

**LETTER AGREEMENT FOR PURCHASE**

April \_\_, 2018

Mother Lode Union School District  
3783 Forni Road  
Placerville, CA 95667  
Attention: Superintendent

Re: Up to \$3,828,283 Lease Agreement, dated as of May 1, 2018, by and between the Public Property Financing Corporation of California and the Mother Lode Union School District, assigned to Opus Bank, a California commercial bank

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Ladies and Gentlemen:

The undersigned, Opus Bank, a California commercial bank (including its successors and assigns, the "Purchaser"), offers, upon the following terms, to acquire (i) the rights, title and interest of Public Property Financing Corporation of California (the "Corporation") under the Lease Agreement (hereinafter defined), including its rights to receive Lease Payments to be made by the Mother Lode Union School District (the "District") under the Lease Agreement, dated as of May 1, 2018 (the "Lease Agreement"), by and between the District and the Corporation; provided that the Corporation's rights to indemnification and payment or reimbursement for any costs or expenses thereunder have been retained by the Corporation to the extent such rights accrue to the Corporation and shall have been assigned to the Purchaser, as assignee, to the extent such rights accrue to the Purchaser, by entering into an assignment agreement, dated as of May 1, 2018 (the "Assignment Agreement"), with the Corporation, and (ii) except for the Corporation's obligation under Section 4 thereof, the rights, title and interest of the Corporation under the Site and Facility Lease, dated as of May 1, 2018 (the "Site and Facility Lease"), by and between the District and the Corporation.

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

1. *Purchase and Purchase Price; Terms of Corporation's Obligations.* The District and the Corporation agree to execute and deliver the Site and Facility Lease and the Lease Agreement, and the Purchaser agrees to purchase the Corporation's rights, title and interest under the Lease Agreement, as described more specifically above and in the Assignment Agreement, at an aggregate purchase price of up to \$3,828,283. The Lease Payments under the Lease Agreement and the interest rates applicable thereto shall be as shown in Exhibit A hereto.

The District acknowledges that:

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

(b) The Purchaser has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District (including the

municipal advisor engaged by the District) with respect to the structuring of the financing or the execution and delivery of the Lease Agreement;

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

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

(e) The Purchaser has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the District's municipal advisor, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the District's municipal advisor, with respect to any such matters; and

(f) the transactions between the District and the Purchaser are arm's length, commercial transactions in which the Purchaser is acting and has acted solely as a principal and for its own interest, and the Purchaser has not made recommendations to the District with respect to the transactions relating to the Lease Agreement.

2. *Use of Funds.* The purchase price paid by the Purchaser shall be used by the Corporation to pay the District an amount equal to an advance rental of \$128,283.00, pursuant to Section 4 of the Site and Facility Lease. The District shall use such advance rental payment received from the Corporation to (a) finance the renovation, construction and improvement of school facilities throughout the geographic boundaries of the District (the "Project"), and (b) pay the costs related to the preparation, execution and delivery of the Lease Agreement, the Site and Facility Lease, the Assignment Agreement and the Escrow Agreement (hereinafter defined).

3. *Disposition of Proceeds.* On the Closing Date, the Purchaser shall transfer \$128,283.00, less a Purchaser processing fee of \$1,000.00, and less a Purchaser origination fee of \$38,282.83 (the net amount of \$89,000.17), via wire transfer (wire information to be provided) to the following payees the following sums to provide for the payment of the costs related to the preparation, execution and delivery of the Lease Agreement, the Site and Facility Lease, the Assignment Agreement:

- (1) to Government Financial Strategies inc., as municipal advisor to the District, the sum of \$26,850.00,
- (2) to Quint & Thimmig LLP, as special counsel, the sum of \$22,500.00,
- (3) to Brandis Tallman LLC, as placement agent, the sum of \$15,000.00,
- (4) to Nixon Peabody LLP, counsel to the Purchaser, the sum of \$12,500.00,
- (5) to the Corporation, the sum of \$3,500.00,
- (6) to Stewart Title Guaranty, as title insurer, \$4,000.00;
- (7) to the District, the sum of \$4,650.17, to pay the CDIAC fee, other costs of the financing or applied to pay the first Lease Payment.

4. *Closing.* at 10:00 a.m. Pacific Daylight time, on May 10, 2018, or at such other time or on such earlier or later date as the Purchaser, the Corporation and the District mutually agree

upon (the "Closing Date"), the District will deliver (or cause to be delivered) the Site and Facility Lease and the Lease Agreement executed by the District and the Corporation, and the Assignment Agreement executed by the Corporation and the Purchaser, and the Purchaser will pay the purchase price for the Corporation's rights, title and interest in the Site and Facility Lease and the Lease Agreement as set forth in Section 1 hereof in federal or other immediately available funds.

