lewis Road.

SUMMARY:

During construction of the Mankas Corner Improvement Project, the Department received input and concerns from the public, local farmers, and the Fire District about some areas of parking near Mankas Corner constraining the right of way, primarily along the Gordon Valley spur. The traffic engineer has reviewed this situation and recommends establishing some "No Parking" areas to ensure access for the public, farming vehicles, and emergency vehicles.

The Department is currently designing signing and striping improvements at intersections and along corridors for a mix of projects in the Capital Improvement Plan. The Engineering and Traffic Studies at four intersections (Porter Road/Pitt School Road, Suisun Valley Road/Mankas Corner Road, and Fry Road/Lewis Road) indicated that all-way stops would be appropriate modifications for their operations.

With the Board's adoption of Traffic Order 424, the Department will establish the "No Parking" areas in Mankas Corner as well as install the all-way stop sign controls at the noted intersections.

FINANCIAL IMPACT:

The estimated \$3,600 cost of installing "No Parking" and Stop signs will be paid by the Road Fund. There is no

impact to the General Fund.

DISCUSSION:

One feature of the recently-completed Mankas Corner Improvement Project was the installation of a raised median on Gordon Valley Road between Mankas Corner Road and Clayton Road for the purposes of traffic calming. Some types of legal “extra-wide” vehicles must utilize the roadway shoulder to pass the median. The approval of Traffic Order 424 would restrict parking around the medians, as well as the along Gordon Valley Road from Mankas Corner Road to 400 feet east. Establishing these areas will ensure access for all types of emergency and legal width vehicles.

Porter Road at Pitt School Road: The intersection of Porter Road and Pitt School Road is a four-way intersection currently controlled by two stop signs on Pitt School Road. Pitt School Road south of Porter Road currently has a bike path that terminates at Porter Road. Future planning will continue the bike path onto Porter Road heading east into the City of Dixon, therefore increasing pedestrian and bicycle traffic in the intersection. Public Works Engineering staff performed an Engineering and Traffic Study for the intersection which reviewed the basic geometry, accident history and traffic patterns, as well as the sharp angle of the intersection. The study found that the intersection met all the necessary warrants for a four-way stop and that the safety of the intersection would be enhanced by the installation of the additional stop signs.

Suisun Valley Road at Mankas Corner Road: Public Works Engineering staff performed an Engineering and Traffic Study for the intersection which reviewed the average daily traffic and turning movements at the intersection. It was observed that a substantial number of unprotected left turn movements are occurring at the intersection. The study found that warrants for an all way stop were met and that the safety of the intersection would be enhanced by the installation of the additional stop signs.

Fry Road at Lewis Road: Public Works Engineering staff performed an Engineering and Traffic Study for the intersection which reviewed the average daily traffic, accident history and traffic patterns. The study found that the intersection safety will be enhanced by the installation of a four-way stop.

ALTERNATIVES:

The Board could choose to not adopt Traffic Order 424 which establishes “No Parking” areas on Gordon Valley Road and Mankas Corner Road, and establishes all-way stops at Porter Road/Pitt School Road, Suisun Valley Road/Mankas Corner Road, and Fry Road/ Lewis Road. This is not recommended, as the “No Parking” areas are needed to facilitate the unobstructed flow of traffic, and the stop signs at the intersections enhance traffic safety.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed this item and approved it as to form.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

RESOLUTION NO. 2017 - _____

**RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS
APPROVING TRAFFIC ORDER 424, ESTABLISHING NO PARKING ZONES
ON GORDON VALLEY ROAD AND MANKAS CORNERS ROAD
AND ALL-WAY STOPS AT THE INTERSECTIONS OF PORTER ROAD AND PITT
SCHOOL ROAD, SUISUN VALLEY ROAD AND MANKAS CORNERS ROAD, AND
FRY ROAD AND LEWIS ROAD**

Whereas, Chapter 17 of the Solano County Code sets forth the requirements for the establishment of traffic orders; and

Whereas, Engineering and Traffic Study has confirmed that the “No Parking” areas on Gordon Valley Road and Mankas Corners is warranted; and

Whereas, Engineering and Traffic Studies have confirmed that the intersections of Porter Road and Pitt School Road, Suisun Valley Road and Mankas Corners Road, and Fry Road and Lewis Road warrant all-way stops; and

Whereas, based on said surveys and conforming to accepted principles and practices of traffic engineering, the Director of Transportation has made Traffic Order 424 to establish “No Parking” areas on Gordon Valley Road and Mankas Corners Road; and

Whereas, based on said surveys and conforming to accepted principles and practices of traffic engineering, the Director of Transportation has made Traffic Order 424 to establish all way stops at the intersections of Porter Road and Pitt School Road, Suisun Valley Road and Mankas Corners Road, and Fry Road and Lewis Road; and

Whereas, said traffic order does not become effective until it has been adopted by resolution by the Board of Supervisors.

Resolved, pursuant to the provisions of Chapter 17 of the Solano County Code, Traffic Order 424 is adopted establishing “No Parking” areas as follows:

- 1) On both sides and 50 feet in each direction of the medians (2) on Mankas Corners Road, near the intersection of Gordon Valley Road;
- 2) On both sides of Gordon Valley Road, beginning in the intersection with Mankas Corners Road to 400 feet east; and

Resolved, Traffic Order 424 is adopted establishing all way stops at the intersections of Porter Road and Pitt School Road, Suisun Valley Road and Mankas Corners Road, and Fry Road and Lewis Road pursuant to the provisions of Chapter 17 of the Solano County Code.

Resolved, the Director of Transportation is directed to place appropriate signs and markings at the affected intersections.

Passed and adopted by the Solano County Board of Supervisors at its regular meeting on August 8, 2017, by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

EXCUSED: SUPERVISORS _____

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:
BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 14 **Status:** Regular Calendar
Type: Report **Department:** Resource Management
File #: 17-561 **Contact:** Bill Emlen, 784 6062
Agenda date: 8/8/2017 **Final action:**
Title: Receive summary reports and presentations on two studies and related work prepared under a \$228,000 grant from the Delta Conservancy (#2016-17-106) consisting of a Countywide Agricultural Economic Baseline Assessment and Cache Slough Case Study, and a Land Evaluation and Site Assessment (LESA) Study for the Cache Slough region of the County
Governing body: Board of Supervisors
District: All
Attachments: [A - LESA Executive Summary](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Resource Management recommends that the Board receive reports on the completion of two studies and related activities undertaken as part of Agreement number 2016-17-106 with the Sacramento-San Joaquin Delta Conservancy for the Cache Slough region. The two studies include a Countywide Agricultural Economic Baseline Assessment and Cache Slough Case Study, and a Land Evaluation and Site Assessment (LESA) Study. The Economic Assessment Study will be presented by the Agricultural Commissioner, as part of his report under a separate agenda item. Executive Summaries of the studies are attached to each of the respective Board Reports. An overview of the LESA study will be presented by Wendy Rash, Natural Resources Conservation Service; Genevieve Taylor, Ag Innovations; and Anna Constantino, FlowWest.

SUMMARY:

On September 1, 2016, the County entered into a contract agreement with the State Delta Conservancy to receive planning grant funds in the amount of \$228,000 to conduct data acquisition & mapping; stakeholder outreach; and land use and economic studies in the Cache Slough region of the County. The eastern areas of the County in the Yolo Bypass and Cache Slough as well as adjacent areas have been the subject of intense interest by the State as an opportunity area for ecosystem restoration and for flood risk reduction purposes, including mitigation for the State and federal water project Biological Opinions (BiOps) and the proposed California WaterFix Project. For at least the past decade, the State has been actively pursuing and acquiring lands in the region, most recently through third party ecosystem developers. Up to this point there has been a lack of information on the Cache Slough region, creating an impediment to fully understanding impacts of large-scale ecosystem restoration activities and effective mitigation strategies, including unintended consequences, such as potential nuisance activities putting a strain on County services, and fragmented agricultural systems. The studies and related work provides further information and understanding of the Cache Slough region and assists the County in negotiation with the state in attempting to mitigate these impacts.

The Contract Agreement and funding allowed for four primary works to be completed: 1) a data acquisition and GIS mapping series, 2) a concerted outreach effort to landowners and other stakeholders in the region, 3) a Land Evaluation and Site Assessment (LESA) Study and 4) a Countywide Agriculture Baseline Assessment and Cache Slough Case Study. This funding allowed the County to develop a great deal of information on infrastructure, land use and particularly agriculture in the region; to build relationships with landowners and others, learn how landowners value the land; and to begin to understand the physical and economic consequences to the region from ecosystem restoration activities. The two studies completed as part of this process will be the focus of the presentations to the Board. The LESA Study lead, Wendy Rash of the Natural Resources Conservation Service (NRCS) and others will present the LESA report. The Countywide Economic Assessment and Cache Slough Case Study will be presented by the Agricultural Commissioner as part of a separate agenda item.

FINANCIAL IMPACT:

A grant of \$228,000 was provided by the Delta Conservancy to conduct the studies, mapping and outreach activities. There were no General Fund impacts other than staff time, some of which was provided as a local match. Should the process continue in some form (there is an effort to begin a Phase 2 process and the County is considering next steps) any recommendations would be the subject of another Board report (and attendant action) at a future date.

DISCUSSION:

Because of its desirable geographic location, lack of urban development and appropriate elevations for tidal and related upland restoration activities, the Cache Slough Region (as well as adjacent lands and other areas such as the Suisun Marsh) have been a primary focus of tidal and related ecosystem restoration efforts for well over a decade. UC Davis describes a 'North Delta Arc', which includes Cache Slough, Suisun Marsh and surrounding areas as the most desirable (and perhaps the only remaining) area in which to save endangered native fish species. Efforts to acquire and convert agricultural lands are gaining momentum due to State and federal water project mitigation requirement deadlines, new acquisition strategies, available funding for projects and a host of broader agency programs to develop habitat acreages and adaptively manage them.

Existing land uses are primarily agricultural in the Cache Slough region and would be directly and indirectly affected by the conversion of agricultural lands to tidal and related habitat. Remaining ag lands would suffer by proximity to restored lands, including complications associated with the presence of endangered species. Infrastructure of all kinds, including water supply and quality for agriculture and municipal & industrial water uses would be affected. To date, the piecemeal acquisition by the state does not allow for mitigation or assurances for agencies or landowners, and the County may be affected by the loss of tax dollars, potentially incurring additional responsibility for vacant lands, such as Sheriff's services to deal with nuisance activities in unincorporated areas. In addition, the Yolo Bypass and Cache Slough are a focus of efforts to increase flood capacity and retention of flood water in the region. As a result, the region would greatly benefit from a more comprehensive planning approach that incorporates flood, ecosystem and land use elements.

To date it has been difficult to devise a strategy to protect ag lands from fragmentation, to devise appropriate mitigation for impacts to agriculture and existing infrastructure and fully understand cumulative impacts to the region, because little data exists by which to identify and quantify impacts. The Conservancy funding provided the County the opportunity to study agriculture economic and infrastructure issues that had been studied previously, but not at such a comprehensive level. The funding provided by the Conservancy has enabled the County to develop data, maps and information that will allow for meaningful dialogue with the state over competing land uses and how to plan for the region over time while protecting existing land uses. The information helps quantify impacts and develop meaningful mitigation strategies for agriculture, water supply and other affected land uses. The combination of data acquisition/mapping, outreach and studies have provided the County a more comprehensive information base and will allow for a largely absent cumulative

assessment of impacts to the region, to ultimately help enable the sustainability of agriculture and the protection of key infrastructure. Where a wealth of information has been developed in ecosystem restoration and flood risk reduction planning, little information has historically been available to make the case for protection of existing land uses and agriculture, and for identification and subsequent mitigation of impacts in this area. As a result, little mitigation for impacts to agriculture have occurred with land acquisition and resultant changing land uses in the region. The new information provides a baseline that will assist the County in advocating for a broader plan for the Cache Slough area. However, it remains to be seen if the State will support such a plan.

The Land Evaluation and Site Assessment Study (LESA) process led by the NRCS involved a close collaboration with landowners to articulate shared values for the region, and development of a model. The process revealed that water rights in the region are among the best in the State; and climate, soils and proximity to markets result in lands that are impossible to replicate elsewhere. The data and mapping work resulted in printed map sets and development of new data for land use, ecosystem, flood, key water supply infrastructure, as well as a 'heat map' showing LESA values. The County will have access to databases developed by the Conservancy and the San Francisco Estuary Institute. We now have a regular meeting process with our landowners and have begun to quantify direct, indirect and induced impacts associated with the loss of agricultural land in the region through the Economic Assessment Study.

The Delta Conservancy conducted a broader, concurrent, agency-driven process (of which the County land use work was part) which included facilitated monthly meetings with the County and its local partners, many other involved state agencies and a number of organizations and contractors involved in ecosystem restoration activities. While ecosystem driven, the broader effort brought detailed information relative to ecosystem, water infrastructure, flood and land use/agriculture together, to elicit a level of greater understanding among participants in each topic area. The facilitated effort was considered a Phase 1 pilot process to see if ultimately, some level of consensus could be reached on a plan for the region as part of a Phase 2 effort, and to duplicate this process in other areas of the Delta.

The Phase 1 work will be key in development of next step plans for the region as the County grapples with additional acquisition and conversion projects on the horizon. The broader Conservancy process has been helpful, providing an opportunity to educate other agencies and organizations about the value of agriculture and the importance of infrastructure in the region, (among many other things). With the other agencies, County staff are identifying possible next steps for the process, including a possible Phase 2 effort with the Conservancy, or a broader collaborative effort that pulls in all of the relevant regulatory agencies, for a more formally structured plan process, similar to planning done for the Suisun Marsh.

ALTERNATIVES:

The Board may choose not to hear the report, but this is not recommended as the study work contains a great deal of useful information and is the culmination of work by a number of agencies.

OTHER AGENCY INVOLVEMENT:

There were high levels of interaction with agencies, organizations and individuals throughout the process. The County's work involved many of our local partners, including SCWA, RD 2068, the Solano Land Trust, the Solano RCD, Dixon RCD, Yolo County and many individual landowners. Our federal partner, the NRCS led the LESA study process.

The Conservancy process has engendered the interest of many State agencies including the Delta Stewardship Council, Natural Resources Agency, Department of Water Resources, Department of Fish & Wildlife, San Francisco Estuary Institute and UC Davis, among others.

CAO RECOMMENDATION:

APPROVE DEPARTMENT RECOMMENDATION



Cache Slough Land Evaluation and Site Assessment (LESA)

Executive Summary

Cache Slough | County of Solano
June 2017



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY
A California State Agency

CACHE SLOUGH LESA EXECUTIVE SUMMARY

A project by USDA-NRCS, County of Solano, Ag Innovations, FlowWest, and funded by the Delta Conservancy

EXECUTIVE SUMMARY

The purpose of the Cache Slough LESA study is to quantify, communicate and analyze the current and potential agricultural productivity of parcels in the Cache Slough region based on Land Evaluation (LE), or soil-based, and Site Assessment (SA), or non-soil based factors that are grounded in the local agricultural environment.

The Cache Slough LESA study asked agricultural stakeholders to answer the question, “What makes the Cache Slough region significant for agriculture?” and to articulate a range of shared values. Through the innovative addition of GIS functionality, this study has resulted in a tool that can represent those shared values in a data-driven world. Values that were identified but are not quantifiable in GIS are listed below and reported in the Technical Memorandum, and describe the cohesive and connected system of agriculture in this region.

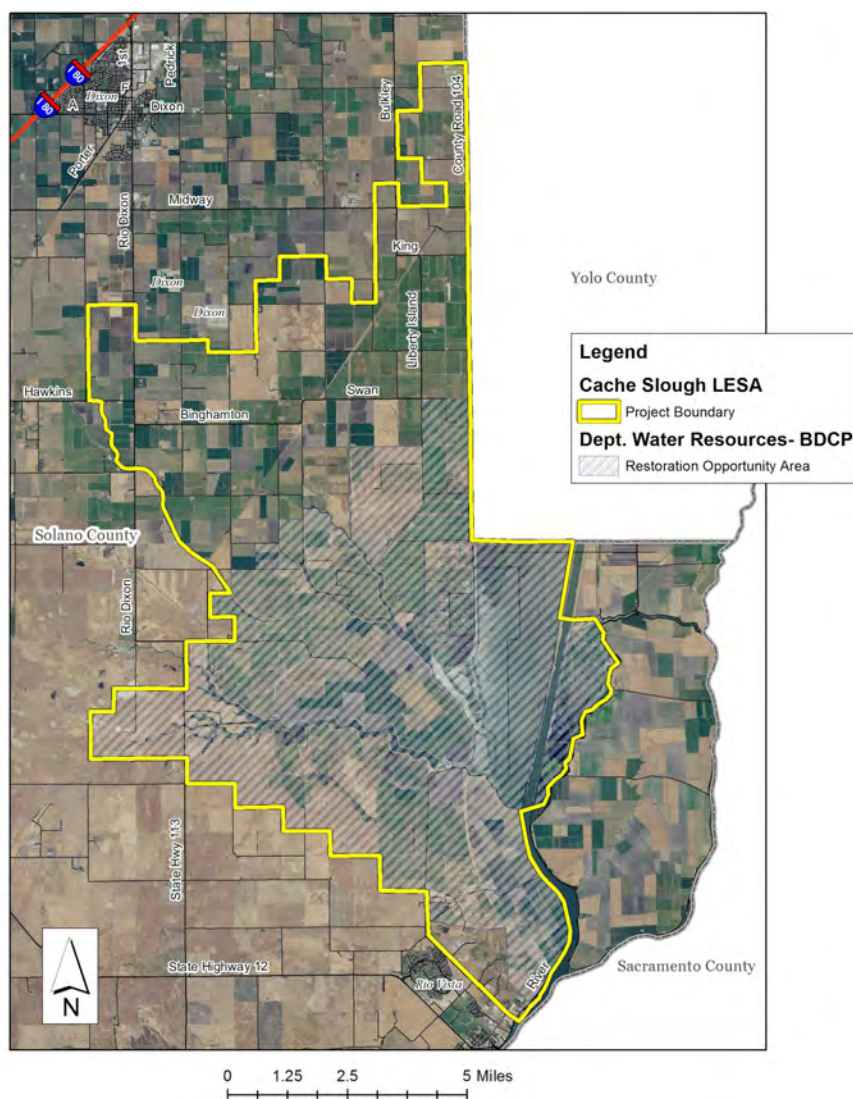
The Cache Slough LESA study took place November 2016 through June 2017 and resulted in 1) a technical memorandum and executive summary, 2) a GIS tool that calculates LESA scores, and 3) a user guide. They are housed in the County of Solano and the USDA-NRCS. They were developed as the result of Proposition 1 Funding through the Delta Conservancy.

The LESA study focused on the 65,586-acre (102.5 square miles) Cache Slough region, and developed five factors with a total of over 20 measures and accompanying maps. Factors are measured in a weighted average indicated by percentages below.

The LESA GIS tool is intended to be used on a project basis to guide planning and conservation efforts in the region that affect agriculturalists by producing objective, replicable scores that allow meaningful comparison of the relative agricultural importance of parcels in the region.

The technical memorandum is a record of decision points leading to the final Cache Slough LESA model. It includes how and why decisions were made and explains the technical elements of the model (such as details of factor selection, factor measurement and scaling, weighting of factors, and threshold calculation). A map and histogram describing regional scores are available in Figures 2 & 3 of the technical memorandum.

Figure 1: Cache Slough LESA Study Area Map



CACHE SLOUGH LESA FACTORS & WEIGHTING

FACTOR 1- Soils, Agricultural Productivity, and Climate - 14%

Quantifies the productivity of soils in the Cache Slough region and the climatic conditions that are favorable for agriculture. Measures were based on Land Capability Class Maps.

FACTOR 2- Agricultural System - 14%

Quantifies the ideal location for agricultural operations in Cache Slough region that support continued agricultural use of the landscape. Measures were based on project size, rural location, and Williamson Act status.

FACTOR 3- Water Rights - 50%

Measures security of agricultural water rights; measures included NDWA Water Rights, Riparian Water Rights, and Appropriative Water Rights.

FACTOR 4- Water Infrastructure for Agriculture - 14%

Quantifies the ability to manage water for the benefit of agriculture: Water delivery infrastructure, drainage infrastructure, flood protection infrastructure. Measures included water delivery, water drainage, types of levees.

FACTOR 5- Compatible Value-Added Activities - 8%

Quantifies additional benefits derived from the land, made possible by and compatible with the agricultural land use. Measures included wildlife habitat & recreational sports; hunting clubs; energy production; flowage easements for regional flood protection.

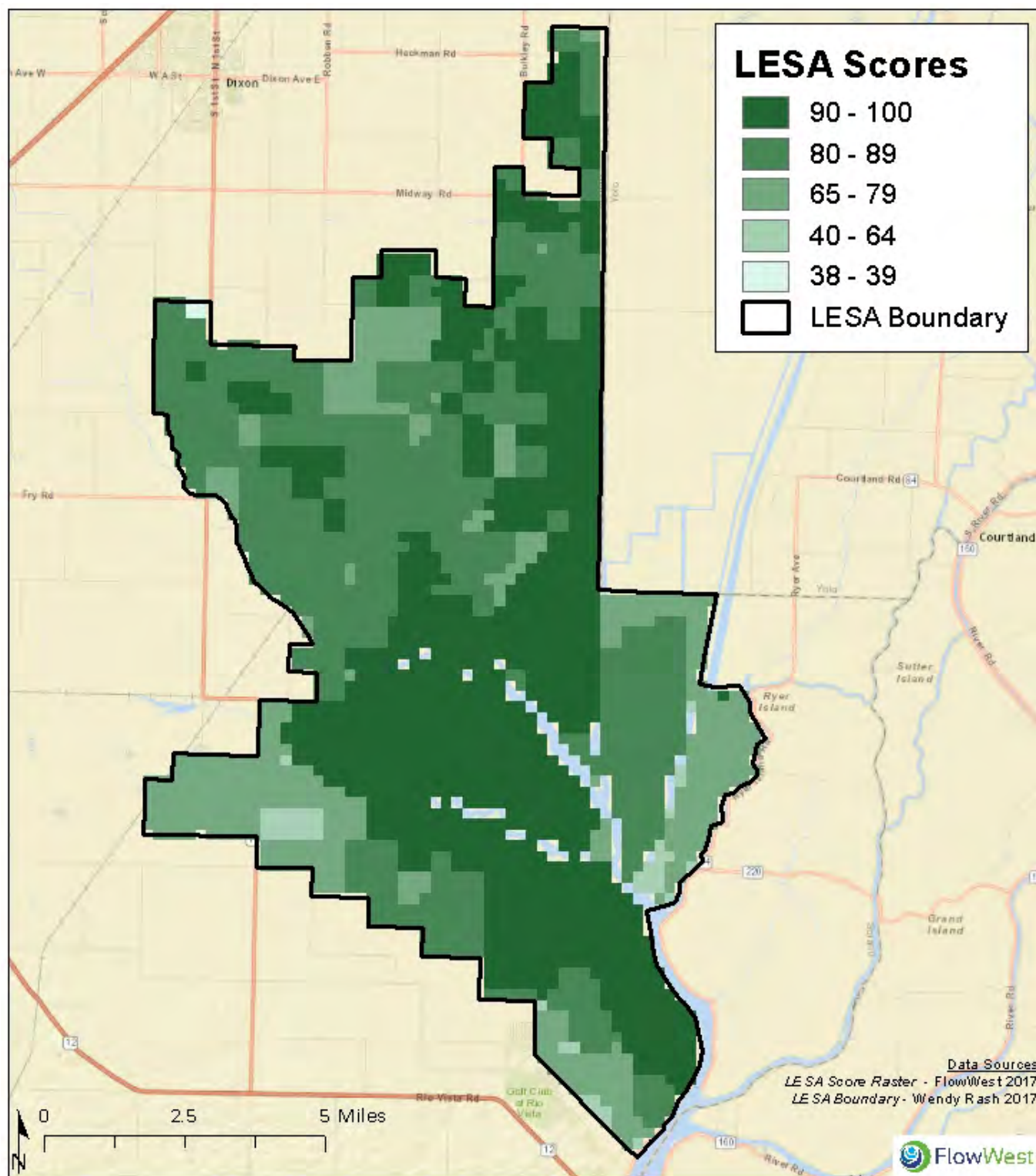
In addition, stakeholders identified significant implications of regional land use change that were not possible to capture in the LESA format. **Before undertaking projects in Cache Slough, stakeholders asked that planners keep the following in mind:**

1. Cache Slough stands out due to water rights, location, and other features, and is impossible to replicate.
2. Changes in land use degrade the agricultural system, affect production and impact flood protection systems.
3. Fragmentation affects local agricultural operations, communities, and the economy.
4. Ecosystem restoration can affect agricultural viability. Compatible practices are needed for land-uses to co-exist.
5. Reducing tax base through land use changes likewise reduces County revenue and potentially affects services.

Based on this, the steering committee suggests that to work more effectively with agricultural landowners in Cache Slough, planners must:

- Spend time getting to know the lay of the land, the history of land use, and consult with locals and local agencies early and often
- Look for common benefits and regional impact of the project based on current operations, and identify and evaluate compatible uses
- Think about how to be a good neighbor on each project, now and in the future.

Figure 2: Map of Cache Slough LESA Scores, based on 1,000 ft² pixels





Solano County

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Agenda Submittal

Agenda #: 15 **Status:** Regular Calendar
Type: Presentation **Department:** Ag Commissioner/Sealer of Weights and Measures
File #: 17-566 **Contact:** Simone Hardy, 784-1475
Agenda date: 8/8/2017 **Final action:**
Title: Receive the 2016 Solano County Crop and Livestock Report; and Receive the Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study from the Agricultural Commissioner and Sealer of Weights and Measures
Governing body: Board of Supervisors
District: All
Attachments: [A - Top Ten Crops 2016](#)
[B1 - Crop Report 2016 Part 1](#)
[B2 - Crop Report 2016 Part 2](#)
[C - Economic Effects of Solano County Agriculture](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Agricultural Commissioner/Sealer of Weights and Measures recommends that the Board of Supervisors receive a presentation on the *2016 Solano County Crop and Livestock Report* and the *Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study*.

SUMMARY:

Each year the Agricultural Commissioner's Office submits to the Board of Supervisors and the California Department of Food and Agriculture, the annual *Crop and Livestock Report* (Report). Compilation of the annual Report is a mandated duty of the County Agricultural Commissioner pursuant to the California Food and Agricultural Code section 2279. This year the Report recognizes the overall value and the *Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study* that addresses the multiplier effects and diversity of Agricultural production in the County.

FINANCIAL IMPACT:

Production of the *Annual Crop and Livestock Report* is mandated by the Food and Agricultural Code and is included in the normal budgeted activities of the Agriculture Department. The *Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study* was completed and funded by a grant received from the Sacramento-San Joaquin Delta Conservancy (<http://www.deltaconservancy.ca.gov/>).

DISCUSSION:

The Crop Report provides the overall values received by producers for their products. In the 2016 cropping season, Solano County's overall agricultural production value decreased by 1.9% from the 2015 value of

\$353.8 million to \$347.2 million losing \$6,697,000 in total.

Walnuts moved back to number one in 2016 with a total value of just under \$45 million. Nursery crops increased to \$39.7 million, with Almonds moving up again in 2016 with a gain of \$12.3 million. This increase was primarily driven by yield increases as more acreage moved from nonbearing to bearing. This trend is expected to continue, as more Almond orchards mature, reaching production at 3 to 5 years after planting. Processing tomatoes dropped from number one to number four with reduced harvested acres, and a decreased value per ton impacting overall values. Wine grapes gained, increasing both total acreage, and price, moving up to number six with a 31% total gain over 2015 values. Sunflower (seed) showed substantial increases in acreage but prices were reduced leaving the commodity at number seven up from number nine in 2015. Sheep and Lambs reflected a 40% increase in overall value and the value reflects weight gains associated with pastured feeding in Solano County. Cattle and Calves moved down with fewer head available for sale as ranchers began to rebuild herds, and prices remaining depressed. Finishing up the top ten was Wheat coming in at \$7.4 million.

An overview of the top ten crop ranking is provided in Attachment A.

The report serves as a resource to a wide spectrum of users who use the agricultural statistics for trend analysis. Although the report captures the value of harvested crops it does not reflect the overall value of agriculture to Solano County which is further discussed in the *Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study* (attached). Grant funding was provided by the Delta Conservancy to conduct an economic study that moved deeper into the data to assess the economic value of those agricultural activities to Solano County.

The results of the study are presented in the *Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study* which was completed in June of 2017 and “quantifies agriculture’s total economic contribution through food production, employment, and economic multiplier effects.” The study also examines economic diversity and provides detailed analysis of the important Cache Slough Area.

Highlights from the study:

- “over the past decade, farm production values have risen 51.5%, from \$233.5 million in 2006 to \$353.9 million. Including farm production and locally sourced, value-added food processing, agriculture’s combined economic contribution to the Solano County economy was \$617.6 million. This consisted of \$459.1 million in direct output from production and processing plus \$158.5 million in multiplier effects.”
- “**Total employment** was 4,709, including 3,147 jobs directly in agriculture and another 1,562 attributable to multiplier effects.”
- “**Economic diversity.** With an economic diversity index score of 3.00, Solano County has one of California’s most economically diverse agricultural industries. Unlike other counties, the economic diversity score has not declined over time.”

The study was completed by Agricultural Impact Associates LLC, and co- authored by Dr. Jeff Langholz (jeff@ag-impact.com) and Dr. Fernando DePaolis (fernando@ag-impact.com). The full report will be available on the Solano County website, under the Department of Agriculture.

ALTERNATIVES:

The Board could elect not to receive the 2016 Annual Crop and Livestock Report and the *Economic Effects of Solano County Agriculture: A Baseline Assessment and Cache Slough Case Study*. This is not recommended because records of the County’s agricultural production and the “multiplier effects” as reported in the study are a reflection of the viability of this important segment of the Solano County economy.

OTHER AGENCY INVOLVEMENT:

The Annual Crop and Livestock Report is produced with assistance of numerous farmers, ranchers, boards, commissions and agencies.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

SOLANO COUNTY TOP 10 CROPS OVER THE LAST 3 YEARS

BY INDIVIDUAL TYPE

(Listed by rank)

Rank	2016 Crops	Values	2015 Crops	Values	2014 Crops	Values
1	Walnuts	\$44,822,000	Tomatoes	\$42,156,000	Tomatoes	\$46,124,000
2	Nursery Products	\$39,754,000	Walnuts	\$37,912,000	Walnuts	\$45,422,000
3	Almonds	\$35,917,000	Nursery Products	\$37,648,000	Alfalfa	\$43,700,000
4	Tomatoes	\$33,843,000	Alfalfa	\$34,821,000	Nursery Products	\$35,594,000
5	Alfalfa	\$22,267,000	Cattle & Calves	\$27,556,000	Cattle & Calves	\$31,673,000
6	Grapes, Wine	\$19,560,000	Almonds	\$23,603,000	Grapes, Wine	\$17,621,000
7	Sunflower (seed)	\$11,414,000	Grapes, Wine	\$14,988,000	Sunflower, Seed	\$14,455,000
8	Sheep, Lamb	\$9,339,000	Wheat	\$ 9,092,000	Almonds	\$14,156,000
9	Cattle, Calves	\$9,192,000	Sunflower	\$ 6,904,000	Wheat	\$13,789,000
10	Wheat	\$7,428,000	Sheep, Lambs	\$ 6,684,000	Corn, Grain	\$ 8,666,000

Solano County

2016



Crop and Livestock Report

JIM ALLAN
Agricultural Commissioner /
Sealer of Weights and Measures

SIMONE HARDY
Assistant Agricultural Commissioner /
Sealer of Weights and Measures

www.solanocounty.com

**COUNTY AGRICULTURAL COMMISSIONER /
SEALER OF WEIGHTS AND MEASURES**



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To: Karen Ross, Secretary
California Department of Food and Agriculture

and

The Honorable Board of Supervisors
County of Solano, California

Pursuant to the provisions of Sections 2279 and 2272 of the California Food and Agricultural Code, I am pleased to present the Solano County Crop and Livestock Report for 2016.

This report is the 67th annual report issued by the Agricultural Commissioner. Although overall production values dropped from last year in the face of a fifth year of statewide drought, farm gate values remained above pre-drought values. It is important to remember that this report lists farm gate values only. Processing capacity allows some growers to add or recapture value, but this report is not a measure of profitability, nor does it account for the re-spending and support multipliers generated by this production in the local economy.

The gross value of Solano County's agricultural production for 2016 was \$347,172,000, representing a decrease from 2015 values by \$6,697,000, or a 1.9% drop. The extended drought and lower meat prices contributed to reduced values in animal production and field crops. The top three crops for Solano County are Walnuts as number one with an increase in value by 18.2% to \$44,822,000, Nursery Products in second rank at \$39,754,000, an increase of 5.6%, and Almonds in third rank with an increase of 52.2% value to \$35,917,000. Tomatoes fell from first to fourth rank losing 19.7% to \$33,843,000. Alfalfa, Cattle and Calves and Wheat also dropped in ranking and value. Conversely, Wine Grapes, Sunflower (Seed) and Sheep and Lambs rose in both rank and value. It should be noted that for 2016, unlike prior years, value calculations for Sheep and Lambs included feeder lamb weight gain while maintained in pasture in Solano County that contributed to the 40% increase in value.

This year's cover story celebrates Solano County's agricultural diversity and spotlights its economic, cultural and historical importance. Each year's crop report provides data that statistically demonstrates how Solano's diversity has supported and maintained a strong and thriving agriculture economy, as some crops rise in value while others fall.

I wish to extend my sincere appreciation to all of the farmers, ranchers, boards, commissions, and agencies who contributed vital data to make this report possible. I also thank Michael Duncan for his efforts as our crop report editor and my staff for their dedication and efforts in compiling and producing this report.

To see this or any of the previous crop reports online or to learn about the programs and services provided by the Solano County Department of Agriculture and Weights and Measures, please visit at www.solanocounty.com/ag.

Respectfully submitted,

Jim Allan
Agricultural Commissioner/Sealer of Weights and Measures

A Diverse and Thriving Agriculture

This year's Annual Crop Report celebrates the diversity of Solano County Agriculture. Using numerous metrics, our county has been recognized as being the second most diverse county in California; this distinction applies to our agriculture as well. We grow more than eighty different crops. Our growers come from many different backgrounds. Our soils, weather and resources differentiate various parts of the county making each one ideal for a different crop mix. Just as having a diversified investment portfolio can help maintain value during times of fluctuation, a diverse agricultural system supports a strong agricultural economy in changing times. Land use policy decisions in Solano County have further supported the continued variability in our systems, although forces outside of the county threaten to mar key facets in our gem.

Many of my colleague commissioners wake up every morning knowing what their number one crop will be in the next year. Solano County has six contenders for that position. Our leading crops differ across broad categories, including Nursery Products, Seed Crops, Vegetable Row Crops, Fruits and Nuts, Livestock, and Field Crops each have at least one placement in the top ten. The decisions growers make on what to plant are largely financial ones. Availability of markets, processing, transportation corridors and inputs are all part of the calculus. Sugar Beets were once the second highest grossing crop in the county. As sugar mills began to shut down in the late 1990s, production dropped rapidly to the point where there were no beets being planted at all, down from 19,000 acres in 1987, to 11,000 in 1998 and then none at all in 2001. For many local economies, this loss would have been catastrophic, but the array of planting alternatives available in Solano County allowed the Ag industry to show great resiliency.

Our farming community is also diverse. In every part of the county, we have legacy farm families that have been here for generations. Some of their ancestors bought portions of former Spanish land grants during the gold rush era. We also have young men and women entering farming for the first time. Many of our newer growers plant for Community Supported Agriculture (CSA) subscribers, while others take their seasonal harvests to local farmer's markets. The Center for Land-Based Learning in the Dixon Ridge area gives aspiring farmers the skills and experience needed to enter the industry. Some of our new growers are recent veterans from foreign conflicts and some are new graduates from nearby University of California (UC) Davis. Our producers also represent many ethnic and cultural communities bringing traditional techniques and access to specialty markets to the industry.

Different crops require specific growing conditions to optimize quality and value. The 2008 Ag Futures Study commissioned from the UC Davis Ag Issues Center, identified ten production regions within the county. Each has a unique combination of soil, weather patterns and water infrastructure. These regions were recognized in the County General Plan for their specific contributions and needs. Two of the county regions, Suisun and Green Valley, are congressionally recognized American Viticultural Areas (AVA's) for the unique terroir each provides for the grapes grown there. An agricultural economic study completed this year assigned Solano County the second highest diversity index. Only Monterey, a county with an annual production exceeding \$4 billion, had a higher diversity score.

Farming needs space and isolation to grow crops without interference. Slow-growth measures approved by voters long ago and implemented by policy makers through the General Plan have assured a stable ag-urban interface that has mitigated conflict. Unfortunately, outside interests have identified Solano's agricultural open space as low-hanging fruit to mitigate for statewide water export projects. Hopefully, our agriculture systems will find a way to coexist with coming changes to the agricultural landscape.

**SOLANO COUNTY
BOARD OF SUPERVISORS**

John M. Vasquez, Chairman, District 4
Erin Hannigan, Vice-Chair, District 1
Monica Brown, District 2
James P. Spering, District 3
Skip Thomson, District 5

COUNTY ADMINISTRATIVE OFFICER

Birgitta E. Corsello

DEPARTMENT OF AGRICULTURE STAFF

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Jim Allan

**Assistant Agricultural Commissioner/
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Simone Hardy

**Deputy Agricultural Commissioner/
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Linda Pinfold
Andrina Quan

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Doug Echelberger

Senior Agricultural Biologist / Weights & Measures Inspectors

Manny Devera
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Michael Duncan
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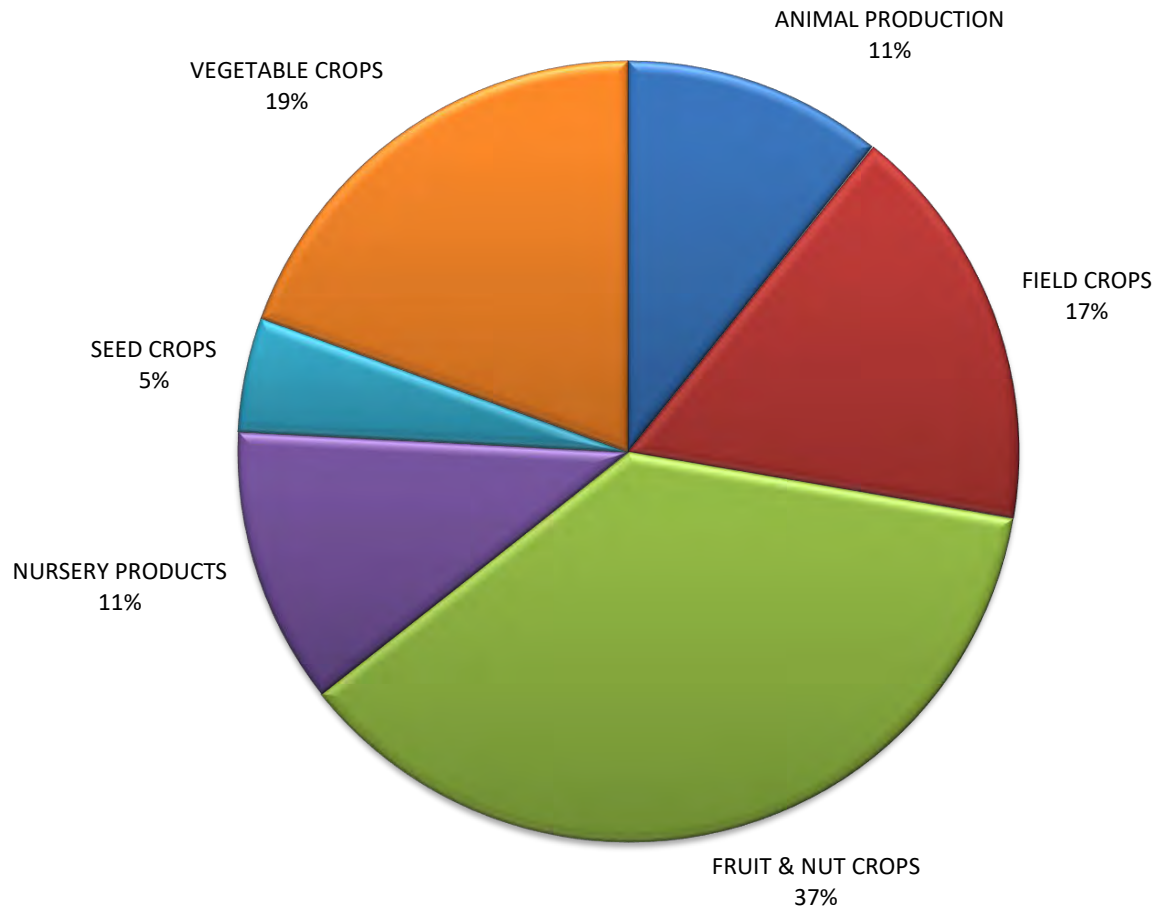
Sharon Garrett
Ashton Sturr

Limited Term

Edward Duree

Robert Stuart Russell

2016 Value by Crop Group



Value Summary

YEAR	ANIMAL PRODUCTION ¹	FIELD CROPS	FRUIT & NUT CROPS	NURSERY PRODUCTS	SEED CROPS	VEGETABLE CROPS	TOTAL VALUE
2006	47,852,000	46,946,000	39,964,000	47,856,000	9,988,000	40,899,000	\$233,505,000
2007	54,820,000	54,812,000	43,430,000	56,611,000	10,821,000	47,762,000	\$268,256,000
2008	49,873,000	89,365,000	44,037,000	43,056,000	10,828,000	55,624,000	\$292,783,000
2009	40,116,000	50,073,000	48,191,000	33,499,000	15,859,000	64,184,000	\$251,922,000
2010	46,011,000	57,072,000	54,874,000	23,352,000	14,391,000	63,698,000	\$259,398,000
2011	52,458,000	83,812,000	63,420,000	23,630,000	14,671,000	53,668,000	\$291,659,000
2012	63,425,000	84,604,000	87,368,000	32,707,000	17,680,000	56,911,000	\$342,695,000
2013	51,340,000	88,744,000	97,150,000	35,144,000	16,628,000	59,209,000	\$348,215,000
2014	62,387,000	98,672,000	86,624,000	35,594,000	16,900,000	78,468,000	\$378,645,000
2015	57,277,000	78,454,000	87,741,000	37,648,000	11,729,000	81,020,000	\$353,869,000
2016	37,259,000	59,006,000	127,228,000	39,754,000	16,478,000	67,447,000	\$347,172,000

¹Includes livestock and poultry, livestock and poultry products, and apiary production.



* Image sizes in chart are proportionate to 2016 Crop Value Amount

Top Ten Million Dollar Commodities

CROP	2016 CROP VALUE	2016 CROP RANKING	2015 CROP RANKING
Walnuts	44,822,000	1	2
Nursery Products	39,754,000	2	3
Almonds	35,917,000	3	6
Tomatoes (Processing)	33,843,000	4	1
Alfalfa (Hay)	22,267,000	5	4
Grapes (Wine)	19,560,000	6	7
Sunflower (Seed)	11,414,000	7	9
Sheep & Lambs	9,339,000	8	10
Cattle & Calves	9,192,000	9	5
Wheat	7,428,000	10	8



Fruit & Nut Crops

CROP		YEAR	BEARING ACRES	PRODUCTION		UNIT	VALUE		
				PER ACRE	TOTAL		PER UNIT	TOTAL	% CHANGE
Almonds (Meats)		2016	9,000	0.89	8,020	Ton	4,480	35,917,000	52%
		2015	6,880	0.65	4,470	Ton	5,300	23,603,000	
Grapes (Wine) ¹	Dark Varieties	2016	-	-	11,300	Ton	910	10,318,000	33%
		2015	-	-	7,660	Ton	1,010	7,737,000	
	White Varieties	2016	-	-	12,500	Ton	737	9,242,000	27%
		2015	-	-	10,270	Ton	706	7,251,000	
	Total Grapes	2016	4,110	5.79	23,800	Ton	-	19,560,000	31%
		2015	4,440	4.04	17,930	Ton	-	14,988,000	
Olives ²		2016	170	1.63	277	Ton	2,370	656,000	4%
		2015	180	1.37	247	Ton	2,560	631,000	
Prunes (Dried)		2016	1,190	1.46	1,740	Ton	1,920	3,336,000	-41%
		2015	893	2.56	2,286	Ton	2,470	5,647,000	
Walnuts		2016	11,400	1.84	20,900	Ton	2,140	44,822,000	18%
		2015	10,510	1.50	15,800	Ton	2,400	37,912,000	
Miscellaneous ³		2016	1,090	-	-	-	-	3,377,000	-32%
		2015	1,190	-	-	-	-	4,960,000	
TOTAL FRUIT & NUT CROPS		2016	26,800					\$127,228,000	45%
		2015	24,093					\$87,741,000	

Figures may not add due to rounding.

¹Includes acreage not harvested or sold.

²Value per unit based on oil value.

³Includes almond hulls, apples, apricots, blackberries, cherries, citrus, figs, grapes (table), kiwi, nectarines, peaches, pears, persimmons, pistachios, plums, pomegranates, and strawberries.



Field & Forage Crops

CROP		YEAR	HARVESTED ACRES	PRODUCTION		UNIT	VALUE		
				PER ACRE	TOTAL		PER UNIT	TOTAL	% CHANGE
Beans, Dry		2016	2,430	1.12	2,720	Ton	1,209.00	3,284,000	-1%
		2015	2,850	1.09	3,110	Ton	1,100.00	3,332,000	
Corn (Grain)		2016	4,410	4.72	20,800	Ton	156.73	3,262,000	-24%
		2015	4,540	5.06	23,000	Ton	186.00	4,269,000	
Hay	Alfalfa	2016	30,500	5.24	160,000	Ton	139.28	22,267,000	-36%
		2015	31,270	6.01	188,000	Ton	185.00	34,821,000	
	Grain	2016	4,650	3.71	17,300	Ton	95.97	1,657,000	87%
		2015	2,150	3.34	7,160	Ton	124.00	885,000	
	Ryegrass	2016	4,610	2.50	11,500	Ton	70.01	807,000	-70%
		2015	7,230	3.35	24,200	Ton	110.00	2,666,000	
	Sudangrass	2016	4,550	2.50	11,375	Ton	143.58	2,417,000	-35%
		2015	6,330	3.85	24,400	Ton	152.00	3,705,000	
	Grass/Forage ¹	2016	3,620	3.50	12,700	Ton	117.83	1,491,000	11%
		2015	2,580	3.17	8,180	Ton	165.00	1,348,000	
Pasture, Irrigated ²		2016	21,600	-	-	Acre	115.83	2,498,000	-38%
		2015	31,600	-	-	Acre	128.00	4,046,000	
Pasture, Rangeland ³		2016	189,000	-	-	Acre	21.34	4,035,000	1%
		2015	178,000	-	-	Acre	22.00	4,012,000	
Safflower		2016	2,980	1.12	3,340	Ton	431.00	1,438,000	42%
		2015	1,630	1.20	1,960	Ton	517.00	1,013,000	
Triticale		2016	6,060	2.58	15,600	Ton	136.40	2,134,000	-41%
		2015	9,170	2.16	19,800	Ton	184.00	3,647,000	
Wheat ⁴		2016	19,400	2.61	50,600	Ton	146.86	7,428,000	-18%
		2015	17,750	2.78	49,400	Ton	184.00	9,092,000	
Miscellaneous ⁵		2016	5,810	-	-	-	-	6,289,000	12%
		2015	5,130	-	-	-	-	5,618,000	
TOTAL FIELD		2016	300,000				\$59,006,000	-25%	
CROPS		2015	300,230				\$78,454,000		

Figures may not add due to rounding.

¹Previously reported as Other.

²Acreage from the 2016 permit data.

³Acreage calculated using data from the California Department of Conservation 2012-2014 Land Use Conversion Report.

⁴Includes irrigated and dryland wheat.

⁵Includes barley, corn silage, safflower grain, straw and sunflower oil.



Apiary Production

ITEM	YEAR	PRODUCTION	UNIT	VALUE		
				PER UNIT	TOTAL	% CHANGE
Apiary Products ¹	2016	-	-	-	687,000	0%
	2015	-	-	-	687,000	
Pollination ²	2016	14,000	Colony	113.00	1,579,000	-4%
	2015	20,130	Colony	81.94	1,650,000	
TOTAL APIARY	2016				\$2,266,000	-3%
PRODUCTION	2015				\$2,337,000	

Figures may not add due to rounding.

¹Apiary products includes beeswax, honey, honeycomb, packaged bees, and queen bees.

²Value based on acreage of crops requiring bees for pollination and number of colonies required for adequate pollination. Colony fee varies by crop. Crops pollinated include almond, asparagus, cherry, kiwi, prune, sunflower, and vine seed.



Nursery Products

ITEM	YEAR	ACREAGE	TOTAL VALUE	% CHANGE
Nursery Stock ¹	2016	1,970	36,373,000	9%
	2015	1,930	33,455,000	
Propagative Stock ²	2016	136	3,381,000	-19%
	2015	224	4,193,000	
TOTAL NURSERY	2016	1,440	\$39,754,000	6%
PRODUCTS	2015	2,150	\$37,648,000	

Figures may not add due to rounding.

¹Includes christmas trees, cut flowers, greenhouse plants, herbaceous and woody ornamentals, and turf.

²Includes grafted grapevines, grapevine rootstock, and grapevine cuttings.



Vegetable Crops

CROP	YEAR	HARVESTED ACRES	PRODUCTION		UNIT	VALUE		
			PER ACRE	TOTAL		PER UNIT	TOTAL	% CHANGE
Tomatoes (Processing)	2016	10,400	46.43	455,000	Ton	74.38	33,843,000	-20%
	2015	11,800	44.42	524,000	Ton	80.44	42,156,000	
Misc. Vegetables	Processing ¹	2016	-	-	-	-	6,204,000	-18%
		2015	-	-	-	-	7,532,000	
	Fresh ²	2016	-	-	-	-	27,538,000	-12%
		2015	-	-	-	-	31,332,000	
TOTAL VEGETABLE CROPS	2016	13,500					\$67,447,000	-17%
	2015	14,620					\$81,020,000	

Figures may not add due to rounding.

¹Includes cucumbers (pickling), garlic, and peppers.

²Includes beans, brassicas, cucumber, endive, garlic, herbs, leafy greens, melons, mushrooms, onions, peas, peppers, pumpkins, root vegetables, salad greens, sprouts, squash, sweet corn, tomatoes, tubers, and watermelon.



Seed Crops

CROP	YEAR	HARVESTED ACRES	PRODUCTION		UNIT	VALUE		
			PER ACRE	TOTAL		PER UNIT	TOTAL	% CHANGE
Sunflower	2016	7,920	1,540	12,200,000	Lb	0.94	11,414,000	65%
	2015	4,720	1,190	5,600,000	Lb	1.23	6,904,000	
Watermelon ¹	2016	-	-	-	Lb	-	-	
	2015	309	405	125,000	Lb	4.74	594,000	
Cucumber ²	2016	140	284	39,900	Lb	5	218,000	
	2015	-	-	-	-	-	-	
Squash ¹	2016	-	-	-	Lb	-	-	
	2015	155	295	45,750	Lb	25	1,160,000	
Miscellaneous ³	2016	1,030	-	-	-	-	4,846,000	58%
	2015	619	-	-	-	-	3,071,000	
TOTAL SEED CROPS	2016	9,090					\$16,478,000	40%
	2015	5,803					\$11,729,000	

Figures may not add due to rounding.

¹Watermelon and squash have been added to Miscellaneous.

²Cucumber has been removed from Miscellaneous.

³Includes asparagus, bean, cabbage, carrot, onion, and wheat.

Livestock & Poultry

ITEM	YEAR	NUMBER OF HEAD	TOTAL LIVEWEIGHT	UNIT	VALUE		
					PER UNIT	TOTAL	% CHANGE
Cattle & Calves¹	2016	23,400	106,685	Cwt	96.50	9,192,000	-67%
	2015	25,000	131,219	Cwt	210.00	27,556,000	
Sheep & Lambs²	2016	59,000	66,704	Cwt		9,339,000	40%
	2015	29,700	41,259	Cwt	162.00	6,684,000	
Miscellaneous³	2016	1,150,000	-	-	-	1,074,000	-39%
	2015	-	-	-	-	1,773,000	
TOTAL LIVESTOCK & POULTRY	2016					\$19,605,000	-46%
	2015					\$36,013,000	

Figures may not add due to rounding.

¹Includes beef stocker gain, dairy calves, dairy yearlings, dairy replacement heifers, and dairy cull cows.

²Includes feeder lamb gain.

³Includes goats, hogs, and poultry (chickens, doves, geese, and turkeys).



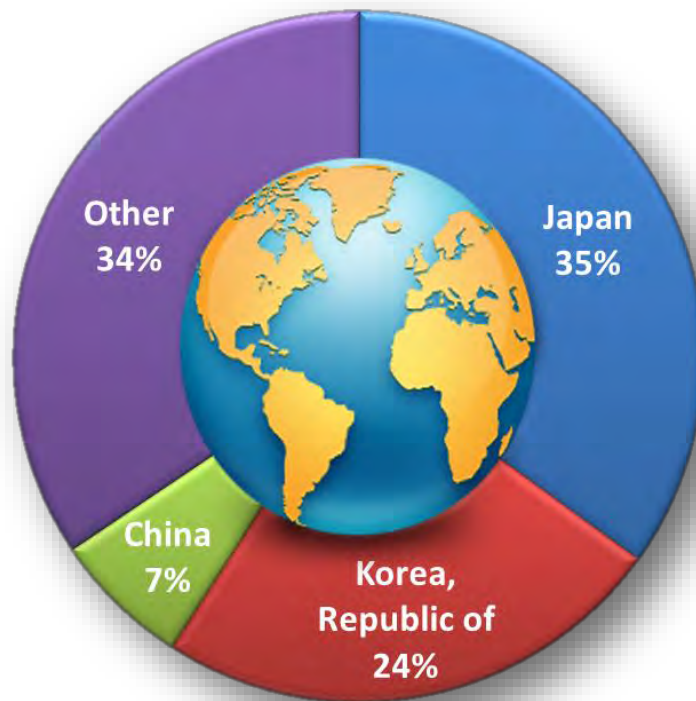
Livestock & Poultry Products

ITEM	YEAR	PRODUCTION	UNIT	VALUE		
				PER UNIT	TOTAL	% CHANGE
Eggs, Chicken	2016	113,000	Dozen	3.82	432,000	-5%
	2015	144,000	Dozen	3.14	453,000	
Wool	2016	198,000	Lb	1.62	321,000	221%
	2015	213,000	Lb	0.47	100,110	
Miscellaneous⁴	2016	-	-	-	14,635,000	-20%
	2015	-	-	-	18,374,000	
TOTAL LIVESTOCK & POULTRY PRODUCTS	2016				\$15,388,000	-19%
	2015				\$18,927,110	

Figures may not add due to rounding.

⁴Includes alpaca fiber, goat milk, and market milk.

Solano County Export Market



In 2016, the Solano County Agricultural Department issued 1096 phytosanitary certificates for commodities bound for export markets in 38 countries

Argentina
Australia
Brazil
Canada
Chile
China
Colombia
Dominican Republic
Egypt
Fiji
Germany

Hong Kong
India
Indonesia
Israel
Italy
Japan
Korea, Republic of
Kuwait
Latvia
Malaysia
Mexico

Netherlands
New Zealand
Panama
Peru
Philippines
Poland
Saudi Arabia
Singapore
Spain
Taiwan
Thailand

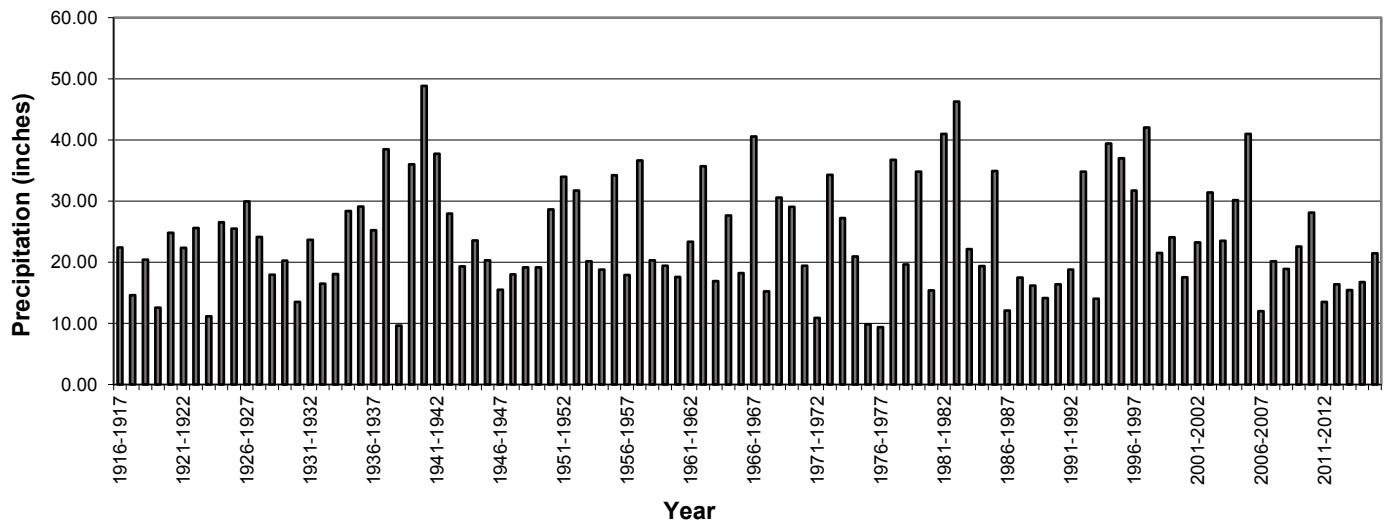
Uganda
United Arab Emirates
United Kingdom
Uruguay
Viet Nam

100 Years of Annual Precipitation at Vacaville, CA

YEAR	INCHES	YEAR	INCHES	YEAR	INCHES	YEAR	INCHES
1916-1917	22.40	1941-1942	37.72	1966-1967	40.54	1991-1992	18.77
1917-1918	14.61	1942-1943	27.94	1967-1968	15.26	1992-1993	34.79
1918-1919	20.41	1943-1944	19.33	1968-1969	30.56	1993-1994	14.01
1919-1920	12.58	1944-1945	23.55	1969-1970	29.07	1994-1995	39.43
1920-1921	24.79	1945-1946	20.32	1970-1971	19.42	1995-1996	36.99
1921-1922	22.34	1946-1947	15.47	1971-1972	10.89	1996-1997	31.74
1922-1923	25.62	1947-1948	17.99	1972-1973	34.30	1997-1998	42.01
1923-1924	11.15	1948-1949	19.15	1973-1974	27.23	1998-1999	21.52
1924-1925	26.53	1949-1950	19.16	1974-1975	20.93	1999-2000	24.09
1925-1926	25.48	1950-1951	28.61	1975-1976	9.84	2000-2001	17.56
1926-1927	29.96	1951-1952	33.99	1976-1977	9.38	2001-2002	23.24
1927-1928	24.14	1952-1953	31.72	1977-1978	36.75	2002-2003	31.42
1928-1929	17.98	1953-1954	20.17	1978-1979	19.64	2003-2004	23.49
1929-1930	20.26	1954-1955	18.81	1979-1980	34.79	2004-2005	30.14
1930-1931	13.49	1955-1956	34.24	1980-1981	15.39	2005-2006	40.98
1931-1932	23.64	1956-1957	17.90	1981-1982	41.00	2006-2007	12.01
1932-1933	16.50	1957-1958	36.64	1982-1983	46.26	2007-2008	20.17
1933-1934	18.06	1958-1959	20.30	1983-1984	22.12	2008-2009	18.89
1934-1935	28.35	1959-1960	19.40	1984-1985	19.37	2009-2010	22.55
1935-1936	29.12	1960-1961	17.58	1985-1986	34.89	2010-2011	28.12
1936-1937	25.22	1961-1962	23.36	1986-1987	12.09	2011-2012	13.53
1937-1938	38.46	1962-1963	35.71	1987-1988	17.48	2012-2013	16.39
1938-1939	9.64	1963-1964	16.93	1988-1989	16.15	2013-2014	15.42
1939-1940	36.02	1964-1965	27.63	1989-1990	14.12	2014-2015	16.74
1940-1941	48.82	1965-1966	18.24	1990-1991	16.36	2015-2016	21.47

The average annual precipitation over the 100 year period from October 1, 1916 to September 30, 2016 is 23.97 inches.

Annual Precipitation (Vacaville, CA)



Annual Precipitation is from October 1 to September 30

Source: NOAA National Climatic Data Center

Sustainable Agriculture – 2016 Highlights

Pest Prevention

The California Food and Agricultural Code mandates pest prevention programs to prevent the introduction and spread of pests in California. Pest prevention involves Pest Exclusion, Pest Detection, Pierce's Disease Control, and the State Export Certification Program.

Pest Exclusion is the first line of defense to prevent detrimental, non-native pests from entering the county.

A total of 147 premise visits occurred at shipping terminals, nurseries, and residences in 2016. During these visits 911 shipments of plant material, seed, and household goods were inspected. Eleven shipments were rejected for live pests, material not properly certified, or improper container markings. Rejected plant material is returned to the shipper, reconditioned and released, or destroyed.

Department personnel inspected 17 production nurseries, comprising 1,945 acres, for pests and diseases. These nurseries produce a variety of nursery stock, including ornamental plants, sod (turfgrass), vegetable plants, and fruit trees, for sale within California as well as to other states and North American countries.

The **Pierce's Disease Control Program** works to prevent the spread of the Glassy-winged Sharpshooter (GWSS) into Solano County, which is the main insect vector of Pierce's Disease. Department personnel inspected 595 shipments of nursery stock arriving from infested counties in California.

Pest Detection is Solano County's second line of defense against the introduction and spread of insect pests. Insect traps are placed and monitored to detect whether a pest is present in a particular location. In 2016, 29,075 trap inspections were conducted.

Pest Detection Trapping			
TARGET PEST	HOSTS	# OF TRAPS	# OF TRAP SERVICINGS
ASIAN CITRUS PSYLLID (<i>Diaphorina citri</i>)	Ornamental & nursery plants	385	1,198
APPLE MAGGOT (<i>Rhagoletis pomonella</i>)	Fruit trees	47	304
EUROPEAN GRAPEVINE MOTH (<i>Lobesia botrana</i>)	Vineyards	480	6,411
GLASSY-WINGED SHARPSHOOTER (<i>Homalodisca vitripennis</i>)	Nursery & urban landscape plants	806	9,781
GYPSY MOTH (<i>Lymantria dispar</i>)	Shade trees	240	1,570
JAPANESE BEETLE (<i>Popillia japonica</i>)	Turf & roses	207	1,305
LIGHT BROWN APPLE MOTH (<i>Epiphyas postvittana</i>)	Nursery & urban ornamental plants	214	1,893
MEDITERRANEAN FRUIT FLY (<i>Ceratitis capitata</i>)	Fruit trees	231	2,330
MELON FLY (<i>Bactrocera cucurbitae</i>)	Vegetable gardens	88	1,270
ORIENTAL FRUIT FLY (<i>Bactrocera dorsalis</i>)	Fruit trees	86	846
OTHER FRUIT FLIES (McPhail traps)	Fruit trees & vegetables	88	2,167

Pests Found via Detection Trapping



Mediterranean Fruit Fly (*Ceratitidis capitata*)

Found October 13, 2016,
Vacaville, CA



Asian Citrus Psyllid (*Diaphorina citri*)

Found November 14, 2016,
Fairfield, CA

Sustainable Agriculture – 2016 Highlights

The **Phytosanitary Certification Program** ensures that plants and plant commodities exported to other states or foreign countries from Solano County are free from injurious pests. Solano County staff performed 401 Phytosanitary Field Inspections on 4,515 acres of seed crops. A total of 1,650 Phytosanitary Certificates for plant commodities exported to international and interstate destinations, and consisting of 1,096 Federal Certificates for international exports and 554 California State Certificates for interstate shipments.

The **Sudden Oak Death** program works to prevent the spread of Sudden Oak Death, the disease caused by the pathogen *Phytophthora ramorum*. Department personnel conducted 61 inspections at 5 production shipping nurseries, and found zero incidences of Sudden Oak Death.

Pest Eradication

The primary objective of the Pest Eradication Program is to quickly and efficiently eliminate infestations of serious agricultural pests with limited distribution before they are able to establish and spread in California.

Egyptian Broomrape (*Orobanchae aegyptiaca*) is a parasitic plant that infects many economically important crops, such as tomato, sunflower, bell pepper, carrot, and various legumes. It is a major problem in the Middle East and Eastern Europe.

The first U.S. detection of Egyptian Broomrape was found in a processing tomato field in Solano County in July 2014. Since then, mitigation, monitoring and eradication efforts have resulted in the field being declared eradicated in August 2016.

A processing tomato field neighboring the initial detection was found to have Egyptian Broomrape in August 2016. The newly identified field has been placed on hold and is

undergoing similar processes as the initial Egyptian Broomrape detection field, which includes herbicide treatment and burning of the infected host crop followed by methyl bromide fumigation treatment of the field and at least three plantings of trap crops. Solano County Agriculture Department and California Department of Food and Agriculture staff cooperatively monitor all eradication efforts of this parasitic plant pest.

Organic Farming

Solano County had 41 organic farms registered for organic production. These growers farmed a total of 2,009 acres to produce assorted organic berries, herbs, fruits, vegetables, microgreens, nuts, cut flowers, and olive oil. In addition, Solano County had over 5,002 acres of organic ryegrass, pastureland and rangeland. Organic eggs and poultry were also produced.