5. *Representations and Warranties of the District.* The District represents and warrants to the Purchaser that:

(a) The District is a school district organized and existing under the Constitution and the laws of the State of California (the "State"), and has all necessary power and authority to enter into and perform its duties under this Agreement, the Site and Facility Lease and the Lease Agreement (collectively, the "District Documents").

(b) Neither the execution and delivery of the District Documents, nor the execution of this Agreement, and compliance with the provisions on the District's part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in the security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District 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 District Documents.

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

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

(e) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the District or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the District Documents or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would have a Material Adverse Effect on the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District and on the District's ability to make Lease Payment.

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

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

(h) The District will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Purchaser and this Agreement.

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

(j) As of the time of acceptance hereof and as of the Closing Date the District does not and will not have outstanding any indebtedness which is secured by a lien on the District's general fund or the Property, except as disclosed to the Purchaser.

(k) The financial statements of, and other financial information regarding the District delivered to the Purchaser fairly present the financial position and results of the operations of the District as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

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

(m) The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the District Agreements or the Assignment Agreement. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to the District Documents or the Assignment Agreement.

6. *Conditions Precedent to the Closing.* Other conditions precedent to the Closing are:

(a) The delivery by the District of a certified copy of (i) the resolution of the District Council authorizing the execution and delivery by the District of the District Documents, together with an incumbency certificate of the District, and (ii) the resolution of the Board of Directors of the Corporation authorizing the execution and delivery by the Corporation of the Site and Facility Lease, the Lease Agreement and the Assignment Agreement, together with an incumbency certificate of the Corporation;

(b) The delivery by the District of fully executed copies of the Assignment Agreement and the District Documents, in form and substance acceptable to the Purchaser;

(c) Delivery of a legal opinion addressed to the District, with a reliance letter to the Purchaser, dated the Closing Date, of Quint & Thimmig LLP, as Special Counsel, with respect to (i) the validity and enforceability of the Assignment Agreement and the District Documents by and against the District and the Corporation (as applicable), (ii) the tax-exempt status of the interest component of the Lease Payments, and (iii) such other matters as may be requested by the Purchaser in form and substance acceptable to the Purchaser;

(d) The delivery of a certificate dated the Closing Date and signed by the Director of Finance, or such other officer of the District as the District Council of the District may approve, to the effect that:

(i) to the best knowledge of the District, there are no actions or proceedings against the District pending and notice of which has been served on the District or threatened that materially adversely affect the District's ability to pay the Lease Payments or to perform its obligations under the Site and Facility Lease and Lease Agreement;

(ii) the representations and warranties of the District contained in this agreement and the Lease 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

(iii) that the District acknowledges receipt from the Purchaser of the purchase price for the District's obligations under the Lease Agreement, including the Lease Payments;

(e) The delivery by the Purchaser of a letter in form and substance as attached hereto as Exhibit B;

(f) Evidence of insurance required by the Lease Agreement; and

(g) Such other documents as may be reasonably requested by the Purchaser.

7. *Events Permitting the Purchaser to Terminate.* The Purchaser may terminate its obligation to purchase the Corporation's rights, title and interest under the Site and Facility Lease and the Lease Agreement before the Closing Date if any of the following occurs:

(a) any legislative, executive or regulatory action (including the introduction of legislation) or any court decision that, in the judgment of the Purchaser, casts sufficient doubt on the legality of or the tax-exempt status of the interest component of obligations such as those represented by the Lease Agreement and the Lease Payments so as to materially impair the marketability or to materially reduce the market price of such obligations, in the reasonable opinion of the Purchaser;

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

(c) any event occurs or becomes known that has a material adverse effect on the financial condition of the District or on the ability of the District or the Corporation to perform under the Site and Facility Lease, the Lease Agreement or the Assignment Agreement; or

(d) any of the representations or warranties of the District made in this Letter Agreement for Purchase are determined by the Purchaser to be untrue or materially inaccurate.

8. *Expenses.* The fees and disbursements of Special Counsel, the fees and disbursements of the municipal advisor to the District, CDIAC fees, fees of Purchaser's Counsel, title and escrow fees and other miscellaneous expenses of the District incurred in connection with the offering and delivery of the District Documents or the Assignment Agreement shall all be the obligation of the District. The Purchaser shall have no responsibility for any expenses associated with the District Documents or the Assignment Agreement, including, but not limited to, the expenses identified above as the obligation of the District.

9. *Applicable Law.* This Agreement shall be governed by the laws of the State of California, exclusive of the choice of law provisions thereof.

10. (a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF THE DISTRICT AND THE PURCHASER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE DISTRICT FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 10, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE PURCHASER TO ENTER INTO THIS AGREEMENT.