Certified Farmers Markets

The purpose of farmers' markets is to allow producers of agricultural commodities to sell directly to the public. Anyone who wishes to sell at a farmers' market must obtain a Certified Producers Certificate from the Agricultural Commissioner in the county where the produce was grown. Solano County certificates were issued to 34 producers in 2016, and six farmers' markets were certified by the Agricultural Commissioner to market local and regional produce in Solano County.

WEIGHTS & MEASURES DIVISION

Ever wonder how your Water, Electric, or Vapor (Gas) meter is tested? Residential meters are regulated by the Public Utilities Commission. However, meters used in sub-metering applications like mobile home parks or some apartment complexes fall under the county Weights and Measures jurisdiction which is the local regulatory authority for sub-metered devices within Solano County.



Water Bench

There are different methods for testing water, vapor, and electric meters. Water meters are tested on what is called a "Water Bench". Meters are loaded into the machine, then water is pumped through to purge air from the meters. Initial readings are taken, then water is pumped through the meters at a specific flow rate. The water is collected in a calibrated container. Once filled to the required volume, a final reading is taken from each meter and the percent error is calculated.

Vapor meters are first pressurized then submerged in a tub of water to test for leaks. After passing the leak test, meters are placed in a temperature controlled lab to stabilize. Once stabilized the meters are connected to a "Bell Prover" that pushes an exact volume of air through the meter. Start and end readings are taken and percent error is calculated.



Vapor Lab



Electric Test Bench

Electric meters are also tested in a lab on a "Test Bench". The meters are inserted into the test socket and then connected to an automatic testing computer. The computer runs a program to test the meter and calculates percent error.

Weights and Measures inspects approximately 10% of the sub-meter inventory each year. Also inspected are any new meters and meters that are suspected of failing to read correctly. Weights and Measures also investigates sub-meter billing and meter complaints.

Solano County currently has 672 registered establishments with various commercial devices as shown below:

Fabric/Cordage/Wire Meters	38	Computing Scales	871
LPG (Propane) Meters	52	Counter Scales	142
Misc. Measuring Devices	10	Livestock Scales	20
Odometers	84	Crane Scales	3
Retail Motor Fuel Meters	4,249	Portable Platform Scales	58
Retail Water Meters	55	Hanging Scales	7
Taxi Meters	63	Hopper/Tank Scales	16
Elec., Vapor, Water Sub-Meters	10,551	Monorail Meat Beam	3
Vehicle Meters	28	Vehicle & Railway Scales	59
Wholesale Meters	44	Dormant Scales	46

The Solano County Weights & Measures Division in cooperation with the other 57 counties and the California Division of Measurement Standards promotes fair trade practices throughout California.

GENERAL INFORMATION

POPULATION¹

Solano County Population: 430,972

Benicia 27,574	Dixon 19,065	Fairfield 112,255	Rio Vista 8,623
Suisun City 29,168	Vacaville 96,946	Vallejo 117,629	Unincorporated 19,712

AREA

Land Area (Square Miles) ²	909.95	Urban and Built Up Land Area (Acres) ²	60,488
Land Area (Acres) ²	582,370	Land Area in Farms (Acres) ³	407,101
Water Area (Square Miles) ²	84.61	Total Cropland (Acres) ³	169,637
Water Area (Acres) ²	54,153	Irrigated Cropland (Acres) ³	130,909

FARMS

Average US Size (Acres) ³	434	Number of Farms in Solano County ³	860
Average California Size (Acres) ³	328	Full Time	462
Average Solano County Size (Acres) ³	473	Part Time	398

STATE RANKING

County Rank by Gross Value of Agricultural Production (2015)⁴

27th

Commodity Rank by Gross Value of Production (2015)⁴

1st - Triticale	3rd - Wool
4th - Sudan Hay	4th - Sunflower (Seed)
	5th - Sheep & Lamb

FARMING REGIONS

Dixon Ridge	Jepson Prairie	Suisun Valley
Elmira/Maine Prairie	Montezuma Hills	Western Hills
Green Valley	Pleasants/Vaca/Lagoon Valleys	Winters
	Ryer Island	

LOCAL ASSESSED PROPERTY VALUES (2016)⁵

\$49.2 Billion

TRANSPORTATION

Total Maintained County Road Miles

577

Major Roadways

Interstates 80, 505, 680, and 780
State Routes 12, 29, 37, 84, 113, and 220

¹Source: California Department of Finance, E-1: City/County Population Estimates as of January 1, 2017

²Source: California Department of Conservation 2014 Land Use Conversion

³Source: USDA National Agricultural Statistics Service 2012 Census of Agriculture

⁴Source: CDFA California Agricultural Statistics California County Agricultural Commissioners' Reports 2015

⁵Source: 2016 Solano County Annual Report

Economic Effects of Solano County Agriculture:

Baseline Assessment and Cache Slough Case Study



June 2017

Agricultural Impact Associates LLC

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JIM ALLAN
Agricultural Commissioner /
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TO: The Honorable Board of Supervisors, County of Solano, California

I am pleased to share **Economic Effects of Solano County Agriculture: Baseline Assessment and Cache Slough Case Study**. This report takes an important step beyond the annual *Crop and Livestock Report* we have published over the past 66 years. Instead of stopping at production values and acreage, it quantifies agriculture's total economic contribution through food production, local processing, employment, and economic "multiplier effects." The study also examines economic diversity and provides an in-depth analysis of Cache Slough agriculture.

Section 2279 of the California Food and Agriculture Code requires all county agricultural commissioners to report the annual "value" of agriculture. This typically occurs via our yearly *Crop and Livestock Report*. Using twenty-first century economic tools, we can now fulfill this mandate better than ever. We can also explore additional topics that clarify agriculture's role in sustaining a healthy local economy.

Agriculture has a long tradition in Solano County. For more than 160 years, it has been a pillar of our economy and culture. With this report, we renew our commitment to sustaining that tradition well into the future.

Respectfully submitted,

Jim Allan,
Agricultural Commissioner / Sealer of Weights & Measures

Economic Effects of Solano County Agriculture: Baseline Assessment and Cache Slough Case Study

Executive Summary

For more than a century and a half, agriculture has provided a vital link between Solano County's cultural past and economic future. Despite this long history and ongoing prominence, serious information gaps exist regarding agriculture's larger economic role. Drawing from multiple methods, this report helps fill parts of those gaps by examining the county's agricultural economy in detail. Part 1 provides a countywide, baseline economic assessment of agriculture's economic contributions. Part 2 provides in-depth economic analysis of Cache Slough agriculture. The ten items below summarize key findings:

PART 1: Countywide Baseline Assessment

1. **An ongoing growth story.** Over the past decade, farm production values rose 51.5%, from \$233.5 million in 2006 to \$353.9 million in 2015. This more than doubles the 19.5% inflation that occurred during this period.
2. **Farm production.** For 2015, agricultural production created \$531.0 million in total economic output within Solano County. Multiplier effects, which reflect spending by agricultural companies and their employees, accounted for \$144.0 million of this total. Agriculture provided 4,454 jobs, including 1,466 attributable to multiplier effects.
3. **Local food processing.** Locally sourced, value-added food processing produced an estimated \$86.5 million in direct output for 2015, including \$14.5 million in multiplier effects. Local food processing supported an estimated 255 jobs, 96 of them from multiplier effects.
4. **Combined, total effect.** Including farm production and locally sourced, value-added food processing, agriculture's combined economic contribution to the Solano County economy was \$617.6 million. This consisted of \$459.1 million in direct output from production and processing plus \$158.5 million in multiplier effects. Total employment was 4,709, including 3,147 jobs directly in agriculture and another 1,562 attributable to multiplier effects.
5. **Economic diversity.** With an economic diversity index score of 3.00, Solano County has one of California's most economically diverse agricultural industries, which helps insulate it from economic shocks. Unlike many other counties, the economic diversity score has not declined over time.

PART 2: Cache Slough Case Study

6. **Crop production overview.** Cache Slough crop production created \$42.9 million in total economic output and 171 jobs across Solano County. Of these totals, multiplier effects accounted for \$13.9 million and 98 jobs, respectively. This represents 8.1% of Solano County's total farm production value of \$531.0 million and 3.8% of the county's 4,454 jobs attributable to agriculture.
7. **Crop production details.** For 2016, Cache Slough agriculture consisted of 15 different crops grown on 38,133 acres. Alfalfa was especially impactful, accounting for 39% of agriculture's total direct value with only 24% of the total acreage. Walnuts had the highest value per acre (\$36,000).
8. **Cache Slough recreational activities.** Per 5,000 acres, Cache Slough recreational activities (mostly hunting) produced an estimated \$1.3 million in economic output and 13 jobs. Economic output attributable to recreation was \$261 per acre, compared to \$1,125 per acre from crop production.
9. **Linkages to the county economy.** Any reduction of Cache Slough Area agriculture would create economic ripples in diverse industries across Solano County. For example, a 75% reduction in the value of Cache Slough agriculture would generate countywide losses estimated at \$30.9 million in economic output, 121 jobs, and \$2.3 million in uncollected tax revenues.
10. **Priority information gaps to fill.** Limited information exists on potential, additional impacts of reducing or eliminating Cache Slough agriculture. Future research should examine possible "tipping points" in agriculture, as well as the potential for increased operating expenses due to wildlife predation on livestock, compliance with environmental regulations, and other factors.

Overall, the study delivers the most in-depth analysis to date of agriculture's economic role in Solano County. The findings provide information useful on multiple levels. Individual producers, suppliers, and other private sector entities can use the results to put their efforts into larger economic perspective. Public agencies and non-profit organizations can better understand agriculture's role in the local economy, today and into the future.

Acknowledgments

Agricultural Impact Associates LLC produced this report under contract to the Solano County Department of Agriculture, Weights & Measures (www.ag-impact.com). Lead authors were Dr. Jeff Langholz (jeff@ag-impact.com) and Dr. Fernando DePaolis (fernando@ag-impact.com). Jim Allan and Roberta Goulart supervised the project on behalf of Solano County. Numerous local agricultural experts provided input. These included farmers, ranchers, hunters, agronomists, agency personnel, and others. This study forms part of a larger project funded by a grant from the Sacramento-San Joaquin Delta Conservancy (www.deltaconservancy.ca.gov). Cover photo credit: compiled from SolanoGrown.com



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PART 1:

Countywide Baseline Assessment

Introduction

Residents and visitors alike know and value the contributions agriculture makes to Solano County. Farmers' markets overflow with locally grown produce and community spirit. Livestock and vineyards dot the hillsides. Tomatoes, walnuts, almonds, alfalfa, and dozens of other crops grow in fertile soils and a moderate climate. Clearly, agriculture plays a vital role in sustaining a healthy local economy. The true size of that role, however, is not so clear. How much money does agriculture pump into the local economy? How many jobs does agriculture support? In other words, just how important is agriculture as a driver of Solano County's economic health?

Part 1 sheds light on these and related questions. Using multiple data sources and advanced economic modeling techniques, it analyzes agriculture's total contribution to the Solano County economy. It also examines agricultural diversity and its role in supporting economic resiliency, including a first-ever quantitative measure. The findings offer important, baseline information for policy makers, the public, and anyone who values a vibrant local economy.

Methods

When it comes to economic analysis, it is important to examine the fullest possible range of economic contributions. This report does that by focusing not just on *direct* economic effect such as farm production and employment, but also on *multiplier effects*. *Multiplier effects* are ripples through the economy. These ripples include inter-industry "business to business" supplier purchases as well as "consumption spending" by employees. The **Multiplier Effects** section on page 7 explains this further.

It is appropriate to calculate *multiplier effects* when analyzing what economists call a *basic industry*. A *basic industry* is one that sells most of its products beyond the local area and thus brings outside money into local communities. Agriculture qualifies as a basic industry in Solano County, so this report includes *multiplier effects* when describing agriculture's total economic contribution.

Our analysis only examines agriculture's economic contributions. To understand agriculture's full economic impact, one would also need to assess agricultural-related costs to society, for example net impacts on water and other natural resources. While important, these impacts lie beyond the scope of this study.

Our calculations draw from local and national data sources. Local sources include industry experts and the annual *Crop and Livestock Report* produced by the county Agriculture Department. The main national data source is IMPLAN, a widely used economic modeling program (see www.implan.com). IMPLAN uses econometric modeling to convert data from more than a dozen federal government sources into local values for every U.S. county and zip code, across 536 industry sectors. Except where otherwise noted, all figures are for the year 2015, the most recent IMPLAN dataset available. Please contact the authors for additional details on the methods.

"Direct Effects" of Solano County Farm Production

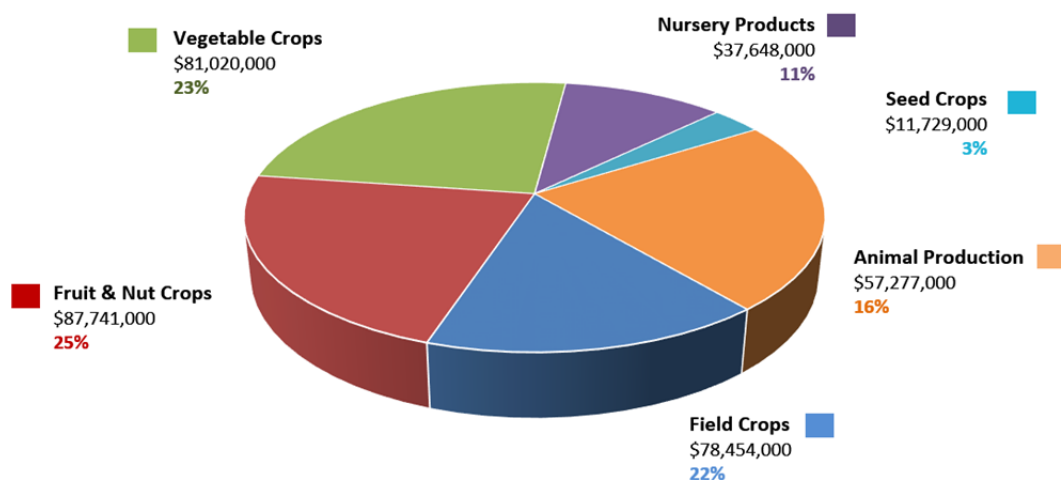
This section focuses on the simplest measures of economic activity: production and employment. It describes total farm production and the number of agriculture jobs.

Figure 1 shows the various categories that make up Solano County farm production value. For 2015, Fruit & Nut Crops was the single largest production category by dollar value (\$87.7 million), comprising 25% of the county total. Three products dominated this category: Walnuts (\$45.4 million), Almonds (\$23.6 million), and Wine Grapes (\$15.0 million). At 23%, Vegetable Crops was the second largest category (\$81.0 million), consisting mostly of tomatoes. At 22% and \$78.5 million, Field Crops was third largest, with alfalfa hay being the largest contributor, followed by wheat. Together, these three categories accounted for 70% of the county's direct farm production values.

The combined, total dollar value for all products rose 51.5% over the past decade, from \$233.5 million in 2006 to \$353.9 million in 2015. Inflation totaled 19.5% during this period, averaging just under 2% per year, making the net change positive 32.0%. Total values do not reflect net profit or loss experienced by individual growers or by the industry as a whole. Interested readers can consult the annual *Crop and Livestock Report* for additional details on specific crops and their value.

Figure 1: Distribution of Solano County Farm Production

Source: 2015 Solano County Crop and Livestock Report



Employment. How many people work in agricultural production? For 2015, agricultural production directly employed 2,699 people in Solano County. This figure encompasses a wide range of production-related jobs, including not just growing and harvesting, but also sales, marketing and many other roles. It does not include food processing jobs, which we discuss below.

"Multiplier Effects" of Solano County Farm Production

This section quantifies the economic "ripples" that farm production creates in the local economy. These ripples take two forms: *indirect effects* and *induced effects*. The first consist of "business to business" supplier purchases. For example, when a grower buys farm equipment, fertilizer, seed, insurance, banking services, and other inputs, the grower creates *indirect effects*.

The second ripple type, *induced effects*, consist of "consumption spending" by owners and employees of agriculture business and their suppliers. They buy housing, healthcare, leisure activities, and other things for their households. All of this spending creates ripples in the economy.

Although agricultural companies and their employees certainly spend money outside Solano County, this study only reflects those expenditures that occur within the county. Quantifying expenditures outside the county would be an expensive, complex effort that lies well beyond our scope here.

Table 1 shows agriculture's direct, indirect, and induced economic effects within the county, across major production categories. The numbers use IMPLAN multipliers for each sector, which are rooted in U.S. Bureau of Economic Analysis production data and other sources.

For example, the IMPLAN sector called "Grain farming" has an *indirect effects* multiplier of .3469 in Solano County and an *induced effects* multiplier of .1026. This means that each dollar's worth of direct output generates an extra 34 cents in supplier purchases, plus approximately 10 cents extra in consumption spending by agriculture owners and employees. Individual sectors all have different multipliers for *induced* and *indirect* output as well as for employment.

Agricultural production created \$531.0 million in total economic output within Solano County, of which \$144.0 million were multiplier effects. Indirect and induced spending supported an additional 1,466 jobs within the county, bringing agriculture-related production's total employment to 4,454.

Table 1: Economic Effects of Solano County Farm Production

FARM PRODUCTION SECTOR	DIRECT	INDIRECT	INDUCED	TOTAL
Output Effect (\$ Millions)				
Animals and animal products	\$93.5	\$14.6	\$10.4	\$118.5
Tree nut farming	\$70.7	\$12.8	\$18.9	\$102.4
Vegetable farming	\$74.2	\$10.5	\$16.6	\$101.4
All other crop farming	\$43.0	\$10.8	\$9.9	\$63.7
Support activities for agriculture	\$33.6	\$1.0	\$10.2	\$44.9
Fruit farming	\$30.4	\$5.2	\$7.7	\$43.2
Greenhouse, nursery & floriculture	\$30.5	\$3.5	\$6.8	\$40.9
Grain farming	\$6.7	\$2.3	\$0.7	\$9.7
Oilseed farming	\$4.0	\$1.1	\$0.6	\$5.6
Forestry & forest products	\$0.4	\$0.2	\$0.2	\$0.8
TOTAL ECONOMIC OUTPUT:	\$387.0	\$62.0	\$82.0	\$531.0
Employment Effect (# Jobs)				
TOTAL EMPLOYMENT:	2,988	762	704	4,454

Dollar values are in \$ millions. Figures are for 2015 and come from IMPLAN, annual Crop and Livestock Reports, and U.S. Bureau of Economic Analysis. Not all columns and rows add due to rounding.

Locally Sourced, Value-added Food Processing

Farm production tells only part of the story. Solano County agriculture also includes value-added activities that contribute to the local economy. This section captures the economic value of local, value-added food processing. It makes four key points: 1) the county has a thriving food manufacturing industry but nearly all of its raw materials come from elsewhere; 2) most raw agricultural products leave the county for processing; 3) several examples of small-scale food processing exist; and 4) locally-sourced, valued added processing occurs on a significant scale for tomatoes, alfalfa, grapes, sheep, and lambs.

The discussion is neither an exact science nor a full assessment but rather gives the reader a basic overview of the topic. A full assessment would require significant additional research that includes collecting detailed financial information from individual companies. To avoid overstating the numbers, we only include food processing sectors that fit two strict criteria: 1) they rely heavily on local agricultural inputs; and 2) they are unlikely to exist here without the presence of the associated agricultural sector. These strict criteria rule out most food processing within the county.

Local Food Manufacturing. With \$1.9 billion in 2015 production, local food and beverage manufacturing is one of the county's largest industries. For 2015, the county produced significant quantities of beer (\$518.2 million), snack foods (\$143.4 million), bread and bakery items (\$39.6 million), and many other products.

Nearly all of this food manufacturing relied on raw products imported from outside the county. Manufacturers source most of their flour, yeast, flavorings, and other materials from elsewhere. The \$39.6 million tobacco products industry, for example, imports all its tobacco leaves from other states. Likewise, the \$71.3 million coffee and tea manufacturing sector depends on coffee beans and tea leaves grown overseas.

Given its massive size, beer brewing warrants a closer look. Large producers such as the Anheuser-Busch plant in Fairfield account for most of the beer brewing and rely on externally sourced raw materials. That said, several small and medium sized breweries exist and the "craft" beer niche is growing fast. Local brewers need various raw products, including hops. They import most hops from the Pacific Northwest and Germany where the required cold temperatures occur. Interesting examples of local sourcing have recently emerged. For example, a brewery and seven-acre farm near Dixon is testing several hops varieties for potential suitability in California. Also, a Montezuma Hills malting facility should come online soon, which may drive demand for local barley production and perhaps triticale and other grains for special blends.

Most Raw Product Leaves the County. Raw product moves not only into Solano County, but also out of it. For example, ranchers produced \$27.6 million in cattle & calves for 2015 but no commercial beef processing occurs within the county. Ranchers sell livestock at auction, from where it goes to diverse locations in California and nationwide, including meat processing facilities in Sonoma and Fresno Counties. The only exception we found was a family-run, custom meat processing facility north of Vacaville. The county's remaining two dairies, both near Dixon, ship fluid milk to facilities outside the county for pasteurizing and packaging.

All of the county's \$23.6 million almond crop leaves the county, as does its \$5.6 million in dried prunes. Local processing may become cost effective in the future as the county's almond trees mature. A sizable walnut processing facility exists in Dixon, drawing from several dozen walnut growers in Solano County and far beyond. Of the county's \$37.9 million walnut crop, only an estimated 2.5% goes to this processing facility.

At \$631,000 in value, the county's olive industry is boutique level and makes use of mobile olive processors operating within the county. An exception is a Fairfield facility we visited, which offers on-site processing to growers who bring product there. On the regional level, large-scale olive processing occurs mostly in Lodi, from where olive oil ships to locations nationwide.

Small-scale processing. Consultations with local experts revealed examples of small-scale, valued-added food processing. For example, a dried fruit company in Winters sources significant, raw ingredients from local sources, then combines them into trail mix blends with imported ingredients such as Brazil nuts and Turkish apricots. A few growers process fruit into jams and jellies for sale at farmers' markets. This provides a value-added option for lower quality fruit unfit for the fresh market.

Vegetable processors include a company in Dixon that specializes in growing and processing several kinds of sprouts, especially daikon and mung bean. A state of the art facility in Rio Vista is North America's largest grower and packager of endives. A Vacaville farm is a leading supplier of mushrooms, including shiitakes, oysters, and eryngii.

Among animal production, a boutique goat farm north of Vacaville produces a wide range of cosmetics made from goat milk. Starting with goat milk soap, the product line has grown to include other goat milk products such as bath powders, body butters, salves, and lotions. In another animal example, at least two ranches north of Vacaville now produce and sell their own fiber, yard, roving, and related products from alpacas.

Other examples include fruit and nut gift baskets, walnut oil, pies, popsicles, dog treats, and salsas. Interested readers can find many examples of specific farms and their products at the Solano Grown website: www.solanogrown.org.

Noteworthy Exceptions. Significant food processing does occur, especially for sheep, lambs, alfalfa, tomatoes, and wine grapes. The following paragraphs describe these in turn.

Unlike cattle and calves, all of the county's \$6.7 million in sheep and lamb production stays within the county for processing. Sheep and lambs go to a facility near Dixon that is North America's largest processor and marketer of lambs. The facility handles product from Solano County and across the West. It makes use of several local feedlots that help pace the flow of product into the facility. The county's *2015 Crop and Livestock Report* profiles the lamb and sheep industry from its early beginnings in the 1850's to its modern state, including the annual Lambtown Festival in Dixon, now in its 30th year.

At \$42.2 million for 2015, processing tomatoes were Solano County's single largest crop category. An estimated 29.7% of this crop went to a Dixon-based processing facility. That facility produces soups, juices, and related products, drawing from Solano County and beyond.

Among field crops, growers process an increasing portion of the county's \$34.8 million alfalfa crop into small, dense squares rather sell for direct consumption. Three alfalfa compressing facilities operate within the county. These companies have significant foreign ownership and ship to the United Arab Emirates, Japan, and other Asian markets. In contrast, a local ranching family that has produced hay continuously since the 1850's now owns a pressing facility in Dixon. This family operation grows and presses its own hay then, like the others, ships most of it to Asian markets. An estimated 50% of the county's alfalfa hay now goes for processing.

Wineries offer another significant example of locally sourced, value-added food processing. Solano County has a long and distinguished history of winemaking. Wineries concentrate in the Suisun Valley and neighboring Green Valley, both of which hold their own American Viticultural Area (AVA) designations. Both valleys also occur under the larger “North Coast” American Viticultural Area (AVA) that includes Napa, Sonoma, and three other counties.

A combination of factors have positioned Solano County wineries and vineyards for continued growth. Climate, water, and proximity to highways and rail lines all play a role. Among other things, the maturing wine economy now includes glass makers, cork distributors, and a new Fairfield facility owned by the world’s largest screw-cap manufacturer. Considerable product also ships to out-of-state buyers as boxed grapes for small wineries and home winemaking, especially in New York and New Jersey.

This section avoids double-counting by including only the dollar values and employment that wineries add to wine grapes by producing wine. Totals in the Farm Production section above included the \$15.0 million value of wine grape production. Wineries produce significant multiplier effects despite the fact that many wine grapes leave the county for bottling in Napa, Sonoma, and other locations. As with all food processing, documenting precise multiplier effects within the county would require significant further study.

Based on the preceding discussion, **Table 2** summarizes the economic contributions made by Solano County’s locally sourced, value-added food processing.

Table 2: Economic Effects of Locally Sourced, Value-added Food Processing

FOOD MANUFACTURING SECTOR	DIRECT	INDIRECT	INDUCED	TOTAL
Output Effect (\$ Millions)				
Canned/bottled fruits & vegetables	\$32.2	\$4.7	\$2.7	\$39.6
Wineries	\$14.2	\$1.6	\$1.4	\$17.2
Processed meat products	\$14.8	\$0.9	\$0.7	\$16.5
Miscellaneous other products	\$10.8	\$1.1	\$1.3	\$13.2
TOTAL ECONOMIC OUTPUT:	\$72.1	\$8.3	\$6.2	\$86.5
Employment Effect (# Jobs)				
TOTAL EMPLOYMENT:	159	49	47	255

*Sources: IMPLAN® and U.S. Bureau of Economic Analysis data, with input by local industry experts.
Not all columns and rows add due to rounding.*

Local food processing produced an estimated \$72.1 million in direct output. Multiplier effects bring the total value to \$86.5 million. The sector directly employed 159 workers. These workers and their employers spent enough money in the local economy to support an additional 96 jobs, bringing Solano County's total food processing employment effect to 255.

Total Economic Effect of Solano County Agriculture

The previous sections have provided key pieces to an economic puzzle. This section combines those puzzle pieces into a final picture showing the overall economic effect of Solano County agriculture.

As **Table 3** shows, the total economic effect of Solano County agriculture was \$617.6 million. This consisted of \$459.1 million in direct output from production and processing, plus \$158.5 million in multiplier effects. Total employment was 4,709. This included 3,147 jobs directly in agriculture and another 1,562 attributable to multiplier effects.

Table 3. Overall Economic Effects of Solano County Agriculture

TYPE OF EFFECT	DIRECT	INDIRECT	INDUCED	TOTAL
FARM PRODUCTION Sector				
Output Effect (\$ Millions)	\$387.0	\$62.0	\$82.0	\$531.0
Employment Effect (# Jobs)	2,988	762	704	4,454
LOCALLY SOURCED, VALUE-ADDED PROCESSING SECTOR				
Output Effect (\$ Millions)	\$72.1	\$8.3	\$6.2	\$86.5
Employment Effect (# Jobs)	159	49	47	255
TOTAL VALUE OF AGRICULTURAL SECTOR				
Output Effect (\$ Millions)	\$459.1	\$70.3	\$88.2	\$617.6
Employment Effect (# Jobs)	3,147	811	751	4,709

Note that not all columns and rows add properly due to rounding.

The Value of Agricultural Diversity

Economists may disagree on some things but there's one thing they all can agree on: a diverse economy is a resilient economy. Any region that depends on a large number of economic sectors reduces risk of catastrophic shocks.

This important economic principle applies to agricultural diversity, too. For example, a county with just one or two main crops faces higher vulnerability to shocks in the form of price drops, disease outbreaks,

new regulations, new competitors, spikes in the cost of key inputs, and other unpleasant surprises. Meanwhile, a county with a diverse agricultural industry can withstand shocks to certain crops without unraveling the entire agricultural economy.

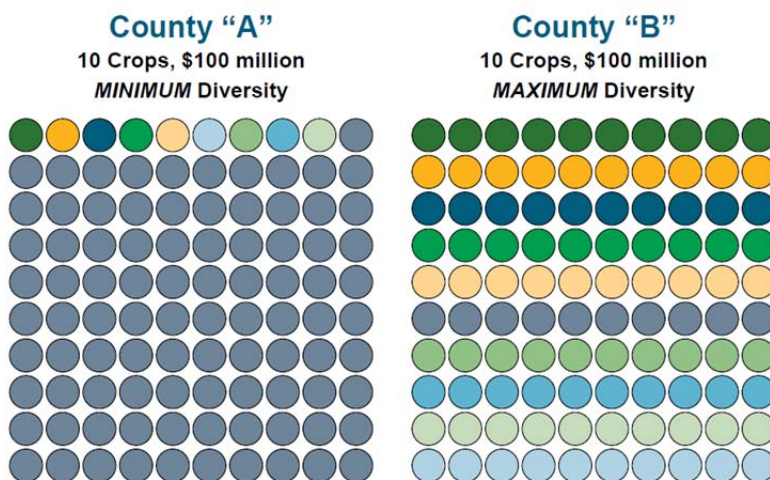
Bottom line: having "all your eggs in a single basket" is never a good idea, especially when it comes to something as economically important as agriculture.

Unfortunately, robust measures of Solano County agricultural diversity do not exist, let alone the total economic value of such diversity. People see assorted crops growing in well-tended fields. They see farmer's markets overflowing with different kinds of food and flowers. No one, however, has attempted to quantify that diversity or its economic value.

Part of the reason is that measuring diversity is a complex job. It requires more than just counting the different things for sale at the farmer's market or listed in Solano County's annual *Crop and Livestock Report*. Measuring diversity includes the number of different crops grown as well as the assessing their economic *abundance* or *evenness*.

For example, imagine two California counties where the annual farm production value is \$100 million each. Both counties grow ten different kinds of crops. In County "A," a single crop contributes 91% of the revenue and the nine other crops make up 1% each (see **Figure 2** below). In County "B" the ten crop types all contribute equally, at 10% each. *Both counties have the same number of crops and total revenues, but County "B" has much higher economic diversity.* Thus, we could expect County "B" to be much more resilient to economic shocks than County "A".

Figure 2. Agricultural Economic Diversity is More Than Just the Number of Crops



Because economic diversity is so important, economists have developed sophisticated tools for measuring it. The most popular one is a summary statistic called the Shannon-Weaver Index. The index stems from the Shannon-Weaver entropy function, created in 1949 and widely used in both ecology and economics. Economists and ecologists alike use the formula to calculate the Shannon-Weaver Index, which we share here and can explain further to interested readers:

$$SW_t^k = - \sum_{n=1}^k p_n * \ln (p_n)$$

The lowest possible index score is 0.00. Zero represents an extreme case where all economic output occurs in only one sector. In ecology, this would be a forest with only one species. In agriculture, it would be a county with just one commercial crop. The other extreme, an open system where potential diversity is unlimited, would have a much higher score. The higher the score, the greater the diversity.

To measure agricultural diversity in Solano County, we started by creating a list of specific crops mentioned in the *Crop and Livestock Report* over the past several years. We only used crops for which production values existed for each year under consideration, even though the total number of commercial crops grown is certainly much larger. For example, we tracked alfalfa hay from its 2015 total (\$34.8 million) all the way back to 2010 (\$19.7 million).

Careful lumping and splitting resulted in 45 different crop categories consistently reported over the past decade. Next, we applied the list of crops and production values to the formula above. This resulted in a 2015 Shannon-Weaver Diversity Index score of 3.00.

By itself, the index score says little. Where it comes in handy is making external and internal comparisons. Internally, the agricultural community can track the score over time to ensure that overall agricultural economic diversity remains high. Maintaining high economic diversity in agriculture will minimize the risk of significant economic shocks. It's an insurance policy against economic earthquakes.

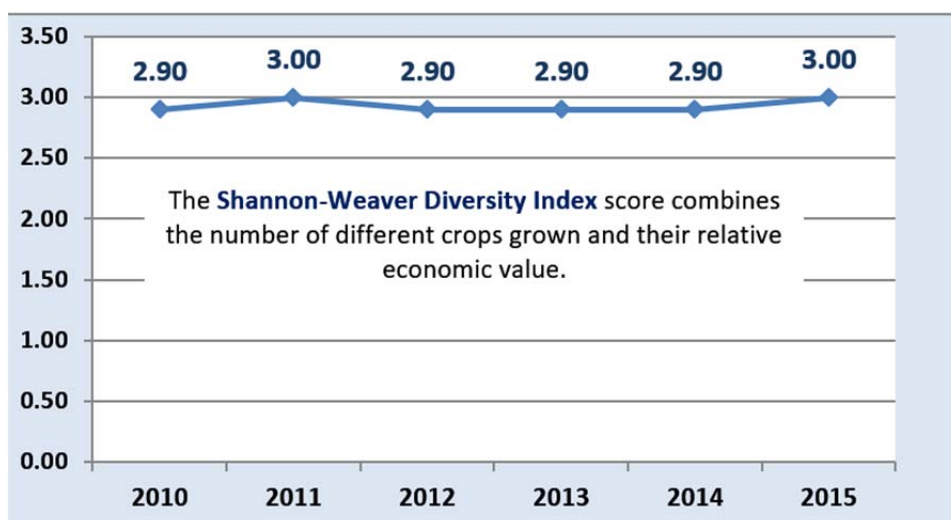
Speaking of earthquakes, note that equation above includes a logarithmic function ("ln") similar to the Richter Scale that measures earthquakes. Many Californians understand that a 7.4 earthquake releases twice the energy of a 7.2 earthquake even though the numbers are not far apart. The same principle applies to Shannon-Weaver Diversity Index scores: a tiny numeric difference represents a big change.

Figure 3 shows how the Shannon-Weaver Diversity Index score has fluctuated over time. The overall six-year change has been small, suggesting stable economic diversity within agriculture. Unlike many California counties, Solano seems to have avoided situations where one or a few crops increasingly dominate the agricultural economy, for example strawberries in certain coastal counties.

Externally, the score can allow useful comparisons to other industries within the county such as real estate, manufacturing, and tourism. It also enables comparisons between Solano County agriculture and other counties in California. Examples from years 2013 to 2015 include counties of Santa Cruz (2.01), San Diego (2.43), Santa Barbara (2.49), Contra Costa (2.67), San Luis Obispo (2.92), and Monterey (3.09).

Because Solano is an innovator when it comes to measuring agricultural economic diversity, the number of external comparisons remains limited at this time. Potential comparisons will no doubt grow over time as more counties follow Solano's example. In the meantime, Solano residents can take pride in having one of the most economically diverse agricultural industries anywhere, with numbers to prove it. They can also take comfort that diversity is holding steady over time.

Figure 3. How Economically Diverse is Solano County Agriculture?



Conclusion to Part 1

Part 1 has documented the role that Solano County agriculture plays as a local economic driver. Agriculture contributes \$617.6 million to the county economy. Agriculture also plays an important role in county employment, directly or indirectly supporting 4,709 jobs. Finally, agriculture's impressive diversity provides critical economic stability to the county. The economic value of this stability is certainly high, albeit hard to quantify.

Agriculture is an important pillar of the Solano County economy and represents a vital link to both the county's cultural past and competitive future. Although this report has presented considerable detail, it has barely begun to fill key information gaps about agriculture's economic role. The process of developing this report has raised several additional questions that lie beyond the scope of this report but may warrant future research (**Box 1**). In the meantime, the findings herein provide the clearest picture yet of Solano County agriculture's economic role.

Box 1: Additional Questions to Answer

- **Regional integration.** To what extent do (or could) Solano and neighboring counties function as an economically aligned “foodshed” that creates beneficial synergies?
- **Cannabis.** Experts predict an explosion of cannabis cultivation in response to California’s legalization of recreational marijuana use. What economic opportunities and risks does this change present?
- **Ecosystem services.** What is the annual dollar value of wildlife habitat, open space, scenic beauty, carbon sequestration, pollination, and more than 20 other "ecosystem services" that the county's agricultural lands provide to society?
- **Diversity.** How diverse is Solano County agriculture not just in terms of economic production across crop types, but also across farm sizes, geographical markets, and organic/conventional?
- **Processing.** What new policies, programs, and other initiatives could expand locally sourced, value-added food processing?
- **Defining local wines.** Would it be worthwhile to establish a county policy clarifying what “local wine” entails, to strengthen the Solano brand further and support boutique wineries?
- **Economic shocks.** How would potential "shocks" affect agriculture's economic results, for example significant new regulations, labor policies, farm land expropriations, water issues, or changes in the price of key inputs?

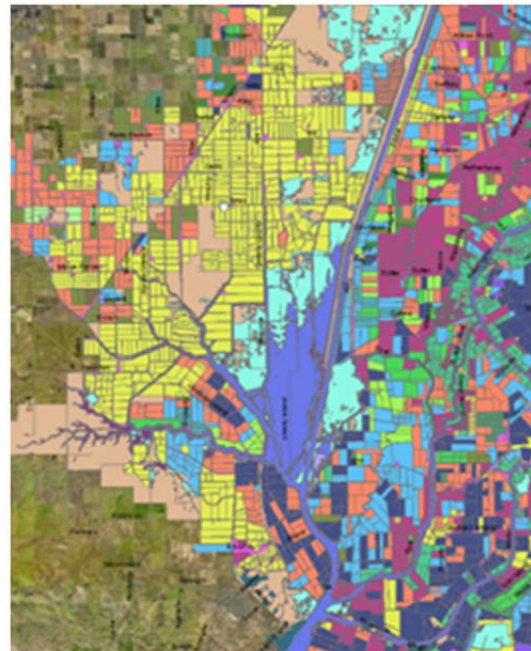
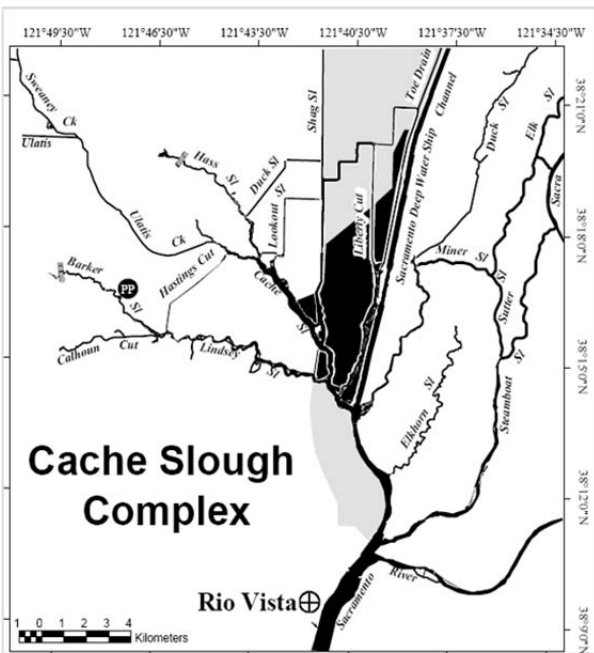
PART 2:

Cache Slough Case Study

Introduction

The Cache Slough area of southeastern Solano County attracts considerable attention for its current and potential future uses. Despite a strong agricultural presence in the area, little information exists regarding economic aspects of Cache Slough agriculture. Part 2 helps fill that knowledge gap and consists of three main sections. The first section assesses the economic value of Cache Slough crop production, including employment and multiplier effects. The second section analyzes economic implications of recreational activities that occur on Cache Slough agricultural lands, especially hunting. The final section examines linkages between Cache Slough agriculture and the larger, Solano County economy, including potential effects of reducing or eliminating Cache Slough agriculture. Part 2 concludes with a list of priority information gaps that, if filled, could shed additional insights into economic implications of Cache Slough agriculture. The findings should be of interest to a wide range of stakeholders interested in the future of this important region.

Figure 7. Cache Slough Area Map



Sources: California Department of Water Resources & FlowWest

Direct and Multiplier Effects of Cache Slough Area Farm Production

This section analyzes Cache Slough agriculture's economic structure. It emphasizes economic output, employment, and multiplier effects and uses the same definitions of *direct*, *indirect* and *induced* effects as Part 1. Our estimated economic value of Cache Slough agriculture focuses on two main components: 1) the value of crop production in terms of output, employment, and multiplier effects; and 2) estimated economic output and employment effects that Cache Slough agriculture creates across Solano County's other economic sectors.

Methods. In order to assess the economic value of agriculture, we started with a detailed list of crops grown in Cache Slough during 2016 and the acreage of each crop. These crops and acreage data originated in a separate, parallel study focusing on a formal Land Evaluation and Site Assessment (LESA) process. The other starting point was our estimation of the per acre value of production for different crops. We generated these per acre estimates from numbers reported in the 2015 Solano County *Crop and Livestock Report*. Of the estimated 65,500 Solano County acres within Cache Slough, we focused on the 38,133 acres (58.2%) used for agriculture in 2016. Areas excluded from our analysis included riparian zones, floating vegetation, urban areas, and flooded areas.

For each Cache Slough crop type, we used one of following two methods to compute the estimated value in *dollars per acre*:

- a) If the *Crop and Livestock Report* indicated acreage and total value of production, then:

$$\text{Value [in \$/acre]} = \text{Total value [in \$]} / \text{total acreage [in acres]}$$

For some crops, the coefficients used correspond to an entire class of crops; for example, cucurbits belong to "Miscellaneous Vegetables - Fresh" as reported in the *Crop and Livestock Report*. In that case, we used a cucurbits value based on the weighted average of all miscellaneous vegetables produced.

- b) If the *Crop and Livestock Report* indicated a number of units per acre (such as tons or pounds) and the value per unit (\$/ton or \$/lb), then:

$$\text{Value [in \$/acre]} = \text{Unit per acre [in ton/acre or lb/acre]} * \text{Value per unit [in \$/unit]}$$

Next, we calculated the total value of each crop. This consisted of multiplying the value per acre by the total acreage allocated to each crop type. The resulting totals provided the basis for ensuing estimates of output and employment multiplier effects.

We built an input-output model for Solano County using proprietary datasets and software from IMPLAN. We assigned each of the 15 different crop types to a relevant IMPLAN sector. For example, we assigned Cache Slough vineyards to IMPLAN's "Fruit farming" (Sector #4). We put walnuts into Sector #5, "Tree nut farming." Other IMPLAN sectors used were "Grain farming" (#2), "Vegetable and melon farming" (#3), and "All other crop farming" (#10).

An important caveat to the analysis is that crop coverage changes year to year. Farmers made it clear to us that they can and do switch crops around. They also move lands into and out of production for a variety of economic and management reasons. Our analysis, for example, excludes 2,411 acres that were fallow at the time but could come back into production soon.

Economic Effects of Cache Slough Crop Production. Table 4 shows the *direct*, *indirect*, and *induced* output effects for each crop. The total output effect was \$42.9 million for the entire Cache Slough Area. This total included a direct effect of \$29.0 million, indirect effects of \$9.4 million, and induced effects of \$4.5 million. As noted earlier, this economic output occurred not just within Cache Slough but also across Solano County.

Note that *alfalfa* was especially impactful, accounting for 39% of agriculture's total direct value with only 24% of the total acreage. *Walnuts* had the highest value per acre (\$36,000) while *pasture* had the lowest (\$23).

Table 4. Output Effects of Cache Slough Crop Production

CACHE SLOUGH CROP TYPE	# ACRES CROPPED	PRODUCTION PER ACRE	DIRECT VALUE	INDIRECT VALUE	INDUCED VALUE	TOTAL VALUE
Alfalfa	9,269	\$1,199	\$11,113,497	\$4,154,417	\$1,299,084	\$16,566,999
Corn	2,661	\$941	\$2,504,070	\$936,065	\$292,707	\$3,732,842
Cucurbit	197	\$21,314	\$4,198,860	\$635,841	\$1,160,893	\$5,995,595
Forage Grass	2,043	\$523	\$1,068,600	\$399,461	\$124,911	\$1,592,972
Olives	101	\$3,507	\$355,169	\$55,576	\$108,036	\$518,781
Other Deciduous	20	\$4,168	\$82,344	\$12,885	\$25,047	\$120,276
Pasture	18,302	\$23	\$412,511	\$154,204	\$48,219	\$614,934
Safflower	436	\$620	\$270,608	\$70,589	\$74,719	\$415,916
Sunflower	501	\$1,464	\$732,728	\$273,906	\$85,650	\$1,092,285
Tomatoes	358	\$3,573	\$1,280,262	\$193,873	\$353,964	\$1,828,099
Truck Crops	78	\$1,095	\$85,452	\$22,290	\$23,595	\$131,337
Turf	340	\$17,334	\$5,900,872	\$2,205,848	\$689,768	\$8,796,488
Vineyards	101	\$3,376	\$342,571	\$53,605	\$104,203	\$500,379
Walnuts	5	\$36,000	\$181,523	\$27,745	\$58,228	\$267,496
Sub-irrig. Pasture	3,720	\$128	\$476,328	\$178,059	\$55,679	\$710,066
TOTALS	38,133		\$29,005,395	\$9,374,364	\$4,504,703	\$42,884,465

Source: Calculations based on LESA crop data combined with relevant IMPLAN multipliers.

Cache Slough agricultural production created \$42.9 million in total economic output and 171 jobs across Solano County. Of these totals, multiplier effects accounted for \$13.9 million and 98 jobs, respectively.

Table 5 shows employment effects. Cache Slough crop production supported 171 total jobs. This included 72 *direct* jobs, 67 *indirect*, and 31 *induced*. Cucurbits had an outsized effect on labor, with 22 jobs. As noted earlier, cucurbits do not appear in the *Crop and Livestock Report* so we used “Miscellaneous Vegetables – Fresh” as a proxy. Future research should take a closer look at this and other potential anomalies.

Table 5. Employment Effects of Cache Slough Crop Production

CACHE SLOUGH CROP TYPE	DIRECT JOBS	INDIRECT JOBS	INDUCED JOBS	TOTAL JOBS
Alfalfa	14.4	29.4	9.1	52.9
Corn	3.3	6.6	2.0	11.9
Cucurbit	21.7	5.0	8.1	34.8
Forage Grass	1.4	2.8	0.9	5.1
Olives	4.3	0.5	0.8	5.6
Other Deciduous	1.0	0.1	0.2	1.3
Pasture	0.5	1.1	0.3	2.0
Safflower	3.4	0.5	0.5	4.4
Sunflower	1.0	1.9	0.6	3.5
Tomatoes	6.6	1.5	2.5	10.6
Truck Crops	1.1	0.2	0.2	1.4
Turf	7.7	15.6	4.8	28.1
Vineyards	4.2	0.5	0.7	5.4
Walnuts	1.0	0.3	0.4	1.6
Sub-irrig. Pasture	0.6	1.3	0.4	2.3
TOTALS	72	67	31	171

Source: Calculations based on LESA crop data combined with relevant IMPLAN multipliers.

Countywide Economic Effects of Cache Slough Agriculture. This section builds on the previous one by considering Cache Slough agriculture as an industry unto itself, then quantifying that industry’s economic contributions to other industries. The previous section examined specific crops such as alfalfa and corn to identify individual, isolated effects. It analyzed each crop as if it were a micro-economy consisting of just one product. This section takes a more integrated approach. It analyzes “agriculture” as a whole rather than by individual crops. This step may seem confusing but it allows economists to capture complex economic interactions and effects. For example, Cache Slough agriculture involves interdependencies and spillover effects in the Solano County economy that go beyond what a single crop might create.

Using IMPLAN's input-output model, we built a scenario starting with the \$29 million in direct crop value from **Table 4**. We then propagated effects throughout other county industries. As **Table 6** shows, the \$29 million in Cache Slough direct agricultural value produced a total economic effect of \$52.6 million across multiple industries. As with previous sections, these effects occur countywide, i.e. within and beyond Cache Slough.

Table 6. Output Effects Cache Slough Agriculture Creates in Other Sectors

INDUSTRIAL SECTOR:	INDIRECT VALUE	INDUCED VALUE	TOTAL VALUE
Agriculture, Forestry & Commercial Fishing	\$2,358,841	\$71,567	\$31,430,408
Mining	\$47,173	\$18,883	\$66,056
Utilities	\$342,297	\$283,114	\$625,411
Construction	\$250,601	\$139,194	\$389,795
Manufacturing	\$5,484,524	\$2,409,654	\$7,894,178
Wholesale Trade	\$1,050,849	\$410,893	\$1,461,741
Retail trade	\$39,882	\$1,093,354	\$1,133,236
Transportation & Warehousing	\$465,533	\$259,433	\$724,966
Information	\$56,688	\$242,481	\$299,169
Finance & insurance	\$437,855	\$804,598	\$1,242,452
Real estate & rental	\$724,143	\$1,947,179	\$2,671,322
Professional- scientific & technical services	\$194,128	\$250,350	\$444,479
Management of companies	\$48,632	\$41,644	\$90,276
Administrative & waste services	\$121,619	\$223,892	\$345,511
Educational services	\$4,719	\$103,428	\$108,147
Health & social services	-	\$1,744,106	\$1,744,137
Arts- entertainment & recreation	\$9,133	\$123,480	\$132,613
Accommodation & food services	\$36,448	\$596,150	\$632,597
Other services	\$59,106	\$561,535	\$620,641
Government & non NAICS	\$188,386	\$397,119	\$585,505
TOTALS	\$11,920,557	\$11,722,054	\$52,642,640

NOTE: Results based on IMPLAN modeling, based on a direct output value of \$29 million. Industrial sector names roughly correspond to the NAICS (North American Industrial Classification System) at 2-digit level. For details, please see <https://www.census.gov/eos/www/naics/>

Table 7 shows employment effects that Cache Slough agriculture creates across other Solano County industries. It uses the same scenario model as **Table 6**. The total aggregate employment effect is 310 jobs, or about 7.0% of the county's 4,454 jobs attributable to agriculture (see **Table 1**). The economic models we use to estimate these figures consider all jobs as full-time equivalent (FTE). Since many people work part-time jobs, the actual number of employees might be higher.

Table 7. Employment Effects Cache Slough Agriculture Creates in Other Sectors

INDUSTRIAL SECTOR:	INDIRECT JOBS	INDUCED JOBS	TOTAL JOBS
Agriculture, Forestry, Etc. (200 Direct Jobs)	16.0	1.0	216.0
Mining	-	-	-
Utilities	-	-	1.0
Construction	1.0	1.0	2.0
Manufacturing	5.0	2.0	7.0
Wholesale Trade	4.0	2.0	6.0
Retail trade	1.0	13.0	13.0
Transportation & Warehousing	3.0	2.0	5.0
Information	-	1.0	1.0
Finance & insurance	2.0	4.0	6.0
Real estate & rental	2.0	4.0	6.0
Professional- scientific & technical services	1.0	2.0	3.0
Management of companies	-	-	-
Administrative & waste services	2.0	3.0	5.0
Educational services	-	2.0	2.0
Health & social services	-	14.0	14.0
Arts- entertainment & recreation	-	2.0	2.0
Accommodation & food services	1.0	9.0	10.0
Other services	1.0	6.0	7.0
Government & non NAICS	1.0	3.0	4.0
TOTAL	40	71	310

NOTE: Results based on IMPLAN modeling of 200 direct, full-time equivalent jobs. Industrial sector names roughly correspond to the NAICS (North American Industrial Classification System) at 2-digit level. For details, please see <https://www.census.gov/eos/www/naics/>

Section Summary. The four tables above show the economic contribution that Cache Slough agriculture makes to Solano County. Including multiplier effects, crop production contributed \$42.9 million and 171 jobs. This represents 8.1% of Solano County's total farm production value of \$531.0 million reported in Part 1 and 3.8% of the county's 4,454 jobs attributable to agriculture. In simpler terms, Cache Slough produced 1 out of every 12 dollars generated by Solano County agriculture and 1 out of every 26 jobs. Considered as a whole rather than by individual crops, Cache Slough agriculture contributed \$52.6 million and 310 jobs across a wide range of Solano County industries. The next section builds on this analysis by estimating the economic value of recreational activities on Cache Slough agricultural lands.

Economic Implications of Recreation Activities in the Cache Slough

Introduction. Cache Slough agricultural lands not only produce crops, they also support recreational activities. No information currently exists on the nature and extent of economic contributions from these recreational activities. This section takes an initial step toward filling that knowledge gap. It briefly introduces recreational activities then examines their economic impact across the county.

Based on conversations with landowners, agency personnel, and other experts, hunting offers the most relevant recreational activity for economic analysis. Other forms of recreation certainly exist. For example, landowners at a workshop we attended emphasized that boats enter the slough “daily” for fishing and kayaking, especially near the Liberty Island flooded area. Unfortunately, no detailed information exists on boating, fishing, and other non-hunting activities. Even the hunting data face limitations, yet exist in sufficient quantity and quality to make this analysis worthwhile.

Hunting varies across Cache Slough. Most hunters hunt birds, in particular pheasant and “chukar” partridge. Others hunt duck and dove during migration periods. Beyond these variations, our conversations with landowners revealed three major differences among hunting operations. First, a few operations hunt year-round whereas most only hunt during a 45- to 60-day season. Second, some operate as small, family-based entities that only host individual hunters, whereas an estimated three to ten properties operate as “clubs” with dues-paying members. Finally, although much hunting occurs informally, a few operations exist as formal, commercial enterprises that pay for insurance, business licenses, and other services that increase their economic ripple effect.

Scenario Modeling. Confidentiality and anonymity concerns limited our access to detailed financial records. Nevertheless, landowners provided sufficient detail on hunting revenues, hunting intensity, and other variables to develop a rigorous input-output model. The model captures the economic impacts of hunting, based on a level of activity equivalent to *one year* of hunting operations.

What exactly does *one year* of hunting operations entail? For analytical purposes, we assumed 5,000 acres dedicated to hunting that generate \$750,000 in annual revenues. Although these numbers might not capture all Cache Slough hunting, they provide a necessary starting point for the analysis. Equally important, the linear nature of these economic effects make the numbers scale in direct proportion, at least for the short-term. For example, if a stakeholder wants to assume a scenario that triples Cache Slough hunting acres and revenues, i.e., to 15,000 acres and \$2,250,000 respectively, then the results we present below would triple, as well.

To analyze hunting, we used the IMPLAN commercial platform mentioned earlier. IMPLAN uses a set of 536 sectors to characterize a local economy. The IMPLAN sectors often do not align perfectly with the actual sector under study. That is the case here. No IMPLAN sector directly corresponds to “recreational hunting and fishing.” Thus, we needed a proxy. After careful consideration and detailed analysis of the IMPLAN data, we selected IMPLAN Sector #493 as the closest match to Cache Slough recreational

activities. Titled “Museums, historical sites, zoos and parks,” Sector #493 encompasses many things, including recreational activities that occur within natural areas such as hiking, fishing, boating, and hunting. Despite the sector’s confusing name, it best captures the economic characteristics of recreation as it occurs in Cache Slough. The tables below show a series of results from the scenario models we developed.

Estimated Economic Effects of Cache Slough Recreation. Table 8 displays a summary of the impacts, assuming the \$750,000 starting point mentioned above. Note that recreation produced \$1.3 million in total economic output and 13 jobs. Of these totals, \$555,768 and 4 jobs came from *indirect* and *induced* multiplier effects.

Table 8. Summary of Effects from Cache Slough Recreational Activities

<u>IMPACT TYPE</u>	DIRECT EFFECT	INDIRECT EFFECT	INDUCED EFFECT	TOTAL EFFECT
Output	\$750,000	\$269,136	\$286,632	\$1,305,768
Employment	9.0	2.0	2.0	13.0

Source: Author’s calculations based on IMPLAN input-output model results.

Output and Employment Effects of Cache Slough Recreation. The previous section showed that for an initial direct effect of \$750,000, recreation activities in the Cache Slough will contribute additional effects of \$555,768. It is not clear, however, how this effect will impact other economic sectors. This section answers that question. **Tables 9 and 10** below show the input-output model’s estimated impacts across multiple economic sectors.

Note that *direct* impacts in the input-output model only occur within our starting sector, #493. *Induced* and *indirect* impacts, however, occur across a wide range of sectors. Also, we simplified the display of results by only showing the top (most impacted) sectors, rather than all 536 sectors. The top 20 sectors account for more than 85% of all impacts.

Table 9 shows the top 20 sectors ranked by Total Effect. For these sectors, the total value contributed by Cache Slough recreation activities was \$1.1 million. This included \$750,000 in *direct* effects plus a combined \$360,212 in multiplier effects. The multiplier effect combined *indirect* (\$198,773) and *induced* (\$161,439). As the table’s bottom row shows, additional effects spread across hundreds of other sectors.

Table 9. Output Effects Cache Slough Recreation Creates in Other Sectors
(based on a direct value of \$750,000)

SECTOR #	SECTOR DESCRIPTION	INDIRECT EFFECT	INDUCED EFFECT	TOTAL EFFECT
493	Museums, historical sites, zoos, and parks (DIRECT)		\$39	\$750,039
440	Real estate	\$97,653	\$15,656	\$113,309
441	Owner-occupied dwellings	\$0	\$48,753	\$48,753
437	Insurance carriers	\$23,441	\$8,160	\$31,600
395	Wholesale trade	\$6,081	\$11,101	\$17,182
482	Hospitals		\$16,963	\$16,963
414	Sightseeing transport. & transport. support activities	\$15,022	\$667	\$15,689
62	Nonresidential structures maintenance & repair	\$11,701	\$2,102	\$13,803
433	Monetary authorities & depository credit intermediation	\$3,724	\$7,713	\$11,438
502	Limited-service restaurants	\$701	\$10,505	\$11,206
464	Employment services	\$8,197	\$1,615	\$9,812
438	Insurance agencies, brokerages, and related activities	\$6,560	\$2,558	\$9,118
174	Pharmaceutical preparation manufacturing	\$578	\$8,240	\$8,818
415	Couriers and messengers	\$8,130	\$508	\$8,638
156	Petroleum refineries	\$4,572	\$3,731	\$8,303
475	Offices of physicians		\$8,243	\$8,243
526	Other local government enterprises	\$4,587	\$3,116	\$7,702
457	Advertising, public relations, and related services	\$5,888	\$777	\$6,665
405	Retail - General merchandise stores	\$225	\$6,276	\$6,501
501	Full-service restaurants	\$1,713	\$4,716	\$6,430
	TOTAL of Top-20 Sectors:	\$198,773	\$161,439	\$1,110,212
	Total of all 536 sectors	\$269,136	\$286,632	\$1,305,768

Source: Author's calculations based on IMPLAN model with 536 economic sectors.

Note: The table rows specify only those sectors with Total Effect larger than \$6,000.

Table 10 shows the top 20 sectors ranked by Total Jobs. For these 20 sectors, the total employment contributed by Cache Slough recreation activities was roughly 11 jobs. This entailed approximately 9 direct jobs plus 2 positions from multiplier effects. As noted earlier, these estimates assume a specific volume of recreation activity within Cache Slough that may or may not reflect current conditions. Also, other employment effects spread across sectors not specified here, summarized in the bottom row.

Table 10. Employment Effects Cache Slough Recreation Creates in Other Sectors
(based on a direct value of \$750,000)

SECTOR #	SECTOR DESCRIPTION	INDIRECT JOBS	INDUCED JOBS	TOTAL JOBS
493	Museums, historical sites, zoos, and parks (DIRECT)			9.1
440	Real estate	0.6	0.1	0.7
62	Nonresidential structures maintenance & repair	0.1		0.1
395	Wholesale trade			
400	Retail - Food and beverage stores		0.1	0.1
405	Retail - General merchandise stores		0.1	0.1
414	Sightseeing transport. & transport. support activities	0.1		0.1
415	Couriers and messengers	0.1		0.1
437	Insurance carriers	0.1		0.1
438	Insurance agencies, brokerages & related activities			
464	Employment services	0.1		0.1
468	Services to buildings	0.1		0.1
469	Landscape and horticultural services	0.1		0.1
474	Other educational services	0.1		0.1
475	Offices of physicians		0.1	0.1
482	Hospitals		0.1	0.1
485	Individual and family services		0.1	0.1
501	Full-service restaurants		0.1	0.1
502	Limited-service restaurants		0.1	0.1
503	All other food and drinking places			0.1
TOTAL of Top-20 Sectors:		1.3	0.8	11.4
Total of all 536 Sectors		1.8	2.0	12.9

Source: Author's calculations based on IMPLAN model with 536 economic sectors. Only the top 20 sectors appear here. Employment numbers include decimals for future calculations based on proportional expansion of the value of recreation in the Cache Slough. Empty cells correspond to either true zero or negligible values.

Among other things, the tables above highlight a strong economic connection between Cache Slough agricultural lands and Solano County's real estate sector. Cache Slough crop production contributed \$2.7 million to the county's real estate sector (**Table 6**) and supported 6 jobs (**Table 7**). Per 5,000 acres, Cache Slough recreation also contributed an estimated \$113,309 (**Table 9**) and 1 job (**Table 10**) to the real estate sector. These economic connections consisted of many things, for example commissions paid on property purchases and sales, property management fees, property leasing, and fees paid for title searches, appraisals, and escrow services. Further clarifying and refining these estimates would require detailed surveys of real estate professionals.

Fiscal Impact of Cache Slough Recreation. Economic output has powerful implications for tax revenues. In general, the greater the economic output, the more money local, state, and federal governments have available to fund various public services. **Table 11** shows estimated tax revenues attributable to Cache Slough recreational activities. With \$54,849 in state & local taxes and \$116,360 in federal taxes, recreational activities in Cache Slough accounted for a total of \$171,209 in tax payments.

Table 11 introduces several tax concepts that might be new to some readers. For example, “Social Security” taxes are those that employees and employers make into the social insurance system. “Tax on Production and Imports” refers to property taxes, fees, tariffs, and other business taxes. “Personal Taxes” consist mostly of income tax. Please consult the authors for additional details.

Table 11. Tax Base Effects of Cache Slough Recreational Activities

LOCAL & STATE TAXES PAID	by HOUSEHOLDS	by BUSINESSES	TOTAL
Social Security	\$464	\$938	\$1,402
Tax on Production and Imports	-	\$32,099	\$32,099
Personal Taxes	\$20,003	-	\$20,003
Corporate profits and dividends	-	\$1,345	\$1,345
Total Local & State	\$20,467	\$34,382	\$54,849
FEDERAL TAXES PAID	by HOUSEHOLDS	by BUSINESSES	TOTAL
Social Security	\$29,657	\$26,238	\$55,895
Tax on Production and Imports	-	\$4,473	\$4,473
Personal Taxes	\$47,368	-	\$47,368
Corporate profits and dividends	-	\$8,624	\$8,624
Total Federal	\$77,025	\$39,335	\$116,360

Source: Authors’ calculations based on IMPLAN input-output models

Key Points Regarding Cache Slough Recreation. This section has estimated economic contributions that Cache Slough recreational activities have on the larger, county economy. The findings point to three main conclusions:

- **Relatively small, especially compared to agriculture.** With \$1.3 million in economic output and 13 jobs for 5,000 acres, recreation seems small compared to the contributions that agriculture makes, both overall and on a per acre basis. As **Table 4** shows, Cache Slough crop production contributed \$42.9 million across 38,133 acres. Thus, agriculture has an average total output of \$1,125 per acre. This is 4.3 times higher than recreation’s \$261 per acre output. Although we have limited data on Cache Slough recreation, initial estimates suggest that Cache Slough agriculture adds significantly more economic value to Solano County than Cache Slough recreation.

- **Potential growth?** Our model assumed 5,000 acres devoted to recreation but this number is just a proxy. As note earlier, we lack detailed data on recreation’s current scope let alone its future extent. Potential certainly exists for recreation to expand much further into the 65,500-acre area. Diversity of recreation types could also expand, for example greater emphasis on fishing, bird watching, kayaking, canoeing, and other activities.
- **Probable linear effects.** Although we cannot predict future growth in recreation, the economic effects of any growth would probably be linear, at least for the short-term. For example, we modeled the main scenario with 5,000 acres devoted to recreation, about 7.6% of the slough’s total area. If we modeled 100% of Cache Slough allocated to recreation (65,500 acres), then we can simply multiply all the original **Table 8** results by 13. For example, total output would rise from \$1,305,768 to \$16,974,984. Total employment would grow from 13 to 169. The linearity assumption generally holds for a three to five year planning horizon. Longer periods would require additional research into potentially non-linear variables and interactions.

Potential Secondary Effects of Reducing Agriculture’s Economic Output

Introduction. This section explores potential secondary effects that could result from a reduction or elimination of Cache Slough agriculture. It begins with quantitative analysis of a simulated 75% reduction of Cache Slough agriculture’s economic output. What effect would such a reduction have on Solano County’s economic output? Employment? Tax revenues? The section concludes with a qualitative discussion of three additional secondary effects with potential to occur.

Economists use the term “negative shock” to describe events like the significant reduction modelled here. Such shocks can and do occur in a wide range of industries and take many forms in agriculture. Examples include weather-related events such as droughts and floods, foodborne illness outbreaks, game-changing technological advances, influxes of lower cost imports, or major policy changes. These and many other events can create rapid, dramatic changes in agriculture’s economic output.

When such events occur, consequences ripple beyond the industry in which they originated. For example, a negative shock to agriculture could make farmers and ranchers less able to make payments to employees, suppliers, contractors, and lenders. The nature and extent of these complex effects depends on economic interdependencies and spillover effects across sectors.

In general, the more specialized an economy becomes, the great its vulnerability to negative shocks. As Part 1 noted, Solano County agriculture currently scores high on the economic diversity index. This high level of diversity mitigates risk to economic shocks. Calculating a diversity index score for Cache Slough agriculture would require significant, additional research.