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

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

OPUS BANK, a California commercial bank, as Purchaser

By \_\_\_\_\_  
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

MOTHER LODGE UNION SCHOOL DISTRICT

By \_\_\_\_\_  
Marcy Guthrie, Ed.D.  
Superintendent

**EXHIBIT A**  
**SCHEDULE OF LEASE PAYMENTS**

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
11/1/18	—	(3)	(3)
5/1/19	—	\$65,272.23	\$ 65,272.23
11/1/19	—	65,272.23	65,272.23
5/1/20	—	65,272.23	65,272.23
11/1/20	—	65,272.23	65,272.23
5/1/21	\$ 238,931	65,272.23	304,203.23
11/1/21	—	61,198.45	61,198.45
5/1/22	247,079	61,198.45	308,277.45
11/1/22	—	56,985.75	56,985.75
5/1/23	255,504	56,985.75	312,489.75
11/1/23	—	52,629.41	52,629.41
5/1/24	264,217	52,629.41	316,846.41
11/1/24	—	48,124.51	48,124.51
5/1/25	273,226	48,124.51	321,350.51
11/1/25	—	43,466.01	43,466.01
5/1/26	282,543	43,466.01	326,009.01
11/1/26	—	38,648.65	38,648.65
5/1/27	292,178	38,648.65	330,826.65
11/1/27	—	33,667.02	33,667.02
5/1/28	302,142	33,667.02	335,809.02
11/1/28	—	28,515.49	28,515.49
5/1/29	312,445	28,515.49	340,960.49
11/1/29	—	23,188.31	23,188.31
5/1/30	323,099	23,188.31	346,287.31
11/1/30	—	17,679.47	17,679.47
5/1/31	334,117	17,679.47	351,796.47
11/1/31	—	11,982.77	11,982.77
5/1/32	345,510	11,982.77	357,492.77
11/1/32	—	6,091.83	6,091.83
5/1/33	357,292	6,091.83	363,383.83
<b>TOTAL</b>	<b>\$3,828,283</b>		

- (1) If the District elects not to advance the full Authorized Amount, the Lease Payment schedule will be revised to reflect the final amount.
- (2) The applicable interest rate is 3.41% per annum. If the Default Rate or the Taxable Rate is in effect, interest will be computed by applying such alternate rate.
- (3) The interest payable on 11/1/18 will be based on the amount of principal advanced and for the period prior to such date.



## EXHIBIT B

### FORM OF PURCHASER'S LETTER

Mother Lode Union School District  
3783 Forni Road  
Placerville, CA 95667  
Attention: Superintendent

Re: Up to \$3,828,283 Lease Agreement, dated as of May 1, 2018, by and between the Public Property Financing Corporation of California and the Mother Lode Union School District, assigned to Opus Bank, a California commercial bank

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Ladies and Gentlemen:

The undersigned, Opus Bank, a California commercial bank (the "Purchaser"), has agreed to acquire (i) the rights, title and interest of Public Property Financing Corporation of California (the "Corporation") under the Lease Agreement, dated as of May 1, 2018 (the "Lease Agreement"), by and between the Mother Lode Union School District (the "District") and the Corporation, including its rights to receive lease payments to be made by the District under the Lease Agreement. In connection with such purchase, the Purchaser hereby agrees and certifies to the Corporation and the District that:

(a) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Lease Agreement to be able to evaluate the risks and merits of the investment represented by the purchase of the rights, title and interest of the Corporation under the Lease Agreement.

(b) The Purchaser is acquiring the rights, title and interest of the Corporation under the Lease Agreement for its own account and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the rights, title and interest of the Corporation under the Lease Agreement or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of such rights, title and interest under the Lease Agreement; *provided, however*, such representation shall not preclude the Purchaser from transferring or selling of the rights, title and interest under the Lease Agreement in accordance with the Lease Agreement. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the rights, title and interest of the Corporation under the Lease Agreement.

(c) The Purchaser has made its own credit inquiry and analysis with respect to the District and the Lease Agreement and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the District set forth in the Lease Agreement and in the information set forth in any materials submitted to the Purchaser by the District. The District has furnished to the Purchaser all of the information which the Purchaser has requested of the District as a result of the Purchaser having attached significance thereto in making its decision with respect to the Lease Agreement, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the District and the Lease Agreement. The Purchaser is able and willing to bear the economic risk of the

purchase and ownership of the rights, title and interest of the Corporation under the Lease Agreement.

(d) The Purchaser understands that the Lease Agreement has not been registered under the United States Securities Act of 1933 or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Lease Agreement by it, and further acknowledges that any current exemption from registration of the Lease Agreement does not affect or diminish such requirements.

(e) The Purchaser has authority to purchase the rights, title and interest of the Corporation under the Lease Agreement and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the rights, title and interest of the Corporation under the Lease Agreement. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) The Purchaser acknowledges that rights, title and interest of the Corporation under the Lease Agreement are transferable with certain requirements, as described in the Lease Agreement.

(g) The Purchaser acknowledges that the Lease Agreement is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the District has not undertaken to provide any continuing disclosure with respect to the Lease Agreement, but that the District has agreed to provide other ongoing information to the Purchaser.

OPUS BANK, a California commercial  
bank, as Purchaser

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_