In order to simulate a negative shock to Cache Slough agriculture, we built an input-output model to represent the Solano County economy. The model includes 536 economic sectors from IMPLAN. To “shock” the system, we impacted the model with a 75% reduction in the value of economic output from Cache Slough agriculture. We spread the reduction proportionally across Cache Slough crop production categories and their corresponding IMPLAN sectors, as described in **Table 4** and the Methods section preceding it. For example, most of the \$20.9 million “shock” (\$16 million) occurred in “Grain farming.” Other impacted sectors included “Vegetable and melon farming” (\$4 million), “Fruit farming” (\$0.5 million), “Tree nut farming” (\$130,000), and “All other crop farming” (\$270,000).

The tables below show the results for output, employment, and tax revenues. They provide a fuller economic picture than one would get simply subtracting 75% from Cache Slough agriculture’s total output. As the tables show, direct effects of the economic shock impact only five sectors but indirect and induced effects affect most of the model’s 536 sectors. In order to make the results more readable, the tables below only show output and employment effects for the 20 most affected sectors.

Most Impacted Sectors. **Table 12** shows how a 75% reduction Cache Slough’s agricultural production would affect various sectors countywide. The results are a derivation of multiplier coefficients from the IMPLAN input-output models we built to simulate this effect. Highlighted numbers in the “DIRECT VALUE” column correspond to impacts we introduced into the model. As noted earlier, these represent five IMPLAN sectors that are representative of, and proportional to, Cache Slough crops.

The three most impacted sectors were “Support activities for agriculture,” “Real estate” and “Wholesale trade,” in that order. Regarding the first item on the list, a reduction in agricultural activity will certainly lower demand for soil preparation, planting, cultivating, harvesting, labor contracting, postharvest crop activities, and various other farm management services that comprise the “Support activities for agriculture” sector.

As the table shows, a reduction in agriculture also affects “Real estate” (e.g., less home renting and buying), “Wholesale trade” (less merchandise to sell), “Fertilizer mixing” (e.g., less need for fertilizer), and “Truck transportation” (e.g., fewer farm products to haul). As farm workers reduce their consumption levels or move out of the county, they will affect “Hospitality” (e.g., fewer meals at restaurants), “Health services” (e.g., fewer doctor visits), and many other sectors.

Table 12. Output Effects of 75% Reduction in Value of Cache Slough Agriculture

SECTOR #	SECTOR DESCRIPTION	DIRECT VALUE	INDIRECT VALUE	INDUCED VALUE	TOTAL VALUE
2	Grain farming	\$16,000,000	\$4,252	\$4	\$16,004,257
3	Vegetable and melon farming	\$4,000,000	\$76,320	\$3,630	\$4,079,949
19	Support activities for agriculture & forestry	\$0	\$1,475,630	\$721	\$1,476,352
440	Real estate	\$0	\$947,557	\$173,807	\$1,121,364
395	Wholesale trade	\$0	\$711,337	\$125,242	\$836,579
156	Petroleum refineries	\$0	\$614,997	\$41,530	\$656,527
441	Owner-occupied dwellings	\$0	\$0	\$562,559	\$562,559
4	Fruit farming	\$500,000	\$16,378	\$2,596	\$518,974
437	Insurance carriers	\$0	\$387,318	\$92,392	\$479,711
62	Non-residential structures maint. & repair	\$0	\$344,532	\$23,512	\$368,044
10	All other crop farming	\$270,000	\$85,734	\$887	\$356,621
433	Monetary authorities / credit intermediation	\$0	\$245,326	\$85,788	\$331,114
482	Hospitals	\$0	\$0	\$187,373	\$187,373
411	Truck transportation	\$0	\$152,673	\$32,546	\$185,218
526	Other local government enterprises	\$0	\$137,179	\$34,598	\$171,776
5	Tree nut farming	\$130,000	\$38,117	\$553	\$168,670
171	Fertilizer mixing	\$0	\$151,738	\$163	\$151,901
502	Limited-service restaurants	\$0	\$16,327	\$119,007	\$135,333
445	Commercial equipment rental & leasing	\$0	\$130,408	\$3,310	\$133,718
438	Insurance agencies, brokerages, & related	\$0	\$97,023	\$28,936	\$125,958
TOTAL of Top-20 sectors:		\$20,900,000	\$5,632,846	\$1,519,154	\$28,051,998
Total of all sectors		-	\$6,781,740	\$3,240,324	\$30,922,064

Source: Author's calculations based on IMPLAN model with 536 economic sectors. For brevity, only the 20 most impacted sectors appear here. Some sector names shortened for formatting purposes. For correspondence between IMPLAN sectors and the NAICS (North American Industrial Classification System), please see:

http://support.implan.com/index.php?option=com_content&view=article&id=215:215&catid=222:222

Table 13 shows the most impacted sectors in terms of employment. Note that the three most impacted sectors match those from the previous table, in particular “Support activities for agriculture,” “Real estate” and “Wholesale trade,” in that order. As these sectors decline in economic output (**Table 12**), it makes sense that they will also require fewer employees.

Table 13. Employment Effects of 75% Reduction in Value of Cache Slough Agriculture

SECTOR #	SECTOR DESCRIPTION	DIRECT VALUE	INDIRECT VALUE	INDUCED VALUE	TOTAL VALUE
19	Support activities for agriculture & forestry	-	23.0	-	23.0
440	Real estate	-	6.0	1.1	7.1
395	Wholesale trade	-	2.7	0.5	3.2
62	Maintenance/Repair of nonres. Structures	-	1.8	0.1	2.0
10	All other crop farming	3.3	1.1	-	4.4
433	Monetary authorities / credit intermediation	-	0.9	0.3	1.2
411	Truck transportation	-	0.9	0.2	1.1
437	Insurance carriers	-	0.9	0.2	1.1
468	Services to buildings	-	0.6	0.3	0.9
3	Vegetable and melon farming	20.4	0.4	-	20.8
4	Fruit farming	6.0	0.2	-	6.2
502	Limited-service restaurants	-	0.2	1.4	1.6
5	Tree nut farming	0.7	0.2	-	0.9
501	Full-service restaurants	-	0.1	1.1	1.2
2	Grain farming	20.5	-	-	20.5
485	Individual and family services	-	-	1.2	1.2
405	Retail - General merchandise stores	-	-	0.9	0.9
482	Hospitals	-	-	0.9	0.9
Total of Top 20 Sectors:		50.9	39	8.2	98.2
Total of all Sectors:		-	48	22.4	121.2

Source: Author's calculations based on IMPLAN model with 536 economic sectors. For brevity, only the 20 most impacted sectors appear here. Some sector names shortened for formatting purposes. For correspondence between IMPLAN sectors and the NAICS (North American Industrial Classification System), please see:

http://support.implan.com/index.php?option=com_content&view=article&id=215:215&catid=222:222

Fiscal Impacts. We also modeled the effects that a 75% reduction in Cache Slough agricultural output would have on tax revenues. **Table 14** displays the potential losses in taxes. The table differentiates by taxpayer (Households and Businesses) as well as by jurisdiction (State/Local and Federal). The total expected loss in tax revenue is \$2,281,300. This consists of \$720,000 in State/Local taxes and \$1,561,300 in Federal taxes. Households and businesses account for the lost tax revenues on a nearly even basis, totaling \$1,101,303 and \$1,179,997, respectively. For perspective, the Solano County government's fiscal year 2016-2017 budget assumed \$166 million in tax revenues (see www.solanocounty.com). Thus, the scenario modelled here represents less than half a percent of that total.

Table 14. Tax Effects of 75% Reduction in Value of Cache Slough Agriculture

LOCAL & STATE TAXES PAID	by HOUSEHOLDS	by BUSINESSES	TOTAL
Social Security	\$3,614	\$7,302	\$10,916
Tax on Production and Imports	-	\$408,718	\$408,718
Personal Taxes	\$232,538		\$232,538
Corporate profits and dividends	-	\$67,828	\$67,828
Total Local & State	\$236,152	\$483,848	\$720,000

FEDERAL TAXES PAID	by HOUSEHOLDS	by BUSINESSES	TOTAL
Social Security	\$314,485	\$204,260	\$518,745
Tax on Production and Imports		\$56,948	\$56,948
Personal Taxes	\$550,666		\$550,666
Corporate profits and dividends		\$434,941	\$434,941
Total Federal	\$865,151	\$696,149	\$1,561,300

Source: Author's calculations based on IMPLAN model with 536 economic sectors.

Qualitative Discussion of Additional, Potential Secondary Effects. Reducing or eliminating Cache Slough agriculture could cause myriad additional effects beyond those detailed above. Fully articulating those effects lies well beyond the scope of this study. This section highlights four examples that may warrant future, in-depth analysis. We pose all three as working hypotheses:

- **The “Invisible Threshold” Hypothesis.** We have heard concerns that the size of Cache Slough agriculture might drop so much that it reaches a “tipping point” after which the industry quickly collapses in a so-called “death spiral.” The logic is that as fewer farmers and ranchers exist to support local vendors, those local vendors eventually leave due to declining sales. Remaining farmers and ranchers would then face diseconomies of scale in the form of higher costs. They would also need to travel greater distances to access supplies, equipment, labor, support services, and other key inputs. These added expenses, in turn, would adversely affect their already thin margins, hastening their exit.

This phenomenon has precedent in the “Minimum Viable Population” concept from the field of population ecology. Ecologists have documented that if a wildlife population drops to a certain level, often around 500 individuals, then the population tends to spiral downward to extinction. Population Viability Assessment software such as Ramas (www.ramas.com) helps determine where the invisible threshold lies.

Based on our consultations with agricultural experts, our direct agricultural experience, and a review of the relevant literature, we find no evidence of this phenomenon occurring in agricultural “populations.” What tends to happen in agricultural settings is that if one farmer or rancher goes out of business, then another one leases or buys the property and continues producing. Indeed, consolidation of U.S. agriculture has been occurring for decades. The number of farmers and ranchers may decline but overall production levels generally hold steady or even increase.

Granted, the typical farm consolidation pattern occurring in California and so many other locations might not apply to Cache Slough. If a Cache Slough farmer or rancher exits the industry, then the land might be flooded as part of a state water project that either caused or resulted from the exit. In that case, no other farmer or rancher would lease or purchase the land for continued production. Thus, overall production would decline and the “death spiral” scenario described above might occur.

- **The “Increased Regulatory Burden” Hypothesis.** We have heard concerns that as ecological conservation and restoration projects proceed in Cache Slough, the regulatory burden on farmers and ranchers might increase, which in turn could reduce the financial viability of agriculture. The logic is that conservation and restoration activities will increase the presence of wildlife on and near remaining agricultural lands, leading to additional compliance costs for farmers and ranchers.

For example, if an endangered fish species such as the Delta smelt returns to the area, then it may trigger requirements for farmers to reduce the amount agricultural runoff entering local waterways. This would require financial investments in new pollution mitigation practices and/or infrastructure.

- **The “Increased Predation Losses” Hypothesis.** We have heard concerns that ecological conservation and restoration projects in Cache Slough might lead to increased presence of coyotes and other predators on and near farms. This, in turn, could increase predation on lambs, calves, and other livestock. In addition to losing animals to predation, ranchers could face higher costs in the form of fencing, guard dogs, and other preventive measures. A similar concern exists for bird predation in fields, for example flocks of blackbirds devouring sunflower crops.
- **The “Invasive Plant Species Proliferation” Hypothesis.** We have heard concerns that ecological conservation and restoration projects in Cache Slough might inadvertently increase presence of invasive plant species on adjacent agricultural lands, leading to higher operating costs and lower crop yields. Traveling by water, aggressive nonnatives such as peppergrass (*Lepidium latifolium*) and many others can infest agricultural fields, reducing crop production and pasture quality. Increased wildlife presence could also facilitate waterborne seed spread, for example when muskrats and beavers dig holes in levees.

The Delta’s many invasive plant species have wreaked havoc across the region and show no sign of abating. The concern here is that unless policy makers put adequate financial resources in place for long-term invasive species monitoring and mitigation on agricultural lands, well-meaning restoration projects will create an expensive problem for local farmers and ranchers.

Conclusion to Part 2

Part 2 has examined the economic role of Cache Slough agricultural lands. Cache Slough crop production created \$42.9 million in total economic output and 171 jobs across Solano County. Of these totals, multiplier effects accounted for \$13.9 million and 98 jobs, respectively. This production contributed an estimated \$52.6 million and 310 jobs across other Solano County economic sectors.

Recreational activities on Cache Slough agricultural lands, especially hunting, contribute an estimated \$261 per acre in direct and multiplier effects. These activities also create connections to other Solano County economic sectors, with an estimated total value of 1.3 million and 13 jobs per 5,000 acres.

Finally, reducing or eliminating Cache Slough agriculture would affect Solano County's economic output, employment, and tax revenues to varying degrees. For example, a 75% reduction in the value of Cache Slough agriculture would generate countywide losses estimated at \$30.9 million in economic output, 121 jobs, and \$2.3 million in tax revenues. Other economic effects are likely but not quantifiable without further research. **Box 2** below contains additional research questions that, if answered, could help improve our understanding of Cache Slough agriculture's economic profile.

Box 2: Priority Cache Slough Research Topics

- **A fuller understanding of agricultural production.** Due to its limited scope, this study has relied on limited, static estimates of crop production. What empirical patterns exist with respect to changing crops and rotating lands in and out of production? What is the maximum potential value of crop production, assuming the greatest possible acreage allocated to the highest value crops?
- **Clarifying the true value of agricultural lands.** This report has emphasized the economic value of crop production. What other economic values do Cache Slough agricultural lands have, for example the value of the land itself, unique water rights, and significant ecosystem services?
- **Additional documentation of recreational activities.** Few data exist on the nature and extent of Cache Slough recreational activities. What types of recreation currently occur, over what area, and with what frequency? What are the economic implications of these activities today and under various future scenarios?
- **Quantifying potential secondary effects.** This report has estimated certain economic effects of reducing Cache Slough agriculture but other effects exist. Future research should examine possible "tipping points" in agricultural production. It should also explore increased expenses due to wildlife predation on livestock, compliance with environmental regulations, invasive species impacts, and other factors.



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #: 16
Type: Ordinance
File #: 17-560
Agenda date: 8/8/2017
Title: Conduct a noticed public hearing to consider adoption of an ordinance revising the Middle Green Valley Specific Plan

Status: Regular Calendar
Department: Resource Management
Contact: Matt Walsh, 784-6765
Final action:

Governing body: Board of Supervisors

District: District 2

Attachments: [A - Ordinance](#)
[B - Exhibit 1](#)
[C - Existing & Proposed Land Use Table](#)
[D - EIR Addendum](#)
[E - Key Elements of Specific Plan](#)
[F - Draft PC Minutes & Resolution](#)
[G - Public Notice](#)

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes X No ____
Public Hearing Required? Yes X No __

DEPARTMENTAL RECOMMENDATION:

The Department of Resource Management recommends that the Board of Supervisors:

1. Waive reading of the ordinance (4/5 vote required),
2. Conduct a public hearing to adopt the ordinance making revisions to the Middle Green Valley Specific Plan.

SUMMARY:

The Middle Green Valley Specific Plan and related approval documents allow for the development of up to 400 residential units and some neighborhood commercial uses in the area north of the Fairfield city limits near Green Valley and Mason Roads. The Plan has been the subject of two rounds of litigation between the County and the Upper Green Valley Homeowners (UGH) over the course of the last seven years. To expedite the end of the litigation process, the parties involved have entered into a Settlement Agreement.

The Green Valley Agricultural Conservancy (GVAC) and the Middle Green Valley Landowners are also parties to the Settlement Agreement. The Agreement was provided to the court at its April 12, 2017 hearing, and the court discharged its Writ of Mandate. While there are certain obligations of all parties involved, the County was required to revise its Mitigation Monitoring, and Reporting Program (MMRP). These revisions were approved by the Board at its July 25, 2017 meeting.

Certain aspects of the MMRP revisions need to be incorporated into the Specific Plan itself, as described below. Additionally, since the Specific Plan is about seven years old since its original drafting, the County is proposing a number of revisions to the text and land use table which provide greater clarity to the document and will assist the visions of the Plan to be realized. These proposed changes are considered non-substantive in nature and an addendum to the previously certified EIR is recommended.

FINANCIAL IMPACT:

The initial costs to prepare the Plan were borne by the General Fund. The executed Master Development Agreement provides that costs related to the preparation and development of the Specific Plan, and its related documents, will be reimbursed to the County with the issuance of building permits as the project builds out.

DISCUSSION:

Background

The Middle Green Valley area is located north of the Fairfield city limits, along Green Valley Road, and is approximately 1,903 acres in size. It is nestled on the edge of the western hills with a mixture of cultivated agricultural land on the valley floor and grazing land in the hills. It lies between 1/3 to 2.5 acre residential development in upper Green Valley (north) and the City of Fairfield (south). The area is valued for its rural character and scenic qualities.

In August 2008, Solano County completed and adopted a comprehensive update to its General Plan, portions of which were approved by voters at the November 4, 2008 election. Through the General Plan update process, various specific project areas were identified for further planning, including the Middle Green Valley area.

The primary goal of the General Plan for this area is to maintain the rural character of Middle Green Valley while allowing opportunities for compatible residential development in accordance with the Plan's goals and policies. The General Plan directs that land use tools, such as clustering and transfers of development rights are to be utilized to limit the effects of residential development on the rural character of the valley, including protection of the existing viewsheds, wildlife habitat, and agricultural activities.

The Plan was originally adopted in July 2010 with the certification of an EIR. Soon after, a neighborhood group, the Upper Green Valley Homeowners (UGH) filed a lawsuit. The court found that the County needed to do additional analysis in its EIR on use of groundwater and to confirm the availability of groundwater to serve the Plan area. The County completed this analysis showing that there was ample groundwater available, and responded accordingly to the court. While the court accepted the additional analysis as adequate, it expressed concern that potential impacts to surface water and related biology resulting from groundwater extraction was not fully evaluated. The County then evaluated potential biological impacts in this context. It determined that there would be no additional significant impacts as a result and re-certified the EIR.

Should the Board wish to review a summary of key aspects of the Specific Plan, a narrative is provided as an Attachment.

Proposed Revisions to the Specific Plan

Certain revisions to the Specific Plan are proposed at this time for the reasons explained below. Staff considers these revisions to be minor in nature. A list of the proposed revisions is identified in the recommended ordinance.

Revisions Related to the updated MMRP: Some of the revisions are intended to address aspects of the MMRP and are well suited to be incorporated into the Plan's text. While this isn't a requirement of the Settlement Agreement, it does provide greater consistency between the Plan and CEQA requirements set

forth in the MMRP that ultimately address the future implementation of the Plan.

Many of the MMRP revisions are for clarification purposes, such as ensuring consistency with State and Federal agency requirements. These kinds of technical revisions don't necessarily need to carry over to the Specific Plan. However, there are three notable revisions that deserve mention.

- Utilization of the Model Lighting Ordinance (MLO). This intends to address environmental concerns related to excessive glare from night lighting in the Plan area. Since build-out of the Specific Plan will need to evaluate lighting from land uses and publicly maintained area, it is important that the requirement to adhere to the MLO is cross referenced in the Specific Plan. It should be noted that the County has previously approved incorporating the MLO requirement into the Plan, but it had not previously approved it as a revision to the MMRP.
- Referencing the Green Valley Creek Restoration Project (GVCRP). While creek restoration has always been a requirement of the Specific Plan, the MMRP revisions direct the establishment of the GVCRP and set forth some more specific requirements. Since this is a key component of the implementation of the Specific Plan, staff believes it should be cross referenced in the Plan.
- A notation that there is a preference for non-deciduous native trees along the north side of the Three Creeks Neighborhood to assist with the prevention of potential glare from neighborhood development.

Other Revisions to the Specific Plan: The Plan has not been proposed for updates since its inception in 2010. In reviewing the Plan now and discussing its vision with landowners, staff believes that minor revisions are appropriate throughout the document for clarification purposes and to make the document more consistent with the current setting and the visions in the Middle Green Valley area. While the complete list of proposed revisions is provided as an Attachment, the following provides some notable examples of these types of revisions.

- Changing references of Secondary Living Units to Accessory Dwelling Units to be consistent with state law.
- Updating property ownership and TDR participation as needed.
- Updating mapping to clarify that the Farmstand site is intended to include the existing barn to the west. These areas will both be utilized in concert to serve as Agricultural Tourism Overlay sites.
- Include the necessity of obtaining a "minor use permit" for certain new land uses. Previously, a land use was either "permitted" or "conditional". This brings the permitting options available in the Middle Green Valley area more into consistency with the balance of the County's zoning ordinance.
- Clarify that community gathering areas, accessory structures, and temporary structures may be considered in certain transect zones and building types.
- Revisions to minimum setbacks for Type A (Agriculture/Community) buildings and Type E (Meadow) buildings to make the setbacks more measurable and definable. Currently the setbacks are based on a percentage of the average lot depth. Since rural parcels are often oddly shaped, it can be difficult to measure average lot depth. The revisions are easier to implement.
- Various additions/deletions/clarification to the land use table (Table 3-4). Providing the revised table in redline/strikeout form is difficult to follow. Rather, staff is providing a copy of the existing table and a copy of the updated table for comparative purposes as an Attachment.
 - o Renaming Daycare Center to community care facility to be consistent with the remainder of the zoning ordinance and state statute.
 - o Including Wireless Communication Facilities to be consistent with the zoning ordinance and with existing land uses in the Plan area.
 - o Separating Agricultural uses from Agritourism uses.
 - o Bringing permitting for wineries and special events more in-line with permitting requirements elsewhere in the zoning ordinance.
 - o Removing cafes and coffee shops from the Neighborhood Commercial uses.
 - o Including Local Products Store in the Neighborhood Commercial uses to promote sale of locally produced products.

Addendum to the Certified EIR

The Specific Plan and Master Development Agreement for Middle Green Valley have been approved and adopted by the Board, along with certification of an EIR. Section 15164(a) of the CEQA Guidelines provides:

The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.

The proposed revisions to the Specific Plan are minor from a CEQA standpoint. An addendum to the certified EIR which considers and discusses the proposed revisions in the context of Section 15162 cited above is provided as an Attachment.

ALTERNATIVES:

The Board could choose not to approve the revisions to the Specific Plan. This is not recommended because the proposed revisions are minor in nature and are needed for clarity and to maintain consistency between the Specific Plan and other zoning requirements.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed this item and concurs with the recommendations.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

ORDINANCE NO. 2017 - _____

**AN ORDINANCE ADOPTING
REVISIONS TO THE MIDDLE GREEN VALLEY SPECIFIC PLAN**

The Board of Supervisors of the County of Solano ordains as follows:

Section 1. Findings and Statement of Purpose:

1.1. On July 27, 2010, the Board of Supervisors certified an Environmental Impact Report and enacted Ordinance No. 2010-1708, adopting the Middle Green Valley Specific Plan.

1.2. Pursuant to a Writ of Mandate issued by the Superior Court in *Upper Green Valley Homeowners v. County of Solano, et al.* (Solano County Superior Court Case No. FCS036446), the Board of Supervisors enacted Ordinance No. 2012-1729 on June 5, 2012, vacating its 2010 adoption of the Middle Green Valley Specific Plan.

1.3. In response to the Superior Court's ruling, the County conducted further environmental review and revised the Environmental Impact Report for the Middle Green Valley Specific Plan Project.

1.4. On October 25, 2016, the Board of Supervisors certified the revised Environmental Impact Report and enacted Ordinance No. 2016-1778, readopting the Middle Green Valley Specific Plan as originally adopted in 2010 together with minor revisions to the Plan considered and approved by the Board in 2014.

1.5. The Upper Green Valley Homeowners and the County subsequently entered into a Settlement Agreement to resolve all remaining issues related to the adequacy of the revised Environmental Impact Report. The Superior Court discharged its Writ of Mandate on April 12, 2017.

1.6. Under the Settlement Agreement, the County agreed to revise the Mitigation Monitoring and Reporting Program, which revisions were approved by the Board on July 25, 2017.

1.7. The Solano County Department of Resource Management has proposed various revisions to the text and land use tables of the Specific Plan, as adopted October 25, 2016. The purpose of these proposed revisions is to incorporate into the Specific Plan certain aspects of the revised Mitigation Monitoring and Reporting Program and to update the Specific Plan, which has not been substantively reviewed and updated since 2010 due to the litigation.

1.8. The Solano County Planning Commission has reviewed the Department's proposed revisions to the Specific Plan, in a noticed public hearing conducted July 6, 2017, and has recommended that the revisions be approved.

1.9. A Notice of Public Hearing was duly posted, mailed, and published for consideration of the revisions to the Specific Plan by the Board on August 8, 2017, and on that date, a public hearing was opened, held, and closed.

1.10. The proposed revisions to the Specific Plan are minor in nature and do not substantially change the adopted Specific Plan. None of the conditions described in Sections 15162 or 15163 of the California CEQA Guidelines, calling for preparation of a subsequent or supplemental EIR, have occurred. The Department of Resource Management has prepared an Addendum to the Environmental Impact Report for the Middle Green Valley Specific Plan project, certified on October 25, 2016, and the Board considered the Addendum with the certified Environmental Impact Report prior to taking action on the revisions.

1.11. The proposed revisions to the Specific Plan are consistent with the goals, policies, implementation programs, and other provisions of the Solano County General Plan.

Section 2. Adoption of Revisions to the Middle Green Valley Specific Plan

2.1. The revisions to the Middle Green Valley Specific Plan, attached to this Ordinance as **Exhibit 1** and incorporated herein by this reference, are adopted.

2.2. The Department of Resource Management is directed to prepare and publish a revised version of the Middle Green Valley Specific Plan that incorporates and fully reflects the actions of the Board of Supervisors in adopting the Specific Plan on October 25, 2016, and in adopting revisions to that plan on August 8, 2017. The Department of Resource Management is directed to make all necessary and appropriate clerical, typographical, and formatting corrections to the adopted Middle Green Valley Specific Plan. Any such corrections shall not alter the substance, effect, or effective date of any action taken by the Board of Supervisors in adopting the Specific Plan. The Department of Resource Management shall provide a report and a copy of the final published Specific Plan to the Board.

Section 3. Fees

3.1. Pursuant to Government Code section 65456, subdivision (a), the Board of Supervisors may impose a fee upon persons seeking governmental approvals which are required to be consistent with an adopted specific plan. The fees shall be established so that, in the aggregate, they defray but as estimated do not exceed, the cost of preparation, adoption, and administration of the specific plan, including costs incurred pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code (the California Environmental Quality Act). As nearly as can be estimated, the fee charged shall be a prorated amount in accordance with the applicant's relative benefit derived from the specific plan. Section 65456 states the intent of the Legislature in providing for such fees to charge persons who benefit from specific plans for the costs of developing those specific plans which result in savings to them by reducing the cost of documenting environmental consequences and advocating changed land uses which may be authorized pursuant to the specific plan.

3.2. After adoption of revisions to the Middle Green Valley Specific Plan by this ordinance, the County shall establish and impose a fee or fees upon persons seeking governmental approvals that are required to be consistent with the Middle Green Valley Specific Plan. The amount of the fee or fees shall defray the costs of preparing, adopting, and administering the specific plan, including costs incurred pursuant to the California Environmental Quality Act.

3.3. The Department of Resource Management shall prepare and submit for action by the Board of Supervisors a proposed fee amount. The fee may be established and the amount of the fee may be adopted by appropriate action of the Board of Supervisors by ordinance or by resolution, or combination thereof, from time to time. The fee or fees shall consist of at least two components, separately stating amounts corresponding to (1) costs of preparation and adoption, and (2) administration. The component relating to costs of preparation and adoption shall not be applied to Developers who execute the Master Development Agreement and who pay the amount established pursuant to Section 3.12 of the Master Development Agreement

Section 4. Severability

If any provision of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, including but not limited to being preempted by state law, that portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion hereof nor other applications of the ordinance which can be given effect without the invalid provision or application.

Section 5. Effective Date

This ordinance shall be effective thirty (30) days after its passage.

Section 6. Publication

A summary of this ordinance shall be published once within fifteen (15) days after its adoption, in the Fairfield Daily Republic, a newspaper of general circulation in the County of Solano.

Passed and adopted by the Solano County Board of Supervisors at its regular meeting on August 8, 2017 by the following vote:

AYES: Supervisors _____

NOES: Supervisors _____

EXCUSED: Supervisors _____

JOHN M. VASQUEZ, Chair
Solano County Board of Supervisors

ATTEST:

BIRGITTA E. CORSELLO, Clerk
Solano County Board of Supervisors

By: _____
Jeanette Neiger, Chief Deputy Clerk

Exhibit 1: Revisions to the Middle Green Valley Specific Plan

Global updates:

Page #	Section #	Description of text, figure or table revision
		Change all references of "Special Study Area" or "SSA" to " <u>Specific Project Area</u> "
		Change all references of "Secondary Dwelling Unit", "Second Unit" to " <u>Accessory Dwelling Unit</u> ".
		Delete all references to "Guest House", and if appropriate, change to " <u>Accessory Structure</u> ".

Section 1 - VISION

Page #	Section #	Description of text, figure or table revision
1-20	1.4	Update Appendix list to include Appendix F – <u>Green Valley Creek Restoration Project</u> (Attachment A of Settlement Agreement)

Section 2 – PLAN PURPOSE, AUTHORITY AND CONTEXT

Page #	Section #	Description of text, figure or table revision
2-11	2.4.4	Update Figure 2-7 to show current ownership, (replace "Siebe" ownership on northern boundary to be " <u>Frei</u> "). Cross-reference this Figure to table 4-1. Update asterisk note regarding approved tentative map as follows " *Property east of Green Valley Road has an approved tentative <u>a recorded final</u> map on file with Solano County for 6 new Lots. The Lots are included in the maximum 400 unit count for this Specific Plan."

Section 3 – THE NEIGHBORHOOD PLAN

Page #	Section #	Description of text, figure or table revision
3-8	3.2.1A	Update Built Fabric paragraph to locate the "Grange Hall " function at the existing Barn to the west, as follows: <i>To reinforce the visibility and viability of agriculture, a small local produce stand – The Green Valley Farm Stand with complimentary uses such as a café or restaurant and a community gathering facility (a grange hall) is <u>are</u> located just north of the new roundabout at Mason and Green Valley Roads. The Green Valley Farm Stand will be one of the first tangible results of the Specific Plan. It will celebrate and further the area's agricultural traditions and help to satisfy burgeoning local and regional demand for fresh local food. <u>In addition, it The grange hall, or community gathering facility, will be located just to the west of the Farm Stand in the existing barn, adjacent to Green Valley Creek to</u></i>

		<i><u>compliment the Farm Stand.</u> The Farm Stand and community gathering facility will provide the opportunity to strengthen the connections to local farmers and regional farmlands. This facility <u>The grange hall/barn</u> is a multi-purpose, flexible building that could be used to accommodate open air community, interpretive or educational events.</i>
3-51	3.5.3	Update Figure 3-44 to relocate the LeMasters RF designation from the current location on the south side of property to existing site location to the north, and add ATO overlay (blue star) to existing Barn location in the MGVC Corridor.
3-53	3.5.4	Insert the following text under Permit Requirements to include a Minor Use Permit process for some land uses: 1. “p” – These uses are permitted subject to compliance with all applicable provisions of this Specific Plan, and design review requirements. <u>2. “m” – These uses are allowed subject to the approval of a minor use permit.</u> 2. 3. “c” – These uses are allowed subject to the approval of a conditional use permit 3. 4. “-” – These uses are not allowed in the applicable area.
3-54 to 3-55	3.5.	Update Allowed Uses, Table 3-4, to accomplish the following main items: <ul style="list-style-type: none"> - clarify agricultural tourism uses and permitting, by aligning more closely to County’s framework and permitting structure. - Align land uses with County’s existing permitting structure and use definitions - Clarify “Special Events” uses - Add “Wireless Communication Facilities” uses -
3-56	3.5.5	Update Figure 3-45 (same updates as Figure 3-44, see above)
3-57	3.5.5	Update language to be consistent with the new location of the “grange” hall facility: <i>A Farm Stand, an agricultural tourism use (ATO) with complimentary uses, and a community gathering facility (CS) such as a grange hall, <u>located in the existing Barn just to the west of the Farm Stand,</u> are located across from the Vintage Lane access drive. These two buildings would be a maximum of 3,000 sf. This farm stand and community assembly area are to support local agricultural viability and provide a gathering place for the community. Refer to Section 4.5 - Development Sequencing for details regarding development timing requirements.</i>
3-66	3.5.6G	Change Building Type descriptor to <u>Accessory Dwelling Unit</u> as follows: G. Secondary unit^{**}<u>Accessory Dwelling Unit</u>Ancillary Accessory structures <i>Forms: The intent of this Building Type is to reinforce the idea of a collection of buildings that grew over time to respond to evolving needs. These Building Types are subordinate to the main structure, while</i>

		<i>utilizing the same, human scale qualities and forms of rural architecture. These buildings are to utilize similar or complementary materials to the main structure but may be more whimsical or playful in style. They may be either connected by architectural projections or freestanding to the main structure. Secondary <u>Accessory Dwelling Units</u> may only occur with specific Building Types, while Ancillary <u>Accessory Structures</u> may occur with all Building Types. <u>Accessory Structures may include the use of Temporary Structures or facilities, such as portable sanitation, and temporary research, food or event facilities/structures.</u> Refer to Section 5.4.1 - Building Types for specific details and Appendix A for specific definitions.</i>
3-66	3.5.6G	Remove outdated definition in green box for “Secondary Unit.”
3-67	3.6	Remove outdated “Housing Element” information in green box.

Section 4 - IMPLEMENTATION

Page #	Section #	Description of text, figure or table revision
4-12	2.4.4	Update text in second paragraph to be consistent with settlement agreement to read: <i>Resource Management Plan (RMP) An RMP will be developed for the Plan Area by the Conservancy in cooperation with the landowners based on the General Plan, the Specific Plan Goals and Policies, the Final EIR (FEIR) and applicable federal or state permits related to natural resources. <u>The RMP will also include the Green Valley Creek Restoration Project “GVCRP” in accordance with Appendix F, which sets out specific budgets, team members, activities and monitoring and reporting programs.</u></i>
4-18	4.2.3	Update Table 4-1 for updated land ownership and unit distribution information, cross reference to Figure 2-7 (see attached).
4-20	4.3.1	Update second paragraph under Wastewater Treatment System to read, “Water and wastewater treatment Option A would require City of Fairfield, <u>FSSD</u> , Solano County, and Solano County Local Agency Formation Commission (LAFCO) approvals.”

Section 5 – THE NEIGHBORHOOD DESIGN CODE

Page #	Section #	Description of text, figure or table revision
5-6 to 5-7	5.3	Update Table 5-1 to add the following: <u>Open Lands/Active uses add:</u> -“ <u>Special Events/Community Gathering</u> ” to all zones except T1. <u>Building Types add:</u> - <u>Accessory Dwelling Units</u> to all Zones with the exception of T1 and T2. - <u>Accessory Structures</u> to all Zones with the exception of T1 - <u>Temporary Structures</u> to all Zones

5-8	5.3.2	Update Figure 5-1 – <i>Regulating Plan</i> to be consistent with relocated LeMasters residence on southern area in the Green Valley Road corridor.
5-12	5.4.1 TYPE A	<p>Clarify that the Agricultural/Community Building Type includes Accessory Structures and Temporary agricultural structures as follows:</p> <p><i>Definition: These are the dominant, expressive, agricultural building forms that remind us of where we are in the world and the rich legacy we are living in. They draw from the simple, bulky, honest forms of barns, water towers, and agricultural service and utility buildings that dot the farming landscape. <u>This includes both the primary agricultural building forms as well as the agricultural accessory and Temporary Structures that are important to agricultural operations, servicing and agricultural tourism (see also Building Type G – Accessory Dwelling Unit and Accessory Structures).</u></i></p>
5-13	5.4.1 TYPE A	<p>Update Building Placement for the Agriculture/Community buildings to the following setbacks:</p> <p><i>Setbacks:</i> >>Front Yard Setback Zone <u>30 feet</u> >>Rear Yard Setback <u>20 feet</u> >>Side Street Setback Zone (corner) <u>15 feet</u></p> <p><i>Encroachment Zone:</i> >>Front <u>15 feet</u> >>Side Street (corner or open lands) <u>7 feet</u> >>Rear <u>10 feet</u></p> <p><i>Miscellaneous:</i> >> Street façade elevation must utilize a minimum of a 5' offset (building projection or jog) for every 60 feet of horizontal plane. >>Building placement Guidelines for the Agricultural/Community Building are <u>is</u> general in nature. Building locations are to respond to the specific setting, use and dimensions of the particular Lot size.</p>
5-29	5.4.1 TYPE E - Meadow	<p>Update Building Placement for the Meadow buildings to the following setbacks:</p> <p><i>Setbacks:</i> >>Front Yard Setback Zone <u>20 feet</u> >>Rear Yard Setback <u>25 feet</u> >>Combined Side Setback <u>15 feet</u></p>
5-36	5.4.1 TYPE G	<p>Update language for as follows for this Building Type:</p> <p>Type G – Secondary <u>Accessory Dwelling</u> unit or Ancillary <u>Accessory Structures</u></p> <p><i>Definition: This Building Type is a small detached single story structure</i></p>

		<p>or a living space located above or next to a garage on the same Lot or premises as the main living structure. Ancillary <u>Accessory Structures</u> are allowed with each Building Type, while the <u>Secondary Accessory Dwelling Unit</u> is only permitted with the Compound, Meadow and Farmstead Building Types. <u>This also includes temporary structures that are needed for agricultural, construction, research, servicing and agricultural tourism (such as temporary event tents).</u> See also <u>Type A, Agricultural/Community Buildings.</u></p> <p>Concept: <u>These structures and</u> living spaces are typically located towards the rear of the Lot, and offer opportunities to provide multi-generational, workforce and/or office and <u>servicing</u> space.</p> <p>Allowed Transect Zones <u>for Accessory Dwelling Units:</u> T3, T4, T5, T6</p> <p><u>Allowed Transect Zones for Accessory and Temporary Structures: All Zones</u></p> <p>Refer to Section 5.4.3 for additional architectural massing and character Guidelines.</p>
5-106	5.7.5	<p>Language shall be added to the second paragraph consistent with Settlement Agreement and MMRP:</p> <p><i>There are several street tree alternatives that have been designated for each street type. In this way, other tree species may be substituted as long as the form, habit and cultural characteristics are clearly similar to the tree alternatives included in this Specific Plan. In addition, a plant list of compatible ground covers, shrubs and accent trees are provided to complete the understory and ground plane treatments of the streetscape environment.</i></p> <p><u>In the Three Creeks neighborhood, a preference for non-deciduous native trees along the north side of the Three Creeks Neighborhood shall be utilized in order to reduce glare from buildings within the Three Creeks Neighborhood.</u></p>
5-117	5.8.2	<p>The Board previously approved additional wording that references consistency with the Model Lighting Ordinance (MLO) within “Attachment G” of the Specific Plan’s original approval in July 2010. This wording shall be updated to specify the June 15, 2011 version of the Joint IDA – IES Model Lighting Ordinance (MLO).</p>

Appendix

Page #	Section #	Description of text, figure or table revision
	Appendix A	<p>Add definition for Temporary Structure as follows:</p> <p><u>Temporary Structure – A structure not permanently affixed to the ground and is readily removable in its entirety, which is used solely for a temporary use.</u></p>
	Appendix	<p>Add Appendix F – <u>Green Valley Creek Restoration Project (Settlement Agreement, Attachment A).</u></p>

Table 3-4: Allowed Uses

A land use that is not listed in Table 3-4 is not allowed within the Specific Plan area. A land use that is listed in the Table, but not within a particular zone, is not allowed within that zone. Similar or compatible uses may be allowed subject to review and approval of applicable CRC and County review processes. Refer to Chapter 4.0 for information regarding administrative modifications and procedures as applicable. Refer to Appendix A and/or the County Zoning Ordinance for definitions of land uses.

a. Residential

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Single Family Dwelling	-	-	-	-	p	p	p	p	p	-	-	-	-
Accessory Dwelling (1)	-	-	-	-	p	p	p	(1)	(1)	-	-	-	-
Accessory Structure	-	-	-	p	p	p	p	p	p	p	p	-	-
Farmworker Housing	-	-	-	-	p	-	-	-	-	-	-	-	-
Home Occupation	-	-	-	-	p	p	p	p	p	-	-	-	-
Live-Work Unit	-	-	-	-	p	p	p	p	p	-	-	-	-
Community Care Facility	-	-	-	-	-	c	c				-	-	-

b. Recreation, Education and Public Assembly

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Health/Fitness facility	-	-	-	-	-	-	-	c	-	p	-	-	-
Community Trails (2)	-	p	p	p	-	-	-	-	-	-	-	-	-
Trailhead/Comfort Stations	-	p	-	-	-	-	-	-	-	p	m	-	-
Interpretive facility (1000 sf max.)	-	p	-	-	-	-	-	-	c	p	m	-	-
Library	-	-	-	-	-	-	-	-	c	p	c	-	c
Community Assembly	-	-	-	-	-	-	-	c	c	p	m	p	c
Nursery School (up to 12 children)	-	-	-	-	-	-	-	m	-	p	-	-	-
School (Private, Max 100 Students)	-	-	-	-	-	-	-	c	-	p	-	-	-
Sports Fields	-	p	-	-	-	-	-	-	-	-	-	-	-
Passive Recreation (3)	-	p	c	-	-	-	-	-	-	p	-	p	-
Teaching Studio - art, dance, fitness, music (1500 sf max.)	-	-	-	-	-	-	-	c	p	p	-	-	p

c. Public Serving

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Fire Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Police Station	-	-	-	-	-	-	-	-	-	c	p	-	-

Public Utility	-	-	-	-	-	-	-	-	-	-	p	-	-
Post Office	-	-	-	-	-	-	-	-	p	p	p	-	p
Wireless Communication Facilities													
Co-locations	-	-	-	m	m	m	m	m	m	m	p	-	-
New towers	-	-	-	c	c	c	c	c	c	c	m	-	-

d. Agriculture

d(1) Agricultural Production, Processing and Accessory Uses

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Agricultural Accessory Structure (barns, farm offices, greenhouses, coolers, storage houses, hullers, silos)	-	p	p	p	p	p	-	-	-	-	-	p	-
Animal Keeping/Grazing	-	-	p	p	p	p	-	-	-	-	-	p	-
Stable, private	-	-	-	p	p	p	-	-	-	-	-	-	-
Crop production, horticulture, orchard, vineyard	-	p	-	p	p	p	-	-	-	-	-	p	-
Community Garden	-	p	-	p	-	-	-	-	-	p	p	p	-
Agricultural Processing Facility	-	-	-	m	m	-	-	-	-	p	-	p	-
Agricultural Processing with complimentary agricultural tourist support facilities (4)	-	-	-	-	-	-	-	-	-	p	-	p	-
Agricultural Processing Facility with special events (6)													
6 per year max, and 150 persons or less	-	-	-	p	p	-	-	-	-	p	-	p	-
12 per year max, and 150 persons or less	-	-	-	m	m	-	-	-	-	m	-	m	-
More than 12 per year, or more than 150 persons	-	-	-	c	c	-	-	-	-	c	-	c	-
Winery, small	-	-	-	c	p	-	-	-	-	p	-	p	-
Winery, large	-	-	-	c	c	-	-	-	-	p	-	p	-
Winery with Special Events (6)													
6 per year max, and 150 persons or less	-	-	-	p	p	-	-	-	-	p	-	p	-
12 per year max, and 150 persons or less	-	-	-	m	m	-	-	-	-	m	-	m	-
More than 12 per year, or more than 150 persons	-	-	-	c	c	-	-	-	-	c	-	c	-

d(2) Agritourism - Agriculture Tourist Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Seasonal Sales Lot (temporary agritourism)	-	p	-	p	m	m	-	-	m	p	p	p	-
Roadside Stand (max 2,500 sf)	-	p	-	-	m	m	-	-	p	p	p	p	p
Farmers Market/Certified Farmers Market	-	p	-	-	-	-	-	-	p	p	-	p	p

Commercial kitchens, catering facilities and culinary classes	-	-	-	-	m	m	-	-	p	p	-	m(s)	m
Community Garden	-	p	-	p	-	-	-	-	-	p	p	-	-
Lodging - Small Inn (25 room max)	-	-	-	-	-	-	-	-	-	p	-	p	-
Lodging - Bed and Breakfast (up to 6 guest rooms)	-	-	-	-	-	c	-	c	p	p	-	p	p
Commercial Nursery	-	-	-	p	-	-	-	-	-	p	-	p	-
Special Events or Special Event Facilities (6)													
6 per year max, and 150 persons or less	-	p	-	-	p	-	-	-	-	p	p	p	-
12 per year max, and 150 persons or less	-	m	-	-	m	-	-	-	-	m	m	m	-
More than 12 per year, or more than 150 persons	-	c	-	-	c	-	-	-	-	c	c	c	-
Local Products Store	-	-	-	-	-	-	-	m	p	p	-	p (s)	p
Restaurants and bakeries	-	-	-	-	-	-	-	-	p	p	-	m(s)	m

e. Neighborhood Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Local serving/convenience (1500 sf max)	-	-	-	-	-	-	-	-	p	p	-	-	p
Restaurant (1500 sf max)	-	-	-	-	-	-	-	-	p	p	-	m(s)	p
General Store (2000 sf max)	-	-	-	-	-	-	-	-	p	p	-	-	p
Gallery	-	-	-	-	-	-	-	m	p	-	-	-	p
Bank	-	-	-	-	-	-	-	-	p	-	-	-	p
Tasting Room	-	-	-	-	-	-	-	c	p	p	-	p (s)	p
Local Products Store	-	-	-	-	-	-	-	m	p	p	-	p (s)	p

f. Office/Business Services

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Office: Business, service (1500 sf max)	-	-	-	-	-	-	-	m	p	-	-	-	p
Office: Professional, administrative (1500 sf max)	-	-	-	-	-	-	-	m	p	-	-	-	p
Office: Real Estate (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p

(1) Refer to specific Building Type requirements for permitted Secondary Units, Section 5.4.1

(2) Trail improvements are to comply with all applicable state and federal permits.

(3) Passive Recreation uses include walking, sitting, picnicking, organized games or events.

(4) Complimentary tourist facilities include tasting rooms, gift shops, galleries, restaurants, cafes, facilities for the sale of local produce, and ancillary offices for the support of agricultural tourism.

p - Allowed by Right

m - Minor Use Permit Required

c - Use Permit Required

- - Use not allowed

(5) Use must be ancillary to the primary agricultural use

(6) Parking for special events, weddings, marketing promotional events, and similar functions may utilize temporary, overflow parking areas. Limitations on the number of guests may be based on availability of off-street parking. Overflow parking areas may be of dirt, decomposed granite, gravel or other permeable surface, provided that the parking area is

Participating Landowners	Acreage	% of Participating Area	Allowed New Unit Count (TDR Program)	Allowed New Unit Count (No TDR Program)
B+L Properties	253.0	16.5%	64	9
Engel	52.3	3.4%	13	9
Hager	40.2	2.6%	10	2
Mason/Lindemann	296.0	19.3%	75	14
Mason/Lawton Trust	476.1	31.1%	121	21
Maher	146.8	9.6%	37	7
Ragsdale	168.6	11.0%	43	7
Frei	18.2	1.2%	5	0
Siebo (Juan)	23.7	1.5%	6	0
Volkhardt	40.0	2.6%	10	1
Wiley	15.6	1.0%	4	0
SUBTOTAL	1,530	100.0%	388	70

Non-Participating Landowners	Acreage	New Unit Count	New Unit Count (No TDR Program)
Biggs	61.6	6	6
DeDomenico	40.6	1	1
Del Castillo	82.4	3	3
Parenti	12.9	0	0
Wirth	40.7	1	1
Vintage Lane	42.1	0	0
De Lou Drive/GVR	23.5	0	0
Juni Lane	20.8	0	0
Terminal Reservoir Lo	30.2	0	0
Terminal Reservoir	8.7	0	0
SUBTOTAL	363	11	11

Existing Infrastructure	11		
TOTAL STUDY AREA	1,905	399	81

Table 4-1 - Unit Allocation

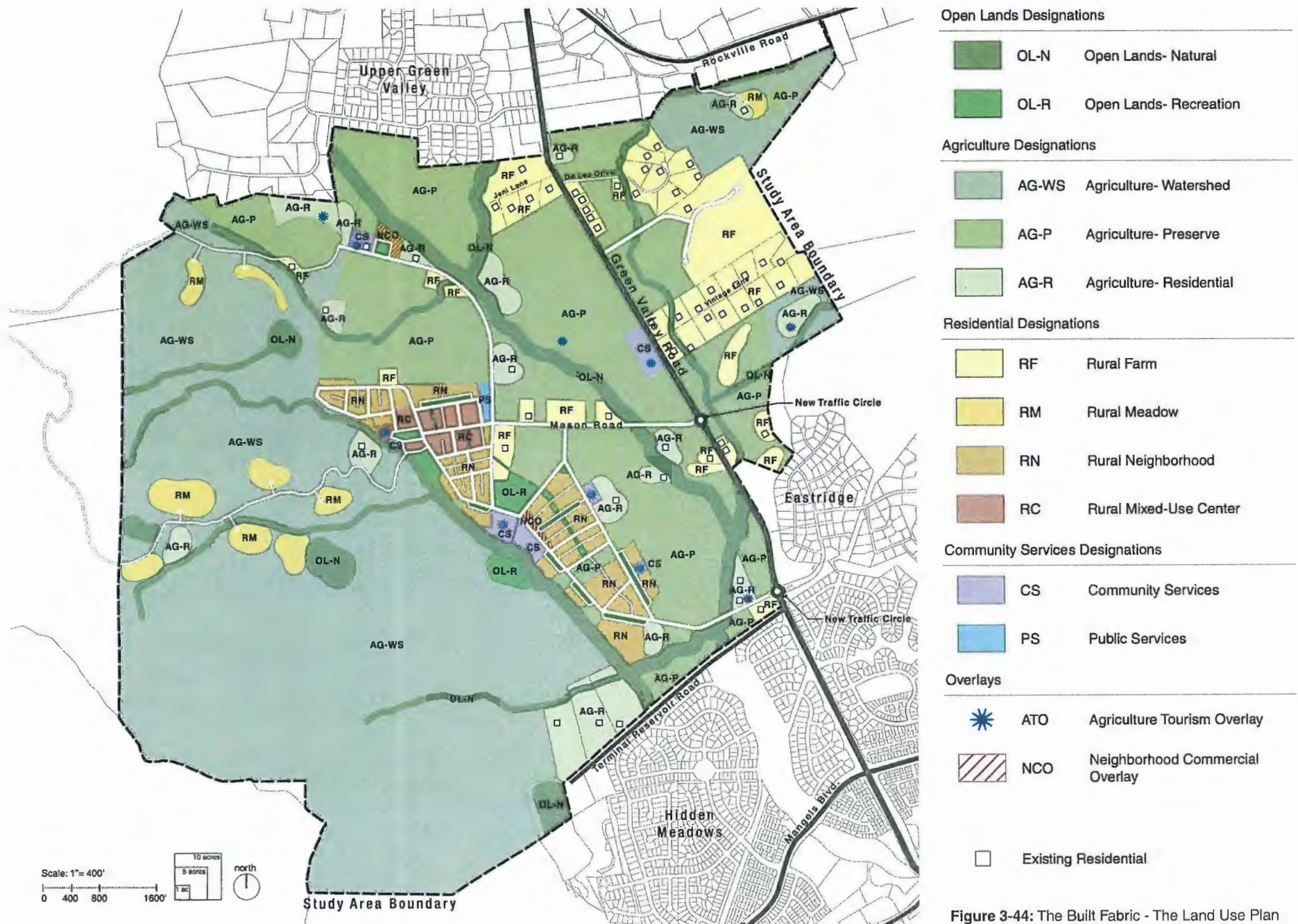


Figure 3-44: The Built Fabric - The Land Use Plan

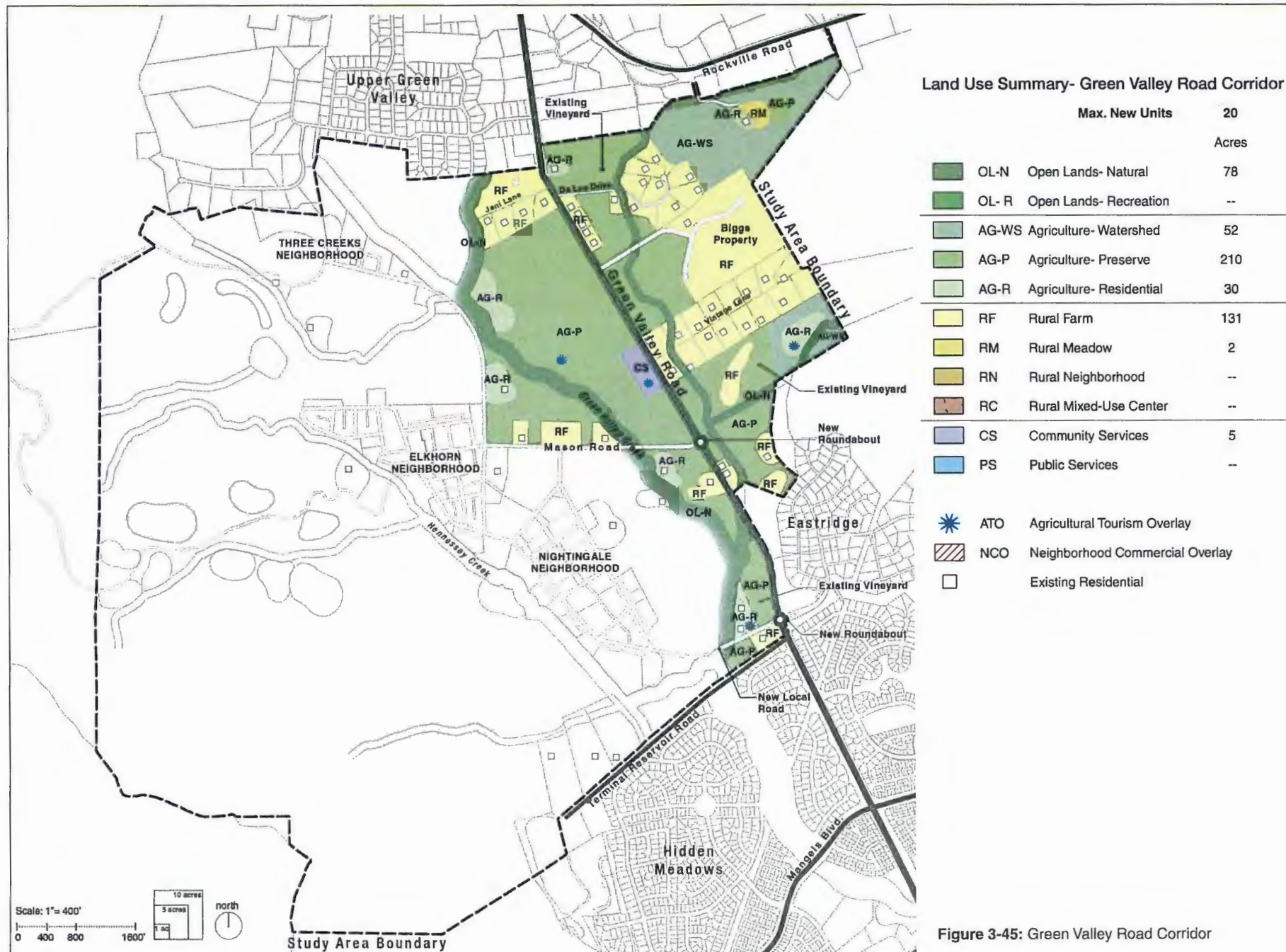
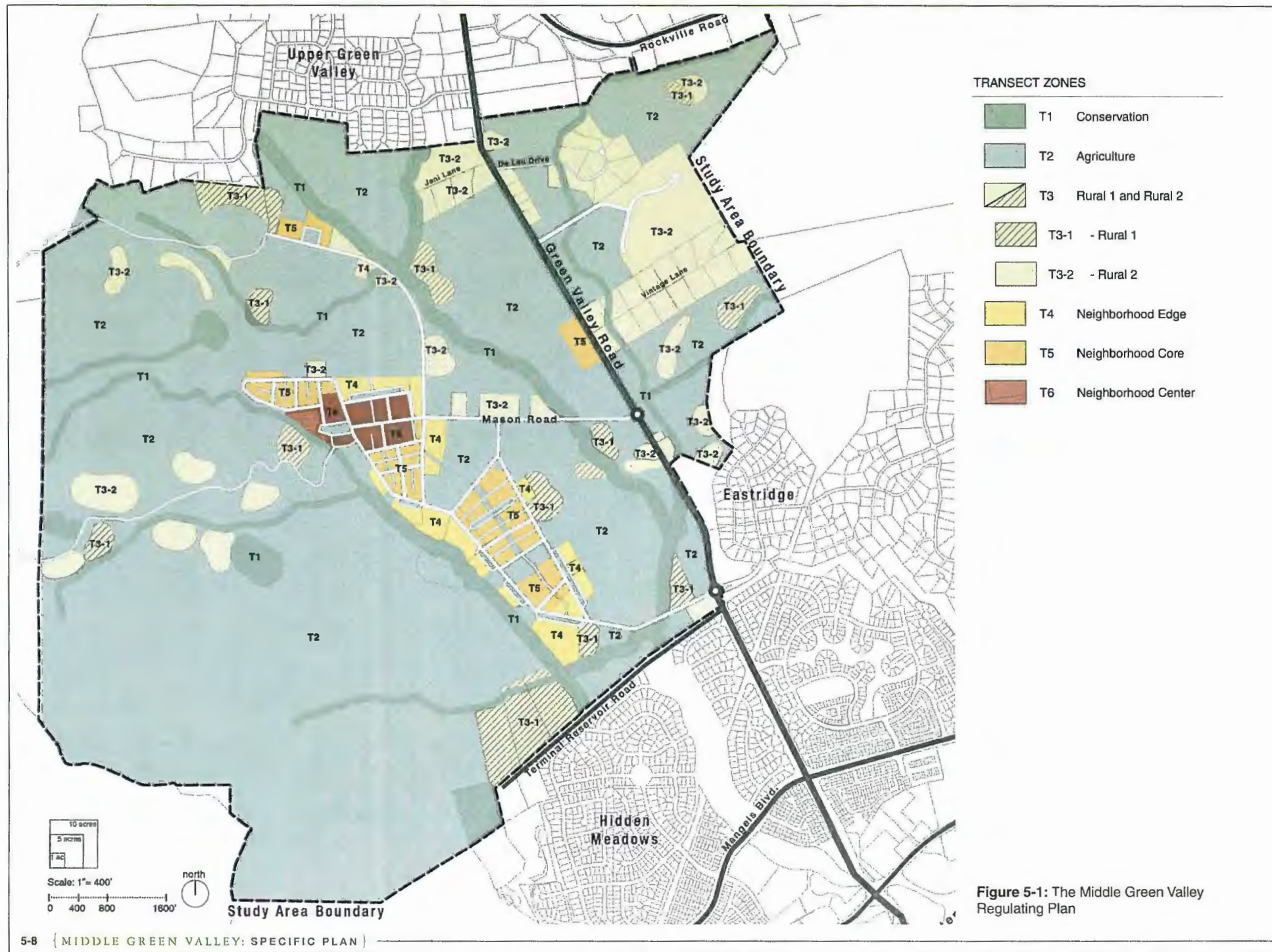


Figure 3-45: Green Valley Road Corridor



Additional Updates to Middle Green Valley Specific Plan (July 6, 2017)

Staff recommends the following revisions:

1. Land Use Table (Table 3-4): Section d(2) Agritourism
 - a. "Restaurants and bakeries" should be replaced with "Restaurants and bakeries (greater than 1500sf)" and should only be allowed with a minor use permit (m) in the ATO overlay. It shall be prohibited in all other districts.
2. Footnote #6, following Table 3-4, was cut off during printing. The final words should read, ".....provided that the parking area is onsite."

Note: Three maps, Fig. 3-44, Fig. 3-45, and Fig. 5-1, are attached and include one minor difference to the maps previously provided to the Commission. The Nancy Sweeney property, located on the west side of Green Valley Road at the northern boundary of the Plan area, now shows as Rural Farm (RF) with a transect of T3-2. This re-designation was previously approved by the Board of Supervisors in 2010 and is provided to the Commission now for accuracy purposes only. The Commission is not asked to approve this change.

EXISTING

Table 3-4: Allowed Uses

A land use that is not listed in Table 3-4 is not allowed within the Specific Plan area. A land use that is listed in the Table, but not within a particular zone, is not allowed within that zone. Similar or compatible uses may be allowed subject to review and approval of applicable CRC and County review processes. Refer to Chapter 4.0 for information regarding administrative modifications and procedures as applicable. Refer to Appendix A and/or the County Zoning Ordinance for definitions of land uses.

a. Residential

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Single Family Dwelling	-	-	-	-	p	p	p	p	p	-	-	-	-
Secondary Dwelling ⁽¹⁾	-	-	-	-	p	p	p	(1)	(1)	-	-	-	-
Accessory Buildings	-	-	-	p	p	p	p	p	p	p	p	-	-
Guest House	-	-	-	-	p	p	p	p	p	c	-	-	-
Farmworker Housing	-	-	-	-	p	-	-	-	-	-	-	-	-
Home Occupation	-	-	-	-	p	p	p	p	p	-	-	-	-
Live-Work	-	-	-	-	p	p	p	p	p	-	-	-	-
Day Care Center: Child, Adult (up to 8 persons)	-	-	-	-	-	c	-	p	p	c	-	-	-

b. Recreation, Education and Public Assembly

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Health/Fitness facility	-	-	-	-	-	-	-	c	-	p	-	-	-
Community Trails ⁽²⁾	-	p	p	p	-	-	-	-	-	-	-	-	-
Trailhead/Comfort Stations	-	p	-	-	-	-	-	-	-	p	c	-	-
Interpretive facility (1000 sf max.)	-	p	-	-	-	-	-	-	c	p	c	-	-
Library	-	-	-	-	-	-	-	-	c	p	c	-	c
Community Assembly	-	-	-	-	-	-	-	c	c	p	c	p	c
Nursery School (up to 12 children)	-	-	-	-	-	-	-	c	-	p	-	-	-
School (Private, Max 100 Students)	-	-	-	-	-	-	-	c	-	p	-	-	-
Sports Fields	-	p	-	-	-	-	-	-	-	-	-	-	-
Passive Recreation ⁽³⁾	-	p	c	-	-	-	-	-	-	p	-	-	-
Teaching Studio – art, dance, fitness, music (1500 sf max.)	-	-	-	-	-	-	-	c	p	p	-	-	p

c. Public Serving

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Fire Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Police Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Public Utility	-	-	-	-	-	-	-	-	-	-	p	-	-
Post Office	-	-	-	-	-	-	-	-	p	p	p	-	p

d. Agricultural/Tourist Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Agricultural Accessory Structure	-	p	p	p	p	p	-	-	-	-	-	p	-
Animal Keeping/Grazing	-	-	p	p	p	p	-	-	-	-	-	p	-
Crop production, horticulture, orchard, vineyard	-	p	-	p	p	p	-	-	-	-	-	p	-
Farmers Market	-	p	-	-	-	-	-	-	p	p	-	p	p
Community Garden	-	p	-	p	-	-	-	-	-	p	p	-	-
Agricultural Processing Facility	-	-	-	-	-	-	-	-	-	-	-	p	-
Agricultural Processing with complimentary agricultural tourist support facilities ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	p	-
Winery, small	-	-	-	-	p	-	-	-	-	-	-	p	-
Winery, large	-	-	-	-	-	-	-	-	-	-	-	p	-
Agriculture tourist commercial (co-op tasting rooms, farm stand, local crafts and related office support)	-	-	-	-	-	-	-	c	p	-	-	p	-
Lodging- Small Inn (25 room max)	-	-	-	-	-	-	-	-	-	-	-	p	-
Lodging- Bed and Breakfast (up to 6 guest rooms)	-	-	-	-	-	c	-	c	p	p	-	p	p
Commercial Nursery	-	-	-	p	-	-	-	-	-	p	-	p	-

e. Neighborhood Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Local serving/ convenience (1500 sf max)	-	-	-	-	-	-	-	-	p	-	-	-	p
Café, Restaurant, Coffee Shop (1500 sf max)	-	-	-	-	-	-	-	-	p	-	-	-	p
General Store (2000 sf max)	-	-	-	-	-	-	-	-	p	-	-	-	p
Gallery	-	-	-	-	-	-	-	c	p	-	-	-	p
Bank	-	-	-	-	-	-	-	-	p	-	-	-	p
Tasting Room	-	-	-	-	-	-	-	c	p	-	-	-	p
Local retail/craft (creation and sale)	-	-	-	-	-	-	-	c	p	-	-	-	p

f. Office/Business Services

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Office: Business, services (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p
Office: Professional, administrative (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p
Office: Real Estate (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p

(1) Refer to specific Building Type requirements for permitted Secondary Units, Section 5.4.1.

(2) Trail improvements are to comply with all applicable state and federal permits.

(3) Passive Recreation uses include walking, sitting, picnicking, organized games or events.

(4) Complimentary tourist facilities include tasting rooms, gift shops, galleries, restaurants, cafes, facilities for the sale of local produce, and ancillary offices for the support of agricultural tourism.

p – Permitted Uses

c – Conditional Use Permit Required

-- Uses not allowed

Proposed

Table 3-4: Allowed Uses

A land use that is not listed in Table 3-4 is not allowed within the Specific Plan area. A land use that is listed in the Table, but not within a particular zone, is not allowed within that zone. Similar or compatible uses may be allowed subject to review and approval of applicable CRC and County review processes. Refer to Chapter 4.0 for information regarding administrative modifications and procedures as applicable. Refer to Appendix A and/or the County Zoning Ordinance for definitions of land uses.

a. Residential

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Single Family Dwelling	-	-	-	-	p	p	p	p	p	-	-	-	-
Accessory Dwelling (1)	-	-	-	-	p	p	p	(1)	(1)	-	-	-	-
Accessory Structure	-	-	-	p	p	p	p	p	p	p	p	-	-
Farmworker Housing	-	-	-	-	p	-	-	-	-	-	-	-	-
Home Occupation	-	-	-	-	p	p	p	p	p	-	-	-	-
Live-Work Unit	-	-	-	-	p	p	p	p	p	-	-	-	-
Community Care Facility	-	-	-	-	-	c	c				-	-	-

b. Recreation, Education and Public Assembly

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Health/Fitness facility	-	-	-	-	-	-	-	c	-	p	-	-	-
Community Trails (2)	-	p	p	p	-	-	-	-	-	-	-	-	-
Trailhead/Comfort Stations	-	p	-	-	-	-	-	-	-	p	m	-	-
Interpretive facility (1000 sf max.)	-	p	-	-	-	-	-	-	c	p	m	-	-
Library	-	-	-	-	-	-	-	-	c	p	c	-	c
Community Assembly	-	-	-	-	-	-	-	c	c	p	m	p	c
Nursery School (up to 12 children)	-	-	-	-	-	-	-	m	-	p	-	-	-
School (Private, Max 100 Students)	-	-	-	-	-	-	-	c	-	p	-	-	-
Sports Fields	-	p	-	-	-	-	-	-	-	-	-	-	-
Passive Recreation (3)	-	p	c	-	-	-	-	-	-	p	-	p	-
Teaching Studio - art, dance, fitness, music (1500 sf max.)	-	-	-	-	-	-	-	c	p	p	-	-	p

c. Public Serving

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Fire Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Police Station	-	-	-	-	-	-	-	-	-	c	p	-	-

Public Utility	-	-	-	-	-	-	-	-	-	-	p	-	-
Post Office	-	-	-	-	-	-	-	-	p	p	p	-	p
Wireless Communication Facilities													
Co-locations	-	-	-	m	m	m	m	m	m	m	p	-	-
New towers	-	-	-	c	c	c	c	c	c	c	m	-	-

d. Agriculture

d(1) Agricultural Production, Processing and Accessory Uses

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Agricultural Accessory Structure (barns, farm offices, greenhouses, coolers, storage houses, hullers, silos)	-	p	p	p	p	p	-	-	-	-	-	p	-
Animal Keeping/Grazing	-	-	p	p	p	p	-	-	-	-	-	p	-
Stable, private	-	-	-	p	p	p	-	-	-	-	-	-	-
Crop production, horticulture, orchard, vineyard	-	p	-	p	p	p	-	-	-	-	-	p	-
Community Garden	-	p	-	p	-	-	-	-	-	p	p	p	-
Agricultural Processing Facility	-	-	-	m	m	-	-	-	-	p	-	p	-
Agricultural Processing with complimentary agricultural tourist support facilities (4)	-	-	-	-	-	-	-	-	-	p	-	p	-
Agricultural Processing Facility with special events (6)													
6 per year max, and 150 persons or less	-	-	-	p	p	-	-	-	-	p	-	p	-
12 per year max, and 150 persons or less	-	-	-	m	m	-	-	-	-	m	-	m	-
More than 12 per year, or more than 150 persons	-	-	-	c	c	-	-	-	-	c	-	c	-
Winery, small	-	-	-	c	p	-	-	-	-	p	-	p	-
Winery, large	-	-	-	c	c	-	-	-	-	p	-	p	-
Winery with Special Events (6)													
6 per year max, and 150 persons or less	-	-	-	p	p	-	-	-	-	p	-	p	-
12 per year max, and 150 persons or less	-	-	-	m	m	-	-	-	-	m	-	m	-
More than 12 per year, or more than 150 persons	-	-	-	c	c	-	-	-	-	c	-	c	-

d(2) Agritourism - Agriculture Tourist Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Seasonal Sales Lot (temporary agritourism)	-	p	-	p	m	m	-	-	m	p	p	p	-
Roadside Stand (max 2,500 sf)	-	p	-	-	m	m	-	-	p	p	p	p	p
Farmers Market/Certified Farmers Market	-	p	-	-	-	-	-	-	p	p	-	p	p

Commercial kitchens, catering facilities and culinary classes	-	-	-	-	m	m	-	-	p	p	-	m(5)	m
Community Garden	-	p	-	p	-	-	-	-	-	p	p	-	-
Lodging - Small Inn (25 room max)	-	-	-	-	-	-	-	-	-	p	-	p	-
Lodging - Bed and Breakfast (up to 6 guest rooms)	-	-	-	-	-	c	-	c	p	p	-	p	p
Commercial Nursery	-	-	-	p	-	-	-	-	-	p	-	p	-
Special Events or Special Event Facilities (6)													
6 per year max, and 150 persons or less	-	p	-	-	p	-	-	-	-	p	p	p	-
12 per year max, and 150 persons or less	-	m	-	-	m	-	-	-	-	m	m	m	-
More than 12 per year, or more than 150 persons	-	c	-	-	c	-	-	-	-	c	c	c	-
Local Products Store	-	-	-	-	-	-	-	m	p	p	-	p (5)	p
Restaurants and bakeries	-	-	-	-	-	-	-	-	p	p	-	m(5)	m

e. Neighborhood Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Local serving/convenience (1500 sf max)	-	-	-	-	-	-	-	-	p	p	-	-	p
Restaurant (1500 sf max)	-	-	-	-	-	-	-	-	p	p	-	m(5)	p
General Store (2000 sf max)	-	-	-	-	-	-	-	-	p	p	-	-	p
Gallery	-	-	-	-	-	-	-	m	p	-	-	-	p
Bank	-	-	-	-	-	-	-	-	p	-	-	-	p
Tasting Room	-	-	-	-	-	-	-	c	p	p	-	p (5)	p
Local Products Store	-	-	-	-	-	-	-	m	p	p	-	p (5)	p

f. Office/Business Services

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Office: Business, service (1500 sf max)	-	-	-	-	-	-	-	m	p	-	-	-	p
Office: Professional, administrative (1500 sf max)	-	-	-	-	-	-	-	m	p	-	-	-	p
Office: Real Estate (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p

(1) Refer to specific Building Type requirements for permitted Secondary Units, Section 5.4.1

(2) Trail improvements are to comply with all applicable state and federal permits.

(3) Passive Recreation uses include walking, sitting, picnicking, organized games or events.

(4) Complimentary tourist facilities include tasting rooms, gift shops, galleries, restaurants, cafes, facilities for the sale of local produce, and ancillary offices for the support of agricultural tourism.

p - Allowed by Right

m - Minor Use Permit Required

c - Use Permit Required

- - Use not allowed

(5) Use must be ancillary to the primary agricultural use

(6) Parking for special events, weddings, marketing promotional events, and similar functions may utilize temporary, overflow parking areas. Limitations on the number of guests may be based on availability of off-street parking. Overflow parking areas may be of dirt, decomposed granite, gravel or other permeable surface, provided that the parking area is

Addendum to the Certified EIR for the Middle Green Valley Specific Plan

Section 15164 of the CEQA Guidelines states that an Addendum to a previously certified EIR shall be prepared if there are project changes that do not require the preparation of a subsequent EIR pursuant to Section 15162.

The Plan has not been proposed for updates since its inception in 2010. In reviewing the Plan now and discussing its vision with landowners, staff believes that minor revisions are appropriate throughout the document for purposes of: clarifying intent of various land uses and locations, updating parcel ownership and TDR information, and to provide greater consistency with the balance of the County's Zoning Ordinance.

More detailed revisions to the Specific Plan are attached to this Addendum as Exhibit A.

The proposed revisions present no substantial changes in the project. The proposed revisions include: clarification and additions to definitions to eliminate ambiguity and to impart consistency with the existing County Zoning Ordinance (Chapter 28 of County Code); bringing text and language up-to-date as the original text was approved in 2010 and in some instances is no longer accurate; additional wording to the text to be consistent with the revisions in the MMRP that are required as a result of the Settlement Agreement. No changes to intensity or density of development are proposed.

The revisions are minor in nature and do not change any of the conclusions resulting from the EIR. No new significant environmental impacts are created and no previously identified impacts are made greater as a result of the proposed revisions.

There are no changes to the circumstances under which the project is undertaken. The essence of the Middle Green Valley environment remains as it was in 2010. No new significant environmental effects will result from the proposed revisions, as intensity and density of future development remains unchanged. The revisions are primarily proposed for clarification and consistency purposes.

Middle Green Valley Specific Plan-
Errata #2
June 2017

Global updates:

Page #	Section #	Description of text, figure or table revision
		Change all references of "Special Study Area" or "SSA" to " <u>Specific Project Area</u> ".
		Change all references of "Secondary Dwelling Unit", "Second Unit" to " <u>Accessory Dwelling Unit</u> ".
		Delete all references to "Guest House", and if appropriate, change to " <u>Accessory Structure</u> ".

Section 1 - VISION

Page #	Section #	Description of text, figure or table revision
1-20	1.4	Update Appendix list to include Appendix F – <u>Green Valley Creek Restoration Project</u> (Attachment A of Settlement Agreement)

Section 2 – PLAN PURPOSE, AUTHORITY AND CONTEXT

Page #	Section #	Description of text, figure or table revision
2-11	2.4.4	Update Figure 2-7 to show current ownership, (replace "Siebe" ownership on northern boundary to be " <u>Frei</u> "). Cross-reference this Figure to table 4-1. Update asterisk note regarding approved tentative map as follows " <i>*Property east of Green Valley Road has an approved tentative a recorded final map on file with Solano County for 6 new Lots. The Lots are included in the maximum 400 unit count for this Specific Plan.</i> "

Section 3 – THE NEIGHBORHOOD PLAN

Page #	Section #	Description of text, figure or table revision
3-8	3.2.1A	Update Built Fabric paragraph to locate the "Grange Hall " function at the existing Barn to the west, as follows: <i>To reinforce the visibility and viability of agriculture, a small local produce stand – The Green Valley Farm Stand with complimentary uses such as a café or restaurant and a community gathering facility (a grange hall) is <u>are</u> located just north of the new roundabout at Mason and Green Valley Roads. The Green Valley Farm Stand will be one of the first tangible results of the Specific Plan. It will celebrate and further the area's agricultural traditions and help to satisfy burgeoning local and regional demand for fresh local food. In addition, it <u>The grange hall, or community gathering facility, will be located just to the west of the Farm Stand in the existing barn, adjacent to Green Valley Creek to</u></i>

		<u><i>compliment the Farm Stand.</i></u> The Farm Stand and community gathering facility will provide the opportunity to strengthen the connections to local farmers and regional farmlands. This facility <i>The grange hall/barn</i> is a multi-purpose, flexible building that could be used to accommodate open air community, interpretive or educational events.
3-51	3.5.3	Update Figure 3-44 to relocate the LeMasters RF designation from the current location on the south side of property to existing site location to the north, and add ATO overlay (blue star) to existing Barn location in the MGV Corridor.
3-53	3.5.4	Insert the following text under Permit Requirements to include a Minor Use Permit process for some land uses: 1. “p” – <i>These uses are permitted subject to compliance with all applicable provisions of this Specific Plan, and design review requirements.</i> <u>2. “m” – These uses are allowed subject to the approval of a minor use permit.</u> 2. <u>3. “c” – These uses are allowed subject to the approval of a conditional use permit</u> 3. <u>4. “-” – These uses are not allowed in the applicable area.</u>
3-54 to 3-55	3.5.	Update Allowed Uses, Table 3-4, to accomplish the following main items: <ul style="list-style-type: none"> - clarify agricultural tourism uses and permitting, by aligning more closely to County’s framework and permitting structure. - Align land uses with County’s existing permitting structure and use definitions - Clarify “Special Events” uses - Add “Wireless Communication Facilities” uses -
3-56	3.5.5	Update Figure 3-45 (same updates as Figure 3-44, see above)
3-57	3.5.5	Update language to be consistent with the new location of the “grange” hall facility: <i>A Farm Stand, an agricultural tourism use (ATO) with complimentary uses, and a community gathering facility (CS) such as a grange hall, located in the existing Barn just to the west of the Farm Stand, are located across from the Vintage Lane access drive. These two buildings would be a maximum of 3,000 sf. This farm stand and community assembly area are to support local agricultural viability and provide a gathering place for the community. Refer to Section 4.5 - Development Sequencing for details regarding development timing requirements.</i>
3-66	3.5.6G	Change Building Type descriptor to <u>Accessory Dwelling Unit</u> as follows: G. Secondary unit<u>Accessory Dwelling Unit</u>Ancillary <u>Accessory-structures</u> <i>Forms: The intent of this Building Type is to reinforce the idea of a collection of buildings that grew over time to respond to evolving needs. These Building Types are subordinate to the main structure, while</i>

		<i>utilizing the same, human scale qualities and forms of rural architecture. These buildings are to utilize similar or complementary materials to the main structure but may be more whimsical or playful in style. They may be either connected by architectural projections or freestanding to the main structure. Secondary <u>Accessory Dwelling Units</u> may only occur with specific Building Types, while Ancillary <u>Accessory Structures</u> may occur with all Building Types. <u>Accessory Structures may include the use of Temporary Structures or facilities, such as portable sanitation, and temporary research, food or event facilities/structures.</u> Refer to Section 5.4.1 - Building Types for specific details and Appendix A for specific definitions.</i>
3-66	3.5.6G	Remove outdated definition in green box for “Secondary Unit.”
3-67	3.6	Remove outdated “Housing Element” information in green box.

Section 4 - IMPLEMENTATION

Page #	Section #	Description of text, figure or table revision
4-12	2.4.4	Update text in second paragraph to be consistent with settlement agreement to read: <i>Resource Management Plan (RMP) An RMP will be developed for the Plan Area by the Conservancy in cooperation with the landowners based on the General Plan, the Specific Plan Goals and Policies, the Final EIR (FEIR) and applicable federal or state permits related to natural resources. <u>The RMP will also include the Green Valley Creek Restoration Project “GVCRP” in accordance with Appendix F, which sets out specific budgets, team members, activities and monitoring and reporting programs.</u></i>
4-18	4.2.3	Update Table 4-1 for updated land ownership and unit distribution information, cross reference to Figure 2-7 (see attached).

Section 5 – THE NEIGHBORHOOD DESIGN CODE

Page #	Section #	Description of text, figure or table revision
5-6 to 5-7	5.3	Update Table 5-1 to add the following: <u>Open Lands/Active uses add:</u> -“ <u>Special Events/Community Gathering</u> ” to all zones except T1. <u>Building Types add:</u> - <u>Accessory Dwelling Units</u> to all Zones with the exception of T1 and T2. - <u>Accessory Structures</u> to all Zones with the exception of T1 - <u>Temporary Structures</u> to all Zones
5-8	5.3.2	Update Figure 5-1 – <i>Regulating Plan</i> to be consistent with relocated LeMasters residence on southern area in the Green Valley Road corridor.
5-12	5.4.1	Clarify that the Agricultural/Community Building Type includes

	TYPE A	<p>Accessory Structures and Temporary agricultural structures as follows:</p> <p><i>Definition: These are the dominant, expressive, agricultural building forms that remind us of where we are in the world and the rich legacy we are living in. They draw from the simple, bulky, honest forms of barns, water towers, and agricultural service and utility buildings that dot the farming landscape. <u>This includes both the primary agricultural building forms as well as the agricultural accessory and Temporary Structures that are important to agricultural operations, servicing and agricultural tourism (see also Building Type G – Accessory Dwelling Unit and Accessory Structures).</u></i></p>
5-13	5.4.1 TYPE A	<p>Update Building Placement for the Agriculture/Community buildings to the following setbacks:</p> <p><i>Setbacks:</i> >>Front Yard Setback Zone <u>30 feet</u> >>Rear Yard Setback <u>20 feet</u> >>Side Street Setback Zone (corner) <u>15 feet</u></p> <p><i>Encroachment Zone:</i> >>Front <u>15 feet</u> >>Side Street (corner or open lands) <u>7 feet</u> >>Rear <u>10 feet</u></p> <p><i>Miscellaneous:</i> >> Street façade elevation must utilize a minimum of a 5' offset (building projection or jog) for every 60 feet of horizontal plane. >>Building placement Guidelines for the Agricultural/Community Building are <u>is</u> general in nature. Building locations are to respond to the specific setting, use and dimensions of the particular Lot size.</p>
5-29	5.4.1 TYPE E - Meadow	<p>Update Building Placement for the Meadow buildings to the following setbacks:</p> <p><i>Setbacks:</i> >>Front Yard Setback Zone <u>20 feet</u> >>Rear Yard Setback <u>25 feet</u> >>Combined Side Setback <u>15 feet</u></p>
5-36	5.4.1 TYPE G	<p>Update language for as follows for this Building Type:</p> <p><i>Type G – Secondary <u>Accessory Dwelling</u> unit or Ancillary <u>Accessory Structures</u></i></p> <p><i>Definition: This Building Type is a small detached single story structure or a living space located above or next to a garage on the same Lot or premises as the main living structure. Ancillary <u>Accessory Structures</u> are allowed with each Building Type, while the Secondary <u>Accessory Dwelling Unit</u> is only permitted with the Compound, Meadow and</i></p>

		<p><i>Farmstead Building Types. <u>This also includes temporary structures that are needed for agricultural, construction, research, servicing and agricultural tourism (such as temporary event tents). See also Type A, Agricultural/Community Buildings.</u></i></p> <p><i>Concept: <u>These structures and</u> living spaces are typically located towards the rear of the Lot, and offer opportunities to provide multi-generational, workforce and/or office and <u>servicing</u> space.</i></p> <p><i>Allowed Transect Zones <u>for Accessory Dwelling Units: T3, T4, T5, T6</u></i></p> <p><i><u>Allowed Transect Zones for Accessory and Temporary Structures: All Zones</u></i></p> <p><i>Refer to Section 5.4.3 for additional architectural massing and character Guidelines.</i></p>
5-106	5.7.5	<p>Language shall be added to the second paragraph consistent with Settlement Agreement and MMRP:</p> <p><i>There are several street tree alternatives that have been designated for each street type. In this way, other tree species may be substituted as long as the form, habit and cultural characteristics are clearly similar to the tree alternatives included in this Specific Plan. In addition, a plant list of compatible ground covers, shrubs and accent trees are provided to complete the understory and ground plane treatments of the streetscape environment.</i></p> <p><i><u>In the Three Creeks neighborhood, a preference for non-deciduous native trees along the north side of the Three Creeks Neighborhood shall be utilized in order to reduce glare from buildings within the Three Creeks Neighborhood.</u></i></p>
5-117	5.8.2	<p>The Board previously approved additional wording that references consistency with the Model Lighting Ordinance (MLO) within "Attachment G" of the Specific Plan's original approval in July 2010. This wording shall be updated to specify the June 15, 2011 version of the Joint IDA – IES Model Lighting Ordinance (MLO).</p>

Appendix

Page #	Section #	Description of text, figure or table revision
	Appendix A	<p>Add definition for Temporary Structure as follows:</p> <p><i><u>Temporary Structure – A structure not permanently affixed to the ground and is readily removable in its entirety, which is used solely for a temporary use.</u></i></p>
	Appendix	<p>Add Appendix F – <i><u>Green Valley Creek Restoration Project (Settlement Agreement, Attachment A.</u></i></p>

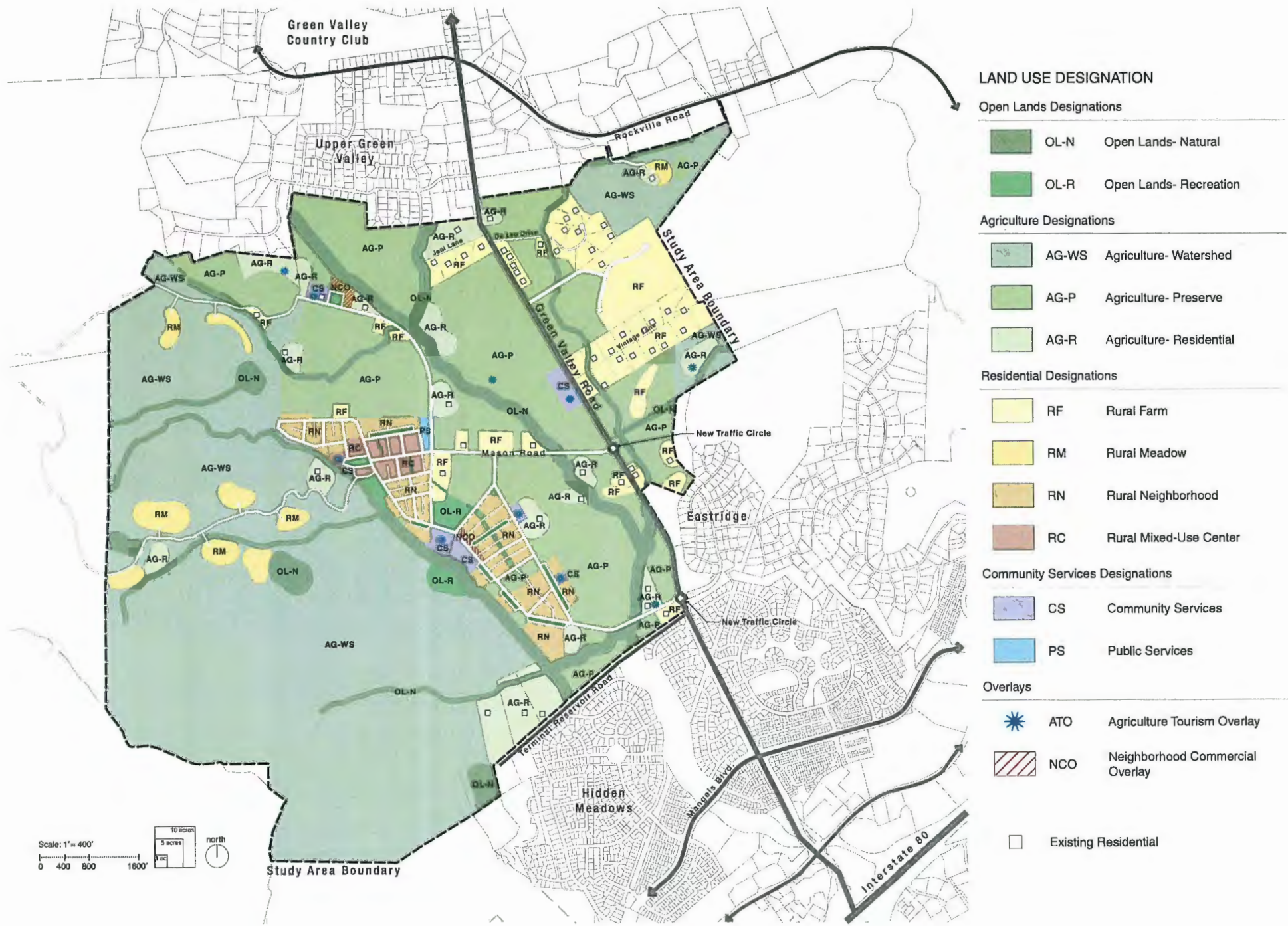
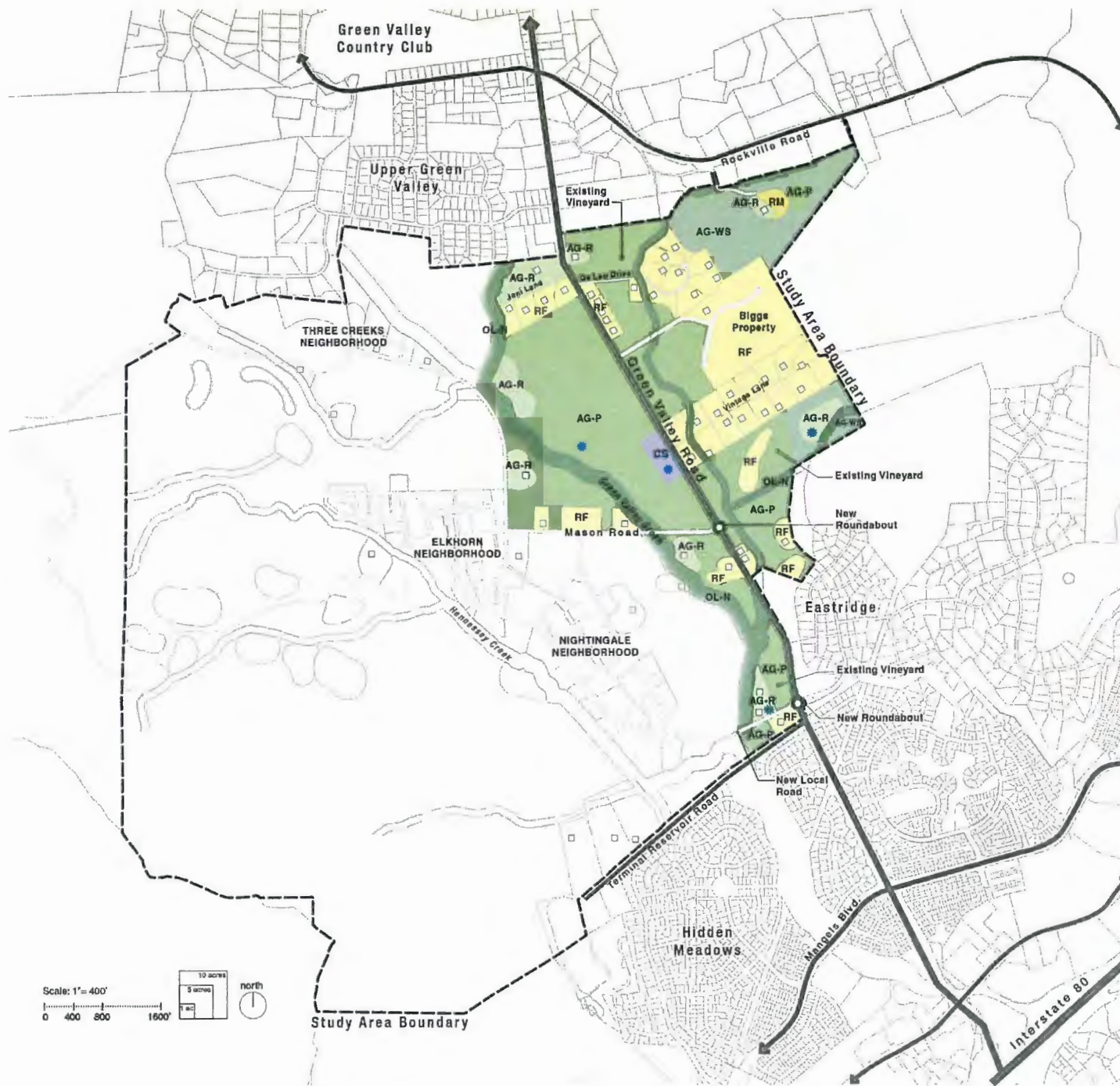


Fig. 3-44



Land Use Summary- Green Valley Road Corridor

	Max. New Units	20
	Acres	
OL-N	Open Lands- Natural	78
OL-R	Open Lands- Recreation	--
AG-WS	Agriculture- Watershed	52
AG-P	Agriculture- Preserve	210
AG-R	Agriculture- Residential	30
RF	Rural Farm	131
RM	Rural Meadow	2
RN	Rural Neighborhood	--
RC	Rural Mixed-Use Center	--
CS	Community Services	5
PS	Public Services	--
ATO	Agricultural Tourism Overlay	
NCO	Neighborhood Commercial Overlay	
	Existing Residential	

Fig 3-45

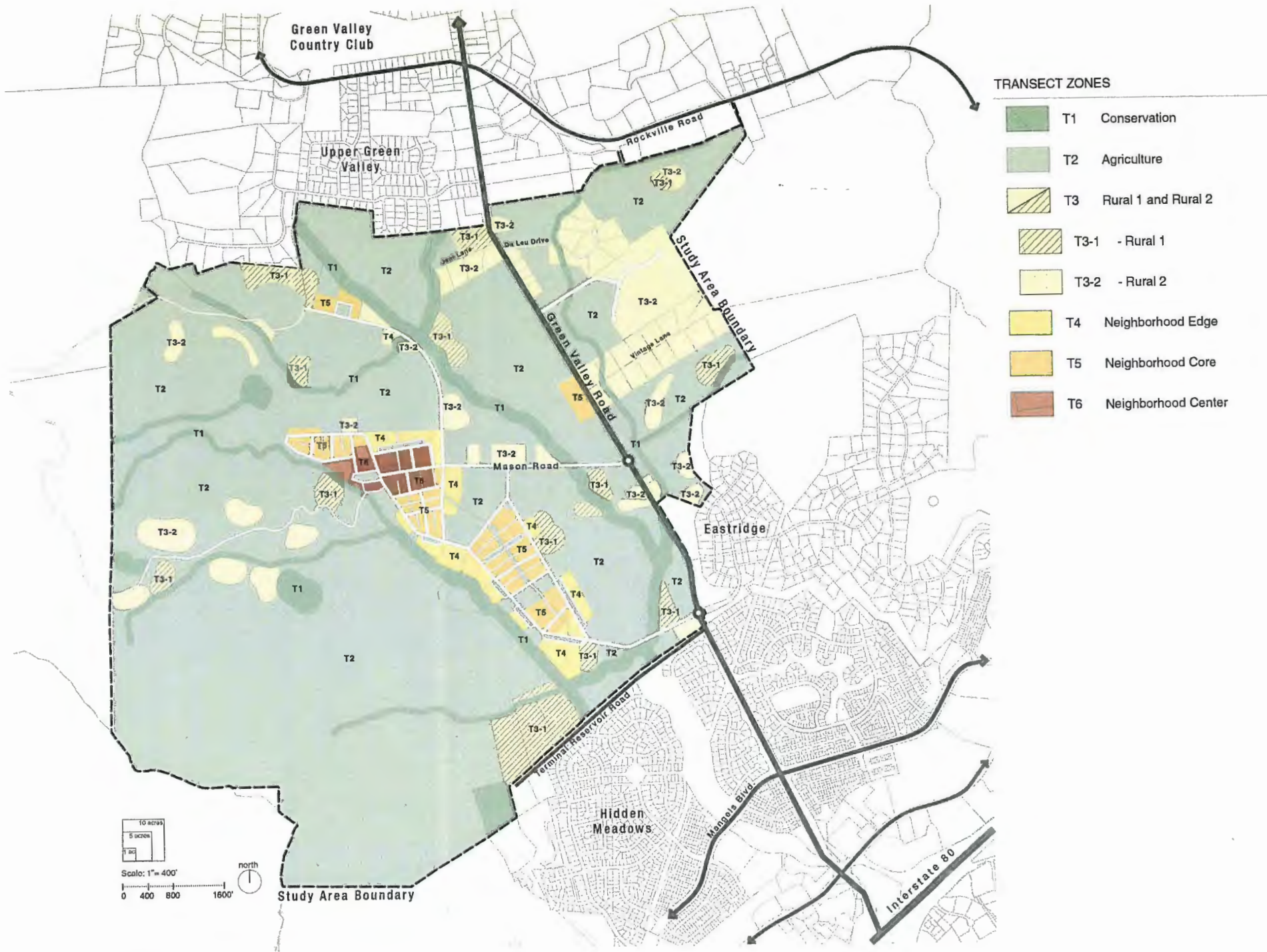


Fig. 5-1

Participating Landowners	Acreage	% of Participating Area	Allowed New Unit Count (TDR Program)	Allowed New Unit Count (No TDR Program)
B+L Properties	253.0	16.5%	64	9
Engel	52.3	3.4%	13	9
Hager	40.2	2.6%	10	2
Mason/Lindemann	296.0	19.3%	75	14
Mason/Lawton Trust	476.1	31.1%	121	21
Maher	146.8	9.6%	37	7
Ragsdale	168.6	11.0%	43	7
Frei	18.2	1.2%	5	0
Siebo (Juan)	23.7	1.5%	6	0
Volkhardt	40.0	2.6%	10	1
Wiley	15.6	1.0%	4	0
SUBTOTAL	1,530	100.0%	388	70

Non-Participating Landowners	Acreage	New Unit Count	New Unit Count (No TDR Program)
Biggs	61.6	6	6
DeDomenico	40.6	1	1
Del Castillo	82.4	3	3
Parenti	12.9	0	0
Wirth	40.7	1	1
Vintage Lane	42.1	0	0
De Lou Drive/GVR	23.5	0	0
Juni Lane	20.8	0	0
Terminal Reservoir Lo	30.2	0	0
Terminal Reservoir	8.7	0	0
SUBTOTAL	363	11	11

Existing Infrastructure	11		
TOTAL STUDY AREA	1,905	399	81

Table 4-1 - Unit Allocation

Proposed Table

Table 3-4: Allowed Uses

A land use that is not listed in Table 3-4 is not allowed within the Specific Plan area. A land use that is listed in the Table, but not within a particular zone, is not allowed within that zone. Similar or compatible uses may be allowed subject to review and approval of applicable CRC and County review processes. Refer to Chapter 4.0 for information regarding administrative modifications and procedures as applicable. Refer to Appendix A and/or the County Zoning Ordinance for definitions of land uses.

a. Residential

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Single Family Dwelling	-	-	-	-	p	p	p	p	p	-	-	-	-
Accessory Dwelling (1)	-	-	-	-	p	p	p	(1)	(1)	-	-	-	-
Accessory Structure	-	-	-	p	p	p	p	p	p	p	p	-	-
Farmworker Housing	-	-	-	-	p	-	-	-	-	-	-	-	-
Home Occupation	-	-	-	-	p	p	p	p	p	-	-	-	-
Live-Work Unit	-	-	-	-	p	p	p	p	p	-	-	-	-
Community Care Facility	-	-	-	-	-	c	c				-	-	-

b. Recreation, Education and Public Assembly

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Health/Fitness facility	-	-	-	-	-	-	-	c	-	p	-	-	-
Community Trails (2)	-	p	p	p	-	-	-	-	-	-	-	-	-
Trailhead/Comfort Stations	-	p	-	-	-	-	-	-	-	p	m	-	-
Interpretive facility (1000 sf max.)	-	p	-	-	-	-	-	-	c	p	m	-	-
Library	-	-	-	-	-	-	-	-	c	p	c	-	c
Community Assembly	-	-	-	-	-	-	-	c	c	p	m	p	c
Nursery School (up to 12 children)	-	-	-	-	-	-	-	m	-	p	-	-	-
School (Private, Max 100 Students)	-	-	-	-	-	-	-	c	-	p	-	-	-
Sports Fields	-	p	-	-	-	-	-	-	-	-	-	-	-
Passive Recreation (3)	-	p	c	-	-	-	-	-	-	p	-	p	-
Teaching Studio - art, dance, fitness, music (1500 sf max.)	-	-	-	-	-	-	-	c	p	p	-	-	p

c. Public Serving

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Fire Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Police Station	-	-	-	-	-	-	-	-	-	c	p	-	-

Public Utility	-	-	-	-	-	-	-	-	-	-	p	-	-
Post Office	-	-	-	-	-	-	-	-	p	p	p	-	p
Wireless Communication Facilities													
Co-locations	-	-	-	m	m	m	m	m	m	m	p	-	-
New towers	-	-	-	c	c	c	c	c	c	c	m	-	-

d. Agriculture

d(1) Agricultural Production, Processing and Accessory Uses

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Agricultural Accessory Structure (barns, farm offices, greenhouses, coolers, storage houses, hullers, silos)	-	p	p	p	p	p	-	-	-	-	-	p	-
Animal Keeping/Grazing	-	-	p	p	p	p	-	-	-	-	-	p	-
Stable, private	-	-	-	p	p	p	-	-	-	-	-	-	-
Crop production, horticulture, orchard, vineyard	-	p	-	p	p	p	-	-	-	-	-	p	-
Community Garden	-	p	-	p	-	-	-	-	-	p	p	p	-
Agricultural Processing Facility	-	-	-	m	m	-	-	-	-	p	-	p	-
Agricultural Processing with complimentary agricultural tourist support facilities (4)	-	-	-	-	-	-	-	-	-	p	-	p	-
Agricultural Processing Facility with special events (6)													
6 per year max, and 150 persons or less	-	-	-	p	p	-	-	-	-	p	-	p	-
12 per year max, and 150 persons or less	-	-	-	m	m	-	-	-	-	m	-	m	-
More than 12 per year, or more than 150 persons	-	-	-	c	c	-	-	-	-	c	-	c	-
Winery, small	-	-	-	c	p	-	-	-	-	p	-	p	-
Winery, large	-	-	-	c	c	-	-	-	-	p	-	p	-
Winery with Special Events (6)													
6 per year max, and 150 persons or less	-	-	-	p	p	-	-	-	-	p	-	p	-
12 per year max, and 150 persons or less	-	-	-	m	m	-	-	-	-	m	-	m	-
More than 12 per year, or more than 150 persons	-	-	-	c	c	-	-	-	-	c	-	c	-

d(2) Agritourism - Agriculture Tourist Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Seasonal Sales Lot (temporary agritourism)	-	p	-	p	m	m	-	-	m	p	p	p	-
Roadside Stand (max 2,500 sf)	-	p	-	-	m	m	-	-	p	p	p	p	p
Farmers Market/Certified Farmers Market	-	p	-	-	-	-	-	-	p	p	-	p	p

Commercial kitchens, catering facilities and culinary classes	-	-	-	-	m	m	-	-	p	p	-	m(s)	m
Community Garden	-	p	-	p	-	-	-	-	-	p	p	-	-
Lodging - Small Inn (25 room max)	-	-	-	-	-	-	-	-	-	p	-	p	-
Lodging - Bed and Breakfast (up to 6 guest rooms)	-	-	-	-	-	c	-	c	p	p	-	p	p
Commercial Nursery	-	-	-	p	-	-	-	-	-	p	-	p	-
Special Events or Special Event Facilities (6)													
6 per year max, and 150 persons or less	-	p	-	-	p	-	-	-	-	p	p	p	-
12 per year max, and 150 persons or less	-	m	-	-	m	-	-	-	-	m	m	m	-
More than 12 per year, or more than 150 persons	-	c	-	-	c	-	-	-	-	c	c	c	-
Local Products Store	-	-	-	-	-	-	-	m	p	p	-	p (s)	p
Restaurants and bakeries	-	-	-	-	-	-	-	-	p	p	-	m(s)	m

e. Neighborhood Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Local serving/convenience (1500 sf max)	-	-	-	-	-	-	-	-	p	p	-	-	p
Restaurant (1500 sf max)	-	-	-	-	-	-	-	-	p	p	-	m(s)	p
General Store (2000 sf max)	-	-	-	-	-	-	-	-	p	p	-	-	p
Gallery	-	-	-	-	-	-	-	m	p	-	-	-	p
Bank	-	-	-	-	-	-	-	-	p	-	-	-	p
Tasting Room	-	-	-	-	-	-	-	c	p	p	-	p (s)	p
Local Products Store	-	-	-	-	-	-	-	m	p	p	-	p (s)	p

f. Office/Business Services

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Office: Business, service (1500 sf max)	-	-	-	-	-	-	-	m	p	-	-	-	p
Office: Professional, administrative (1500 sf max)	-	-	-	-	-	-	-	m	p	-	-	-	p
Office: Real Estate (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p

(1) Refer to specific Building Type requirements for permitted Secondary Units, Section 5.4.1

(2) Trail improvements are to comply with all applicable state and federal permits.

(3) Passive Recreation uses include walking, sitting, picnicking, organized games or events.

(4) Complimentary tourist facilities include tasting rooms, gift shops, galleries, restaurants, cafes, facilities for the sale of local produce, and ancillary offices for the support of agricultural tourism.

p - Allowed by Right

m - Minor Use Permit Required

c - Use Permit Required

-- Use not allowed

(5) Use must be ancillary to the primary agricultural use

(6) Parking for special events, weddings, marketing promotional events, and similar functions may utilize temporary, overflow parking areas. Limitations on the number of guests may be based on availability of off-street parking. Overflow parking areas may be of dirt, decomposed granite, gravel or other permeable surface, provided that the parking area is

Current Table

Table 3-4: Allowed Uses

A land use that is not listed in Table 3-4 is not allowed within the Specific Plan area. A land use that is listed in the Table, but not within a particular zone, is not allowed within that zone. Similar or compatible uses may be allowed subject to review and approval of applicable CRC and County review processes. Refer to Chapter 4.0 for information regarding administrative modifications and procedures as applicable. Refer to Appendix A and/or the County Zoning Ordinance for definitions of land uses.

a. Residential

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Single Family Dwelling	-	-	-	-	p	p	p	p	p	-	-	-	-
Secondary Dwelling ⁽¹⁾	-	-	-	-	p	p	p	(1)	(1)	-	-	-	-
Accessory Buildings	-	-	-	p	p	p	p	p	p	p	p	-	-
Guest House	-	-	-	-	p	p	p	p	p	c	-	-	-
Farmworker Housing	-	-	-	-	p	-	-	-	-	-	-	-	-
Home Occupation	-	-	-	-	p	p	p	p	p	-	-	-	-
Live-Work	-	-	-	-	p	p	p	p	p	-	-	-	-
Day Care Center: Child, Adult (up to 8 persons)	-	-	-	-	-	c	-	p	p	c	-	-	-

b. Recreation, Education and Public Assembly

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Health/Fitness facility	-	-	-	-	-	-	-	c	-	p	-	-	-
Community Trails ⁽²⁾	-	p	p	p	-	-	-	-	-	-	-	-	-
Trailhead/Comfort Stations	-	p	-	-	-	-	-	-	-	p	c	-	-
Interpretive facility (1000 sf max.)	-	p	-	-	-	-	-	-	c	p	c	-	-
Library	-	-	-	-	-	-	-	-	c	p	c	-	c
Community Assembly	-	-	-	-	-	-	-	c	c	p	c	p	c
Nursery School (up to 12 children)	-	-	-	-	-	-	-	c	-	p	-	-	-
School (Private, Max 100 Students)	-	-	-	-	-	-	-	c	-	p	-	-	-
Sports Fields	-	p	-	-	-	-	-	-	-	-	-	-	-
Passive Recreation ⁽³⁾	-	p	c	-	-	-	-	-	-	p	-	-	-
Teaching Studio – art, dance, fitness, music (1500 sf max.)	-	-	-	-	-	-	-	c	p	p	-	-	p

c. Public Serving

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Fire Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Police Station	-	-	-	-	-	-	-	-	-	c	p	-	-
Public Utility	-	-	-	-	-	-	-	-	-	-	p	-	-
Post Office	-	-	-	-	-	-	-	-	p	p	p	-	p

d. Agricultural/Tourist Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Agricultural Accessory Structure	-	p	p	p	p	p	-	-	-	-	-	p	-
Animal Keeping/Grazing	-	-	p	p	p	p	-	-	-	-	-	p	-
Crop production, horticulture, orchard, vineyard	-	p	-	p	p	p	-	-	-	-	-	p	-
Farmers Market	-	p	-	-	-	-	-	-	p	p	-	p	p
Community Garden	-	p	-	p	-	-	-	-	-	p	p	-	-
Agricultural Processing Facility	-	-	-	-	-	-	-	-	-	-	-	p	-
Agricultural Processing with complimentary agricultural tourist support facilities ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	p	-
Winery, small	-	-	-	-	p	-	-	-	-	-	-	p	-
Winery, large	-	-	-	-	-	-	-	-	-	-	-	p	-
Agriculture tourist commercial (co-op tasting rooms, farm stand, local crafts and related office support)	-	-	-	-	-	-	-	c	p	-	-	p	-
Lodging- Small Inn (25 room max)	-	-	-	-	-	-	-	-	-	-	-	p	-
Lodging- Bed and Breakfast (up to 6 guest rooms)	-	-	-	-	-	c	-	c	p	p	-	p	p
Commercial Nursery	-	-	-	p	-	-	-	-	-	p	-	p	-

e. Neighborhood Commercial

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Local serving/ convenience (1500 sf max)	-	-	-	-	-	-	-	-	p	-	-	-	p
Café, Restaurant, Coffee Shop (1500 sf max)	-	-	-	-	-	-	-	-	p	-	-	-	p
General Store (2000 sf max)	-	-	-	-	-	-	-	-	p	-	-	-	p
Gallery	-	-	-	-	-	-	-	c	p	-	-	-	p
Bank	-	-	-	-	-	-	-	-	p	-	-	-	p
Tasting Room	-	-	-	-	-	-	-	c	p	-	-	-	p
Local retail/craft (creation and sale)	-	-	-	-	-	-	-	c	p	-	-	-	p

f. Office/Business Services

Land Use Designation	Open Lands		Agriculture			Residential				Community		Overlays	
	OL-N	OL-R	AG-WS	AG-P	AG-R	RF	RM	RN	RC	CS	PS	ATO	NCO
Office: Business, services (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p
Office: Professional, administrative (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p
Office: Real Estate (1500 sf max)	-	-	-	-	-	-	-	c	p	-	-	-	p

(1) Refer to specific Building Type requirements for permitted Secondary Units, Section 5.4.1.

(2) Trail improvements are to comply with all applicable state and federal permits.

(3) Passive Recreation uses include walking, sitting, picnicking, organized games or events.

(4) Complimentary tourist facilities include tasting rooms, gift shops, galleries, restaurants, cafes, facilities for the sale of local produce, and ancillary offices for the support of agricultural tourism.

p – Permitted Uses

c – Conditional Use Permit Required

-- Uses not allowed

Description and Key Elements of Specific Plan

The Specific Plan will guide the long term realization of a vision for Middle Green Valley in which long-term conservation of agriculture is accomplished alongside and sustained by a series of connected and sustainable rural neighborhoods. This Plan is a result of community, landowner, and County consensus building and cooperation, recognizing the need to protect the unique rural qualities of the area, while providing the means for appropriate settlement patterns to take place.

The General Plan policies for the Study Area served as a backbone for the development of the Plan, however, those policies were also considered minimum requirements in its development. Not only does the Plan directly address the policies laid out in the General Plan concerning the Middle Green Valley area, but it also strives to address many of the other goals, objectives, and policies set forth in the General Plan. Appendix C to the Plan provides a matrix identifying over 100 of the General Plan's goals and policies with which the Specific Plan can be found to be consistent. They relate to agriculture, water use, energy resources, biological and recreational resources, public health, sustainable land use, and many others. This matrix is an important reference tool which shows how the complexities of the proposed Specific Plan advance and build upon the important goals and policies set forth in the General Plan.

The heart of the Specific Plan is an emphasis toward preserving, maintaining, and managing the open lands and agricultural areas while utilizing the Plan's community development as a tool to achieve this goal. As the Plan states, the development is viewed as a "community within a conservation framework".

The Plan's support and protection of the agricultural landscape cannot be overstated. Links to the valley's agricultural heritage are found intertwined within all aspects of the vision, the community Plan, implementation strategies and the Neighborhood Code. For much of the century, Green Valley has served as a vital agricultural resource for the production of grapes, orchards, and row crops. Over the last 20 years, agricultural success has been intermittent. Urban encroachment has threatened the local farming economy, while attempting to compete in a global marketplace for food products. As one landowner stated, "We can grow anything. We just can't sell it."

This Plan provides for long term financial stability for farming in Middle Green Valley. Concepts such as clustered development, the transfer of development rights program, establishment of the Green Valley Agricultural Conservancy, transfer fees used to fund the Conservancy, agricultural easements, and establishment of the Green Valley Farm Stand to provide access to locally produced products will all serve to support the viability and success of local agriculture in the valley, while allowing for it to be a more visible part of day to day life. While these tools directly serve the local farming economy, the allowed land uses and Neighborhood Design Code will ensure that the built environment, both in land use and in design, reflects the rural agricultural history of California and this area.

The following concepts serve as key elements to the Specific Plan:

Green Valley Conservancy: The Plan calls for the establishment of a conservancy, which will oversee the management and monitoring of conservation easements encompassing the approximately 1,490 acres of agricultural lands, pastures, and natural areas. The conservancy would be an objective organization which would focus its attention on education, resource and open space preservation, community connectivity, and agricultural awareness.

Transfer of Development Rights (TDR) Program: In general, the concept of traditional TDR programs is to serve as a land use regulatory tool where development rights can be severed from one parcel(s) and transferred or sold to other parcels. The parcels that give up their rights (sending areas) are then permanently restricted by easements and the parcels receiving the rights (receiving areas) are provided with a greater density for development. This technique is generally used to relocate development away from sensitive natural resource areas, important farmland, historic resources, or areas within viewsheds. Traditional TDR programs are market-based and rely on the negotiation of private, one-by-one transactions for eventual implementation. The TDR Program, as implemented through the Specific Plan and "Sales Participation Agreement" for MGCV, builds on these traditional TDR tools, but has been carefully designed to avoid some of the traditional difficulties associated with TDR Programs to help ensure its success and the implementation of the Specific Plan.

Neighborhood Design Code: The Neighborhood Design Code (NDC) provides Development Standards, Design Guidelines, and the design review process which will guide and direct the development of the neighborhood areas. The development plan focuses on the primary goal of preserving rural character while defining appropriate development patterns. The patterns draw from settlement traditions of small California towns.

The first important aspect of the NDC is the introduction of Transect Zones, which provide for six different zones ranging from the most natural and passive of areas (Conservation area) to the more intensely developed areas (Neighborhood Center). Different Building Types are assigned to each Transect Zone, consistent with the nature of the permitted development in those areas. The Building Types include: Agriculture/Community, Courtyard, Bungalow, Farmstead, Meadow, Compound, and Secondary Units/Ancillary Structures. Each Type includes its own placement, form, and other development standards. The Building Types and Standards are described in Section 5.4 of the Specific Plan.

Sustainability: Where the intended design and build-out of the Specific Plan area are that of a small rural California town, the actual design concepts and integration of the land uses is more modern in nature. Many of the elements incorporated into the Plan are typically associated with sustainable types of development. Examples include: water efficient landscaping, reuse of water for landscaping/toilets, sustainable stormwater approaches, conservation easements for agriculture preservation, development clustering, and the creation of a whole community which encourages pedestrian oriented neighborhoods.

Infrastructure and Financing: The Plan provides options for providing potable water and waste disposal to the area. Options for water include connecting to the City of Fairfield, utilizing SID water (treated by the City), or community groundwater wells. For waste disposal, the options include connecting to the Fairfield-Suisun Sewer District for sewer service or an onsite package treatment facility. To allow for this, the County must form a County Service Area (CSA), governed by the Board of Supervisors.

MINUTES OF THE SOLANO COUNTY PLANNING COMMISSION

Meeting of July 6, 2017

The regular meeting of the Solano County Planning Commission was held in the Solano County Administration Center, Board of Supervisors' Chambers (1st floor), 675 Texas Street, Fairfield, California.

PRESENT: Commissioners Rhoads-Poston, Walker, Hollingsworth, Bauer, and Chairperson Cayler

EXCUSED: None

STAFF PRESENT: Mike Yankovich, Planning Program Manager; Matt Walsh, Principal Planner; Karen Avery, Senior Planner; Davina Smith, Deputy County Counsel; and Diane Gilliland, Acting Planning Commission Clerk

Chairperson Cayler called the meeting to order at 7:00 p.m. with a salute to the flag. Roll call was taken and a quorum was present.

Approval of the Agenda

The Agenda was approved with no additions or deletions.

Approval of the Minutes

The minutes of the regular meeting of June 1, 2017 were approved as prepared.

Items from the Public

There was no one from the public wishing to speak.

Regular Calendar

Item No. 1

PUBLIC HEARING to consider a recommendation to the Board of Supervisors on the following items: 1) Adoption of minor revisions to the Middle Green Valley Specific Plan; and 2) Approval of revisions to the Mitigation, Monitoring, and Reporting Program (MMRP) for the Middle Green Valley Specific Plan project. (Project Planner: Matt Walsh)

Matt Walsh briefly reviewed staff's written report. The Middle Green Valley Specific Plan and related approval documents allow for the development of up to 400 residential units and some neighborhood commercial uses in the area north of the Fairfield city limits near Green Valley and Mason Roads. The Plan has been the subject of two rounds of litigation between the County and the Upper Green Valley Homeowners (UGH) over the course of the last seven years. To expedite the completion of the litigation process, the parties entered into a Settlement Agreement.

The Green Valley Agricultural Conservancy (GVAC) and the Middle Green Valley Landowners are also parties to the Settlement Agreement. The Agreement was provided to the court at its April 12, 2017 hearing, and the court discharged its Writ of Mandate. While there are certain obligations of all parties involved, the County is required to revise its Mitigation, Monitoring, and Reporting Program, consistent with provisions of Attachment B to the Agreement.

Certain aspects of the MMRP revisions are appropriate to be incorporated into the Specific Plan itself, as described in the report. Additionally, since the Specific Plan is about seven years old since its original drafting, the County is proposing minor revisions to the text and land use table which provide greater clarity to the document and will assist the visions of the Plan to be realized. These proposed changes are considered non-substantive in nature and an addendum to the previously certified EIR is recommended.

Mr. Walsh noted that there were additional updates to the Specific Plan that were provided under separate cover to the commission prior to the hearing. Those updates included a minor revision to Land Use Table 3-4; Section d(2) and a clarification to Footnote #6 following Table 3-4. Staff recommended in favor of the proposed amendments.

Since there were no questions of staff, Chairperson Cayler opened the public hearing.

Anthony Russo, 4125 Green Valley Road, Fairfield, spoke on behalf of several Green Valley landowners who voiced support for the proposed revisions. He thanked staff for working with the landowners over the years noting that this has not been an easy project to get accomplished. Mr. Russo talked about the context of the plan mentioning that this has become a model plan in showing how to address the urban edge of a community. He said the plan creates an agricultural community with the intent of the homes in that community to support and help continue indefinitely the agricultural viability of the project. He likened the community to that of St. Helena in the Napa Valley because it is structured and compact. Mr. Russo stated that the community is looking very forward to getting this project underway.

Since there were no further speakers, Chairperson Cayler closed the public hearing.

A motion was made by Commissioner Walker and seconded by Commissioner Bauer to recommend that the Board of Supervisors adopt minor revisions to the Middle Green Valley Specific Plan and approve a revised Mitigation Monitoring and Reporting Program for the Middle Green Valley Specific Plan, including the additional changes recommended by staff. The motion passed unanimously. (Resolution No. 4647)

Item No. 2

STUDY SESSION HEARING on commercial cannabis and medical cannabis laws and regulations. No formal action or recommendation will be made. (Project Planner: Karen Avery)

Karen Avery provided an update on the status of the staff research being conducted on the commercial aspects of the cannabis industry. Davina Smith provided an update on the state laws regulating recreational and medical cannabis. The update included a summary of the Trailer Bill which was recently signed into law.

Commissioner Walker referred to staff's part of the presentation that spoke to emergency rule making. He wanted to know who creates these emergency rules.

Ms. Smith explained that the individual agency charged with their area will invoke the emergency rule making procedures. She said there is a State of California Office of Administrative Law that would review the packet of information. The agency would have to provide justification for why it has to be emergency rule making as opposed to regular rule making. The emergency rules would cover in the short term but eventually full regulations would need to be provided.

Commissioner Walker asked if there is anything that specifies the timeframe for accomplishing the fully vetted regulations. Ms. Smith said she believed the time limit on the emergency regulations was a maximum of 180 days. She said the idea is the agency would obtain the emergency regulations to perform day-to-day operations, but would also be working on the regular rule making.

Ms. Avery informed the commission that the next step is to return to the Board of Supervisors with a report and to possibly receive direction regarding commercial cannabis regulations. She said staff expects to return back before the Planning Commission in August with a preliminary draft of commercial cannabis regulations with hopes in finalizing the regulations with the Commission in September then following up with the Board in October.

Commissioner Bauer referred to the issuance of temporary licenses and the need for permits. She wanted to know if a limited immunity constitutes a permit. Ms. Bauer noted that the City of Vallejo have given limited immunity. Davina Smith said that from her interpretation of what she has read is that it will come down to what the local jurisdictions say. If they are communicating to the State that this is the equivalent of their local approval, then an operator would probably be able to apply for a temporary license. She believed that the State is going to be looking to local jurisdictions and what they consider to be approved or not approved.

Chairperson Cayler opened the floor for public comment.

Dr. Marian Fry thanked the commission for moving forward and appreciated the thoughtful consideration being given to this matter. She said this is going to be a wonderful and positive achievement for medical marijuana patients. Dr. Fry stated that there is some confusion with regard to recreational vs medicinal usage and its enforcement. She said from the medical standpoint the most important thing to realize is that medicines are prescribed for patients in order to encourage their health and also to limit the amount of toxicity from pharmaceuticals. Dr. Fry stated that cannabis is a healthier alternative and needs to be available to help people.

Commissioner Hollingsworth spoke of a personal experience with a family member dealing with a medical issue and that the family member was prescribed cannabis in pill form. He wanted to know why this was not a more common practice in prescribing the medicine.

Dr. Fry spoke of her own personal experience commenting that she is a cancer survivor and when she was prescribed the medicine it was in capsule form, but she could not keep it in her stomach and that is why she needed to have smoked medicine. In addition to that, she explained that different patients require different treatments. She said the THC can elevate one's mind and mood to help with depression or chronic pain or someone facing a life threatening illness. She said that cannabis is an herbal medicine and is safer than pharmaceutical drugs. She said the method of cannabis in a pharmaceutical form is not as

effective if it is needed as an antidepressant or for rapid action or anti-nausea and that is why there is a need for the availability in all the aspects of the medicine.

Deanna Garcia, 2920 Marysville Blvd., Sacramento, stated that she is a cannabis farmer in the City of Sacramento. She said she is registered and provides tours to city, county and state officials, as well as neighborhood and community associations who are interested in learning about organic cannabis farming and how it is produced and where it comes from before it goes to the testing labs and then to the dispensaries. Ms. Garcia said that she is interested in opening a medical dispensary in Solano County. She invited the commissioners to come and tour the Sacramento facility.

Kimberly Cargile, director at A Therapeutic Alternative, Sacramento, stated that her medical cannabis dispensary is licensed by the City of Sacramento. She said they have been in operation since 2009 and are located near McKinley Park and across the street from a Montessori school. She commented that there has never been a single incident of a child who has knocked on their door trying to obtain marijuana. She noted that marijuana use in the park or at McKinley Elementary School has not risen, which she confirmed by obtaining statistics from the City of Sacramento. Ms. Cargile commented that they also have not had problems with crime in the many years they have been located there. She encouraged the commission to come and tour the facility to view what she called a well-run dispensary. Ms. Cargile said that they are a positive impact on the community and have acquired many letters of recommendation from their neighbors. She spoke briefly with regard to how the cannabis is made, tested and treated. Ms. Cargile commented that many Solano County residents use their facility. She said the reason why this industry exists is because there are patients that need safer medicine and safe access to that medicine.

Commissioner Bauer wanted to know the percentage of customers coming from Solano County. Ms. Cargile said that she would have to analyze their database but estimated that it is in the thousands.

Haley Andrew appeared before the commission and stated that she works at A Therapeutic Alternative and is also interested in opening a medical cannabis dispensary in Solano County. She said medical cannabis users should have the ability to get properly tested medicine and not have to go someplace where the facility would be considered to be less than the standard in the industry.

Commissioner Bauer asked Ms. Andrew if she considered the Vallejo dispensaries to be less than standard. Ms. Andrew responded by saying that it is important for a facility to test their medicine properly and to educate their patients. She said in taking tours of other dispensaries, the education is not always there. She commented that many of their patients are 45 years and older and the reason being is that they have gained the respect of the community because they provide a good education about the medicine and how to properly use it. In response to Commissioner Bauer's second inquiry, Ms. Andrew responded that she has not toured any of the dispensaries located within the City of Vallejo.

Chairperson Cayler commented on how helpful all of the correspondence has been that the commission has received and that the commission has learned a lot in these study sessions. Commissioner Rhoads-Poston thanked staff for a very informative presentation.

Commissioner Walker echoed the sentiments that staff provided a very informative presentation. He commented that he was able to attend one of the road tours offered by the County in which they visited two facilities in the City of Oakland and a testing facility in the City of Berkeley; all three being very different and very serious enterprises. He commented that the edible manufacturer is not what he would have expected noting how they used hair nets and gloves and worked in very clean areas and with protective clothing. Mr. Walker said he saw a lot of pride in workmanship and that was very impressive to him. He spoke about the indoor nursery and how impressed he was because the facilitator was a true botanist and it was amazing the special care they took of the plants. He stated that the testing lab was interesting and he could tell that it was a complete testing room with secure rooms and expensive machinery. Commissioner Walker said that what he took away the most from his experience was how professional it all was.

Commissioner Walker made personal reference to a recent trip he took to Colorado and how in downtown Denver cannabis is available in retail facilities. He noted that they did not necessarily make the distinction between medical and recreational use. He said while visiting in Aspen, he noticed cannabis offered in a retail outlet, equating it to something like being on Rodeo Drive in Beverly Hills with a public promenade and all kinds of eateries and expensive retail outlets. He said it was very interesting to see how they have incorporated every aspect of cannabis into their retail sight lines. Mr. Walker said for him he would be interested in hearing more on this subject or perhaps attending the Sonoma County Dirt to Dispensary Workshop event that staff had mentioned. He said he looked forward to the continuing conversation on this subject matter.

Chairperson Cayler thanked everyone for their time and participation.

ANNOUNCEMENTS and REPORTS

There were no announcements or reports.

Since there was no further business, the meeting was **adjourned**.

DEPARTMENT OF RESOURCE MANAGEMENT



**NOTICE OF PUBLIC HEARING
(Board of Supervisors)**

The County of Solano does not discriminate against persons with disabilities and is an accessible facility. If you wish to attend this meeting and you will require assistance in order to participate, please contact Kristine Sowards, Department of Resource Management at 675 Texas Street, Suite 5500, Fairfield, CA (707) 784-6765 at least 24 hours in advance of the event to make reasonable arrangements to ensure accessibility to this meeting.

NOTICE IS GIVEN that the Solano County Board of Supervisors will hold a public hearing to consider the adoption of minor revisions to the Middle Green Valley Specific Plan.

On July 6, 2017, after a public hearing, the Solano County Planning Commission recommended that the Board of Supervisors adopt the proposed revisions.

The Board will consider the certified EIR for the Middle Green Valley Specific Plan project and an Addendum to the certified EIR and will receive public comments on the item identified above, and after the conclusion of the public hearing, may take action on the proposed revisions to the Specific Plan.

The Specific Plan area is located in the west-central portion of unincorporated Solano County, approximately one mile north of the Interstate 80/Interstate 680 interchange, north of the Fairfield city limits along Green Valley Road, and at the east edge of the western hills.

If you challenge the Board's action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board at, or prior to, the public hearing.

Any person wishing to comment and/or review this information may do so at the Solano County Department of Resource Management, Planning Division, County Administration Center, 675 Texas Street, Suite 5500, Fairfield. Staff reports are available by 5:00 p.m. the Friday prior to the meeting at www.solanocounty.com under Quick Clicks, Board Meetings.

The hearing will be held in the Board of Supervisors Chambers, County Administration Center, 1st Floor, 675 Texas Street, Fairfield at 2:00 p.m. on August 8, 2017. Interested persons may appear and be heard.

BIRGITTA E. CORSELLO
Clerk of the Board of Supervisors
County of Solano, State of California

The Daily Republic - legal ad/one time – Sunday, July 23, 2017



Solano County

675 Texas Street
Fairfield, California 94533
www.solanocounty.com

Agenda Submittal

Agenda #:	17	Status:	Regular Calendar
Type:	Miscellaneous	Department:	Resource Management
File #:	17-557	Contact:	Bill Emlen, 784 6062
Agenda date:	8/8/2017	Final action:	
Title:	Consider scheduling a special public hearing for August 29, 2017 at 6:30 p.m. to consider a proposed ordinance to amend Chapter 28 (Zoning Regulations) to regulate non-commercial cultivation of cannabis for personal and caregiver uses in all zones that allow a residence as a primary use		
Governing body:	Board of Supervisors		
District:	All		
Attachments:			

Date	Ver.	Action By	Action	Result
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Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Resource Management recommends that the Board of Supervisors consider scheduling a special public hearing for August 29, 2017 at 6:30 p.m. to consider a proposed ordinance to amend Chapter 28 (Zoning Regulations) to regulate non-commercial cultivation of cannabis for personal and caregiver uses in all zones that allow a residence as a primary use.

SUMMARY/DISCUSSION:

In 2016, the Board of Supervisors directed staff to develop draft regulations for addressing both personal/caregiver cannabis cultivation and the aspects of potential commercial cannabis businesses. These draft regulations are to reflect the Medical Cannabis Regulation and Safety Act (MCRSA), the Adult Use of Marijuana Act (AUMA) and the Trailer Bill (SB 94) all of which allow local jurisdictions to further regulate cannabis. The only exception is that per AUMA, local jurisdictions cannot prohibit indoor personal cultivation of up to six plants inside a private residence or inside an accessory structure to a private residence.

The County's current interim urgency ordinance addresses personal cultivation as defined by MCRSA and AUMA; as well as commercial cultivation. Because of the complexity of the range of cannabis issues that need to be addressed in their totality, staff will be bringing forward proposed regulations for personal use at the August 29 meeting. The Planning Commission has made their formal recommendation on personal cannabis but is still evaluating recommendations on commercial cannabis. Staff anticipates receiving a final recommendation on regulations on the commercial aspects of cannabis from the Planning Commission in the early fall and staff will bring those regulations forward to the Board in October. Staff is recommending an evening meeting in light of the level of public interest on this topic.

FINANCIAL IMPACT:

The cost to analyze County options for regulating medical and recreational cannabis activities are covered by

the General Fund within the County Counsel and Department of Resource Management's budget.

ALTERNATIVES:

The Board could elect not to hold a special Board of Supervisor's meeting on August 29, 2017 and instead hear the draft personal/caregiver cannabis regulations during a regular scheduled Board meeting. This is not recommended since cannabis and cannabis regulations are a subject that are of interest to many residents and an evening meeting may allow for increased attendance which would be in the best interest of the County in regards to addressing the County's roles, responsibilities and potential issues relative to the cannabis regulatory environment.

OTHER AGENCY INVOLVEMENT:

None.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION