

Town of Yountville

6550 Yount Street
Yountville, CA 94599



Town of Yountville

"The Heart of the Napa Valley"

Meeting Agenda - Final

Tuesday, May 5, 2020

3:00 PM

Special Teleconference Meeting

Yountville Finance Authority

Chairperson John Dunbar
Vice Chair Kerri Dorman
Member Margie Mohler
Member Marita Dorenbecher
Member Jeffrey Durham

The Town of Yountville is committed to complying with the Americans with Disabilities Act (ADA) and other similar federal and state laws in all respects. If, as an attendee or participant in this meeting, or in meetings on a regular basis, you will need special assistance beyond what is provided, the Town will provide reasonable accommodations for you. Individuals who need auxiliary aids or services for effective communication or participation in programs and services of the Town of Yountville are invited to make their needs and preferences known by contacting the Town Clerk at (707) 944-8851 at least 72 hours prior to the meeting. This notice is available in accessible alternate formats from the ADA Coordinator.

1. CALL TO ORDER**2. ROLL CALL****3. PLEDGE OF ALLEGIANCE****4. ADOPTION OF AGENDA****5. APPROVAL OF MINUTES**

- A. [20-2559](#) Approve minutes of the meeting held January 21, 2020.

Attachments: [January 21, 2020 Minutes](#)

6. PUBLIC COMMENT ON ITEMS NOT ON AGENDA

Individuals will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented at this time.

- [20-2565](#) How to Participate during Public Comment in Yountville Finance Authority Meetings During the COVID-19 Emergency Declaration.

Attachments: [Public Comment Participation Instructions](#)

7. CONSENT CALENDAR - NONE**8. ADMINISTRATIVE / REGULAR ITEMS**

- A. [20-2525](#) LEASE REVENUE BONDS, SERIES 2013
Consider Adoption of Resolution Number 20-07 Approving the Form and Authorizing the Execution of Certain Lease Financing Documents in Connection with the Refunding of the Outstanding Yountville Finance Authority Lease Revenue Bonds, Series 2013, and Authorizing and Directing Certain Actions with Respect Thereto.

Attachments: [Resolution](#)
[Letter Agreement for Purchase](#)
[Site and Facility Lease](#)
[Lease Agreement](#)
[Escrow Agreement](#)
[Assignment Agreement](#)
[Termination Agreement](#)

9. STAFF INFORMATIONAL REPORTS

10. COMMISSIONER COMMENTS / REPORTS

11. ADJOURNMENT

I certify that a copy of this Town Council Agenda was posted at a location freely-accessible to the public at Yountville Town Hall, 6550 Yount Street within the Town of Yountville, the Friday before the meeting.

/s/ Michelle Dahme, Town Clerk



Staff Report

File #: 20-2559, **Version:** 1

Yountville Finance Authority Staff Report

DATE: May 5, 2020
TO: President and Board of Directors of the Authority
FROM: Michelle Dahme, CMC, Secretary/Town Clerk

TITLE

Approve minutes of the meeting held January 21, 2020.

DISCUSSION/BACKGROUND

Staff requests the Authority approve the minutes of the meeting held January 21, 2020.

ENVIRONMENTAL REVIEW

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3)

FISCAL IMPACT

Is there a Fiscal Impact? N/A
Is it Currently Budgeted? N/A
Where is it Budgeted? N/A
Is it Mandatory or Discretionary? Mandatory
Is there a Staff Resource Impact? Nominal

STRATEGIC PLAN GOAL

Is item Identified in Strategic Plan? Indirectly
If yes, Identify Strategic Goal and Objective. **Exceptional Town Services and Staff:** The Town supports its talented staff who deliver high quality municipal programs and services while maintaining public infrastructure for the benefit of the community.

Briefly Explain Relationship to Strategic Plan Goal and Objective. Minutes are required to ensure the Legislative History of the Finance Authority action is maintained.

ALTERNATIVES

N/A

RECOMMENDATION

Approve minutes of the meeting held January 21, 2020.

Town of Yountville

6550 Yount Street
Yountville, CA 94599



Town of Yountville

"The Heart of the Napa Valley"

Meeting Minutes - Draft

Tuesday, January 21, 2020

5:00 PM

Special Meeting #2

Town Hall Council Chambers

Yountville Finance Authority

Chairperson John Dunbar
Vice Chair Kerri Dorman
Member Margie Mohler
Member Marita Dorenbecher
Member Jeffrey Durham

1. CALL TO ORDER

Chair Dunbar called the special meeting to order at approximately 5:20 p.m.

2. ROLL CALL

Present 5 - Chairperson John Dunbar, Vice Chair Kerri Dorman, Member Margie Mohler, Member Marita Dorenbecher, and Member Jeffrey Durham

3. ADOPTION OF AGENDA

A motion was made by Member Dorenbecher, seconded by Vice Chair Dorman to Adopt the Agenda. The motion carried by the following vote:

Aye: 5 - Chairperson Dunbar, Vice Chair Dorman, Member Mohler, Member Dorenbecher, and Member Durham

4. ELECTION OF OFFICERS

A. [19-2332](#) Election of Officers.

A motion was made by Member Mohler, seconded by Member Dorenbecher to appoint the President and Vice President and Town Council/Town Staff to the Corresponding Positions pursuant to the Authority By-Laws and as specified in the Staff Report. The motion carried by the following vote:

Aye: 5 - Chairperson Dunbar, Vice Chair Dorman, Member Mohler, Member Dorenbecher, and Member Durham

5. APPROVAL OF MINUTES

A. [19-2331](#) Approve minutes of the meeting held January 15, 2019.

Attachments: [January 15, 2019 Minutes](#)

A motion was made by Vice Chair Dorman, seconded by Member Dorenbecher to approve the minutes. The motion carried by the following vote:

Aye: 5 - Chairperson Dunbar, Vice Chair Dorman, Member Mohler, Member Dorenbecher, and Member Durham

6. PUBLIC COMMENT ON ITEMS NOT ON AGENDA

None

7. CONSENT CALENDAR

A. [19-2333](#) Annual Financial Report for the Yountville Finance Authority.

Attachments: [Yountville Finance Authority](#)
[Governmental Funds Balance Sheet 6/30/19](#)
[Statement of Revenue, Expenditures, and Changes in Fund Balance 6/30/19](#)

A motion was made by Member Mohler, seconded by Vice Chair Dorman to approve the Consent Calendar items. The motion carried by the following vote:

Aye: 5 - Chairperson Dunbar, Vice Chair Dorman, Member Mohler, Member Dorenbecher, and Member Durham

8. STAFF INFORMATIONAL REPORTS

None

9. COMMISSIONER COMMENTS / REPORTS

None

10. ADJOURNMENT

Adjourned.

ATTEST:

**Eddy Gomez
Management Fellow**

Date Approved: May 5, 2020



Staff Report

File #: 20-2565, Version: 1

How to Participate during Public Comment in Yountville Finance Authority Meetings during the COVID-19 Emergency Declaration

The Town of Yountville is committed to public comment participation in Town government in a manner that is consistent with guidance provided by the Napa County Public Health official. These guidelines relate to social distancing, and are intended to protect everyone, especially those over 65 and those with other medical conditions.

The Town of Yountville has taken steps to utilize technology to encourage full public comment participation during Yountville Finance Authority Meetings in order to comply with public health guidance.

Please see attachment on how to provide public comment remotely.



THE TOWN OF YOUNTVILLE ENCOURAGES ONLINE PUBLIC COMMENT PARTICIPATION IN TOWN COUNCIL MEETINGS AND OTHER TOWN MEETINGS BEING HELD IN CONFORMANCE WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-25-20 AND SUBSEQUENT N-29-20

Yountville, CA – The Town of Yountville is committed to public participation in Town government in a manner that is consistent with guidance provided by the Governor and Napa County Public Health officials. These guidelines relate to social distancing, and are intended to protect everyone, especially those over 65 and those with other medical conditions.

The Town of Yountville has taken the following steps to utilize technology and to encourage full public comment participation during Town Council Meetings and Other Town Meeting Bodies in order to comply with public health guidance.

1. The Town Council meetings and other Town Meeting bodies can be observed live on the Town's website at www.townofyountville.com or on our local cable TV Channel 28. *Parks & Recreation Advisory are viewable on Channel 28 Only.
2. Meetings are live-streamed via the Town's website by selecting this link directly <https://townofyountville.legistar.com/Calendar.aspx> and clicking on the "In Progress" button. Anyone with a computer, laptop, or mobile device and internet access can view our Town Council meetings live online.
3. If you would like to comment on an item, public comments may be emailed to publiccomment@yville.com. Please include in the subject line "COMMENT TO COUNCIL" or "COMMENT TO YFA". Any written testimony submitted will be provided to the Council members electronically, may be read into the record, and will become part of the meeting archive as long as it is received during public comment and prior to the Council's vote on the item.

Town staff will continue to evaluate these steps after meetings in order to improve our remote public participation process. These steps are designed to make our meeting accessible to everyone, but if you need additional accommodations for remote participation, please contact the Town Clerk at 707-944-8851 or by email at mdahme@yville.com.

If you are a member of the public, and have questions regarding COVID-19 testing, hygiene or other recommended guidance, please visit the Town's website at <http://www.townofyountville.com/about-yountville/covid-19-information-and-updates>

Thank you in advance for your cooperation and understanding!



Staff Report

File #: 20-2525, **Version:** 1

Yountville Finance Authority Staff Report

DATE: May 5, 2020

TO: President and Board of Directors of the Authority

FROM: Steven Rogers, Town Manager; Celia King, Finance Director

TITLE

Consider Adoption of Resolution Number 20-07 Approving the Form and Authorizing the Execution of Certain Lease Financing Documents in Connection with the Refunding of the Outstanding Yountville Finance Authority Lease Revenue Bonds, Series 2013, and Authorizing and Directing Certain Actions with Respect Thereto.

DISCUSSION/BACKGROUND

In February 2013, the Yountville Financing Authority issued 2013 Lease Revenue Bonds in the amount of \$4,260,000 to fund a seismic retrofit for the historic Town Hall building, and the reconstruction of streets and replacement of sewers on Madison and Yount streets. The Town is obligated to pay the debt from existing General Fund revenue sources, and therefore budgets an annual General Fund transfer to pay principal and interest payments applicable to the Town Hall seismic retrofit. Principal and interest payments for the portion of the sewer line replacement are funded with an annual transfer from the Wastewater Collection Capital Improvement Fund (64).

Town staff and our Financial Advisor, Columbia Capital Management, regularly review the financial markets to see if refinancing could result in annual savings for the Town. Given the financial impacts of the COVID-19 pandemic it has become obvious that any cost reduction the Town may be able to achieve is helpful at this time.

The 2013 Bonds permit the Town to cause the Authority to refinance the 2013 Bonds. The Town desires to refinance the 2013 Bonds in order to take advantage of a more favorable interest rate environment than at original issuance. Based upon the formal proposal from Westamerica Bank, the Authority's financial advisor, Columbia Capital Management, LLC, indicates post-refinancing debt service savings (after all transaction costs) to be \$45,000 in total over the remaining life of the bonds (in 2020 dollars and net of all costs). The 2013 Bonds reach final maturity in June 2027 and the refunding bonds will expire in the same year.

Due to the small size of the transaction, the Town's ability to generate material savings from the refinancing is heavily dependent upon certainty of execution of the refunding bonds and the ability to minimize transaction costs. By placing the bonds with a bank, the Authority avoids the costs (and time commitment) associated with securing a bond rating and producing an offering document. Given the negative impacts of the COVID crisis on the municipal bond market in recent weeks, a bank placement also provides the Town and authority with certainty of execution.

Authority staff authorized Columbia Capital to proceed to this point based upon estimates in early March that

savings from the refinancing after all costs could be as much as \$60,000 (in 2020 dollars). Columbia Capital coordinated with a placement agent to secure fully-credit approved quotes from one or more banks to purchase the bonds. As a result of the intervening COVID-19 crisis, the Authority received only one bank proposal, from Westamerica Bank. Fully-credit approved with a rate lock through early June, that proposal will result in savings of approximately \$45,000 (in 2020 dollars) with annual budgetary savings of \$6,000 to \$7,000 per year. Columbia Capital recommends the Authority proceed with the financing for the following reasons, despite the lower-than-expected savings amount:

1. The interest rate on the 2013 Bonds is already very low, making it challenging to generate materially higher savings in *any* interest rate environment. Based upon the Westamerica proposal, the Authority's borrowing costs will decline from an average rate of 2.92% to 1.66%.
2. The short remaining term on the 2013 Bonds also makes it challenging to generate materially higher interest rate savings. These bonds will reach final maturity in June 2027.
3. Unless the Authority believes that its borrowing costs are likely to decline significantly in the near term, there is no economic advantage to waiting to refinance the 2013 Bonds.
4. Incredibly robust through February, the California bank purchase market is now suffering significant stress resulting from the COVID-19 crisis with major banks no longer participating at all and many others providing proposals only to their existing bank customers.
5. Given dislocations in the public municipal bond market due to COVID-19, the Authority could not produce any savings at all through a traditional financing at this time.
6. Unfortunately, given local impacts from the crisis in Yountville, the Town's financial condition is likely stronger now than it will be in coming months. Issuers with material exposure to tourism and travel are already facing increased scrutiny from investors and rating agencies.
7. The feedback Columbia Capital received from other banks that considered providing a proposal but did not includes concerns about the Town's heavy reliance on TOT revenues and increased challenges in getting internal approvals as the result of crisis impacts.

ENVIRONMENTAL REVIEW

Exempt per California Environmental Act (CEQA) Guideline, Section 15061(b)(3).

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? Yes

Where is it Budgeted? Fund 53-7000

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Nominal

STRATEGIC PLAN GOAL

Is item identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. Responsible Fiscal Policy

Briefly Explain Relationship to Strategic Plan Goal and Objective. Refinancing debt at a lower interest rate will generate a saving to the General Fund, making funds available for other programs/projects or to strengthen reserves.

ALTERNATIVES

The Authority is not obligated to execute the transaction at this time, however, unless the Town anticipates a

significant decline in municipal bond rates, there is no economic advantage to waiting. The bonds became callable in mid-2018, but at that time a refunding did not generate sufficient interest rate savings to warrant execution. With a significant decline in municipal market rates over the second half of 2019 and into the early months of 2020, Authority staff determined savings were sufficient to proceed. Although actual savings are approximately \$15,000 less than hoped when staff started this process, given the weakness in the financial markets due to the COVID-19 crisis and the likelihood that Town's financial condition will weaken from the same, generating \$45,000 in savings is preferable to not generating savings at all. Executing the financing with Westamerica Bank as proposed provides the Authority with certainty of execution and a firm savings result.

Not completing the transaction will result in the Town paying approximately \$45,000 more the remainder of the existing term of the financing than will be the case if the Town does not choose to refinance the 2013 Bonds.

RECOMMENDATION

1. Receive staff report on the Refunding of the 2013 Lease Revenue Bonds.
2. Discuss the option to refinance the 2013 Lease Revenue Bonds.
3. Consider Adoption of Resolution Number 20-07 Approving the Form and Authorizing the Execution of Certain Lease Financing Documents in Connection with the Refunding of the Outstanding Yountville Finance Authority Lease Revenue Bonds, Series 2013, and Authorizing and Directing Certain Actions with Respect Thereto.

Yountville Finance Authority Resolution Number 20-07

RESOLUTION OF THE YOUNTVILLE FINANCE AUTHORITY APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE REFUNDING OF THE OUTSTANDING YOUNTVILLE FINANCE AUTHORITY LEASE REVENUE BONDS, SERIES 2013, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO.

Recitals

RESOLVED, by the Board of Directors (the "Board") of the Yountville Finance Authority (the "Authority") as follows:

- A. WHEREAS, the Authority has heretofore issued its Yountville Finance Authority Lease Revenue Bonds, Series 2013, (the "2013 Bonds"), to finance and refinance the costs of the certain capital improvements within the geographic boundaries of the Town of Yountville (the "Town");
- B. WHEREAS, the 2013 Bonds are currently outstanding in the principal amount of \$2,240,000;
- C. WHEREAS, the payment of debt service on the 2013 Bonds is derived from lease payment made by the Town to the Authority under a lease agreement, by and between the Authority and the Town (the "2013 Lease"), payable from the Town's general fund;
- D. WHEREAS, the Town has determined that, due to prevailing interest rates in the municipal bond market and for other reasons, the 2013 Bonds can be refunded for savings which will reduce the Town's payment obligations under the 2013 Lease and the Town has determined to implement a lease financing for such purposes;
- E. WHEREAS, the documents below specified shall be filed with the Authority and the members of the Board, with the aid of its staff, shall review said documents;

Now therefore, it is hereby ordered and determined, as follows:

- 1. The below-enumerated documents, substantially in the forms on file with the Secretary, be and are hereby approved, and the Chair, the Executive Director or the Treasurer is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, and the Secretary is hereby authorized and directed to attest to such official's signature:
 - (a) a site and facility lease, by and between the Town, as lessor, and the Authority, as lessee (the "Site and Facility Lease"), pursuant to which the Town will lease certain real property and improvements (the "Property") to the Authority;
 - (b) a lease agreement, by and between the Authority, as lessor, and the Town, as lessee (the "Lease Agreement"), pursuant to which the Authority will lease the Property back to the Town and pursuant to which the Town will agree to make semi-annual lease payments (the "Lease Payments");

- (c) an assignment agreement, by and between the Authority and an institutional investor to be selected pursuant to a competitive process, as purchaser (the "Purchaser"), pursuant to which the Authority will assign to the Purchaser certain of its rights under the Site and Facility Lease and the Lease Agreement, including its right to receive the Lease Payments thereunder; and
- (d) a termination agreement, by and among the Town, the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee for the 2013 Bonds, terminating the 2013 Lease and associated documents from the Napa County records.

- 2. The Chair, the Executive Director, the Treasurer, the Secretary and other officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates and to take such other actions as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.
- 3. The Resolution is hereby adopted and becomes effective and in full force immediately upon adoption.

I, the undersigned Secretary of the Yountville Finance Authority, hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Governing Board of the Authority at a meeting thereof on the 5th day of May, 2020, by the following vote of the members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

John F. Dunbar, President

ATTEST:

Michelle Dahme
Secretary

LETTER AGREEMENT FOR PURCHASE

May 15, 2020

Town of Yountville
6550 Yount Street
Yountville, CA 94599
Attention: Town Manager

Re: \$_____ Lease Agreement, dated as of June 1, 2020, by and between the Yountville Finance Authority and the Town of Yountville, assigned to _____

Ladies and Gentlemen:

The undersigned, Br _____ (including its successors and assigns, the "Purchaser"), offers, upon the following terms, to acquire (i) the rights, title and interest of Yountville Finance Authority (the "Authority") under the Lease Agreement (hereinafter defined), including its rights to receive Lease Payments to be made by the Town of Yountville (the "Town") under the Lease Agreement, dated as of June 1, 2020 (the "Lease Agreement"), by and between the Authority and the Town; provided that the Authority's rights to indemnification and payment or reimbursement for any costs or expenses thereunder have been retained by the Authority to the extent such rights accrue to the Authority 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 June 1, 2020 (the "Assignment Agreement"), with the Authority, and (ii) except for the Authority's obligation under Section 4 thereof, the rights, title and interest of the Authority under the Site and Facility Lease, dated as of June 1, 2020 (the "Site and Facility Lease"), by and between the Town and the Authority.

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

1. *Purchase and Purchase Price; Terms of Authority's Obligations.* The Town and the Authority agree to execute and deliver the Site and Facility Lease and the Lease Agreement, and the Purchaser agrees to purchase the Authority'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 \$_____. The Lease Payments under the Lease Agreement and the interest rates applicable thereto shall be as shown in Exhibits A hereto.

The Town acknowledges that:

(a) The Purchaser is acting in this transaction solely for its own loan account and not as a fiduciary for the Town 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 Town (including the municipal advisor engaged by the Town) 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 Town 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 Town 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 Town 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 Town'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 Town's municipal advisor, with respect to any such matters; and

(f) the transactions between the Town 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 Town 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 Authority to pay the Town an amount equal to an advance rental of \$_____, pursuant to Section 4 of the Site and Facility Lease. The Town shall use such advance rental payment received from the Authority to (a) refund the outstanding Yountville Finance Authority Lease Revenue Bonds, Series 2013 (the "2013 Bonds"), and (b) pay the costs related to the preparation, execution and delivery of the Lease Agreement, the Site and Facility Lease, the Assignment Agreement.

3. *Disposition of Proceeds.*

(a) On the Closing Date, the Purchaser shall transfer, via wire transfer, to The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"), the amount of \$2,242,787.22, to provide for the defeasance of the 2013 Bonds pursuant to an escrow agreement, dated the Closing Date, by and between the Town and the Escrow Bank (the "Escrow Agreement"). Wire information will be provided prior to the Closing Date.

(c) On the Closing Date, the Purchaser shall transfer, via wire transfer, the following amounts to the following recipients to provide for the payment of the costs of the financing transaction:

- (i) Columbia Capital Management, LLC, as financial advisor, \$_____;
- (ii) Brandis Tallman LLC, as placement agent, \$_____;
- (iii) Quint & Thimmig LLP, as special counsel, \$_____;
- (iv) _____, as counsel to the Purchaser, \$_____;
- (v) Stewart Title Guaranty Company, as title insurer, \$_____; and
- (vi) Town of Yountville, for the CDIAC fee and miscellaneous expenses, \$_____.

4. *Closing.* at 8:00 a.m. Pacific Daylight time, on June 3, 2020, or at such other time or on such earlier or later date as the Purchaser, the Authority and the Town mutually agree upon (the "Closing Date"), the Town will deliver (or cause to be delivered) the Site and Facility Lease and the Lease Agreement executed by the Town and the Authority, the Assignment Agreement executed by the Authority and the Purchaser and the Escrow Agreement, executed by the Town

and the Escrow Bank, and the Purchaser will pay the purchase price for the Authority'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 Town.* The Town represents and warrants to the Purchaser that:

(a) The Town is a municipal corporation and general law city 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, the Lease Agreement and the Escrow Agreement (collectively, the "Town Documents").

(b) Neither the execution and delivery of the Town Documents, nor the execution of this Agreement, and compliance with the provisions on the Town'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 Town 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 Town 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 Town Documents.

(c) The Town Documents have been duly authorized by the Town, and, assuming due authorization, execution and delivery by the other parties thereto, will constitute legal, valid and binding agreements of the Town 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 Town required for the execution and delivery of the Town Documents or the consummation by the Town of the other transactions contemplated by the Town 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 Town or, to the knowledge of the Town after reasonable investigation, threatened against or affecting the Town or the assets, properties or operations of the Town which, if determined adversely to the Town or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Town Documents or upon the financial condition, assets, properties or operations of the Town and on the Town's ability to make the Lease Payments, and the Town 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 Town and on the Town's ability to make Lease Payment.

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

(g) The Town 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 Town is a party or is otherwise subject and in connection with which the Town 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 Town under the Town Documents.

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

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

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

(k) The financial statements of, and other financial information regarding the Town delivered to the Purchaser fairly present the financial position and results of the operations of the Town 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 Town 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 Town's general fund.

(m) The Town does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the Town Agreements or the Assignment Agreement. To the extent the Town has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the Town 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 Town Documents or the Assignment Agreement.

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

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

(b) The delivery by the Town of fully executed copies of the Site and Facility Lease, the Lease Agreement, the Escrow Agreement and Assignment Agreement in form and substance acceptable to the Purchaser;

(c) Delivery of a legal opinion addressed to the Town, 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 Lease Agreement, the Site and Facility Lease, and the Assignment Agreement by and against the Town and the Authority (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 Chief Executive Officer, or such other officer of the Town as the Town Council of the Town may approve, to the effect that:

(i) to the best knowledge of the Town, there are no actions or proceedings against the Town pending and notice of which has been served on the Town or threatened that materially adversely affect the Town'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 Town 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 Town acknowledges receipt from the Purchaser of the purchase price for the Town's obligations under the Lease Agreement, including the Lease Payments;

(e) The delivery by the Town of a title policy for the property that is the subject of the Site and Facility Lease and Lease Agreement in form acceptable to the Purchaser;

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

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

(h) 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 Authority'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 Town or on the ability of the Town or the Authority 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 Town 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 Town, CDIAC fees, fees of Purchaser's Counsel and other miscellaneous expenses of the Town incurred in connection with the offering and delivery of the Town Documents or the Assignment Agreement shall all be the obligation of the Town. The Purchaser shall have no responsibility for any expenses associated with the Town Documents or the Assignment Agreement, including, but not limited to, the expenses identified above as the obligation of the Town.

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 CITY 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 CITY 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 Town shall be solely responsible to pay all fees and expense of any referee appointed in such action or proceeding.

[Remainder of page intentionally left blank]

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.

_____, as Purchaser

By _____
Authorized Officer

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

CITY OF BALDWIN PARK

By _____
Town Manager

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
12/1/20			
6/1/21			
12/1/21			
6/1/22			
12/1/22			
6/1/23			
12/1/23			
6/1/24			
12/1/24			
6/1/25			
12/1/25			
6/1/26			
12/1/26			
6/1/27			
TOTAL			

(1) The applicable interest rate is _____% per annum. If the Default Rate or the Taxable Rate is in effect, interest will be computed by applying such alternate rate.

EXHIBIT B

FORM OF PURCHASER'S LETTER

Town of Yountville
6550 Yount Street
Yountville, CA 94599
Attention: Town Manager

Re: \$_____ Lease Agreement, dated as of June 1, 2020, by and between the Yountville Finance Authority and the Town of Yountville, assigned to _____

Ladies and Gentlemen:

The undersigned, _____ (the "Purchaser"), has agreed to acquire (i) the rights, title and interest of Yountville Municipal Financing Authority (the "Authority") under the Lease Agreement, dated as of June 1, 2020 (the "Lease Agreement"), by and between the Town of Yountville (the "Town") and the Authority, including its rights to receive lease payments to be made by the Town under the Lease Agreement. In connection with such purchase, the Purchaser hereby agrees and certifies to the Authority and the Town 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 Authority under the Lease Agreement.

(b) The Purchaser is acquiring the rights, title and interest of the Authority 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 Authority 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 Authority under the Lease Agreement.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the Town 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 Town set forth in the Lease Agreement and in the information set forth in any materials submitted to the Purchaser by the Town. The Town has furnished to the Purchaser all the information which the Purchaser, as a reasonable investor, has requested of the Town as a result of the Purchaser having attached significance thereto in making its investment 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 Town 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 Authority 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 Authority 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 Authority 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 Authority 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 Town has not undertaken to provide any continuing disclosure with respect to the Lease Agreement but that the Town has agreed to provide other ongoing information to the Purchaser.

By _____
Name _____
Title _____

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

SITE AND FACILITY LEASE

Dated as of June 1, 2020

by and between the

TOWN OF YOUNTVILLE, as Lessor

and the

YOUNTVILLE FINANCE AUTHORITY, as Lessee

SITE AND FACILITY LEASE

THIS SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of June 1, 2020, is by and between the TOWN OF YOUNTVILLE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California (the "Town"), as lessor, and the YOUNTVILLE FINANCE AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the "Authority"), as lessee;

WITNESSETH:

WHEREAS, pursuant to this Site and Facility Lease, the Town proposes to lease those certain parcels of real property situated in Napa County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility" and, with the Site, the "Property"), to the Authority, all for the purpose of enabling the Town to refund the outstanding Yountville Finance Authority Lease Revenue Bonds, Series 2013;

WHEREAS, the Authority proposes to lease the Property back to the Town pursuant to that certain Lease Agreement, dated as of June 1, 2020, a memorandum of which is recorded concurrently herewith (the "Lease Agreement") and to assign all of its rights, title and interest in, to and under this Site and Facility Lease and the Lease Agreement, including its right to receive lease payments under the Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under the Lease Agreement in the event of a default thereunder by the Town, to _____ (the "Assignee"), pursuant to that certain assignment agreement, dated as of June 1, 2020, by and between the Authority and the Assignee (the "Assignment Agreement"), and recorded concurrently herewith;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site and Facility Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site and Facility Lease. The Town hereby leases to the Authority and the Authority hereby leases from the Town, on the terms and conditions hereinafter set forth, the Property.

Section 3. Term. The term of this Site and Facility Lease shall commence on the date of recordation of this Site and Facility Lease in the Town of the County Recorder of Napa County, State of California, and shall end on June 1, 2027, unless such term is extended or sooner terminated as hereinafter provided. If, on June 1, 2027, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid by reason of abatement, default or otherwise, or provision shall not have been made for their payment in accordance with the Lease Agreement, then the term of this Site and Facility Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, but in no event later than June 1, 2037. If, prior to June 1, 2027, all Lease Payments shall be fully paid or provision made for such payment in accordance with the Lease Agreement, the term of this Site and Facility Lease shall end.

Section 4. Advance Rental Payment. The Town agrees to lease the Property to the Authority in consideration of the payment by the Authority of an advance rental payment of

§_____. The Town and the Authority agree that by reason of the assignment of the Lease Payments to the Assignee under and pursuant to the Assignment Agreement, the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Authority shall use the Property solely for the purpose of leasing the Property to the Town pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the Town under the Lease Agreement, the Authority and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. Town's Interest in the Property. The Town covenants that it is the owner in fee of the Property.

Section 7. Town Representations and Certifications to the Authority and the Assignee. The Town hereby certifies and represents, warrants, covenants and agrees as follows:

(a) This Site and Facility Lease is in full force and effect, and there have been no amendments, modifications, changes or additions since its execution.

(b) To the best of the Town's knowledge, the Authority is not and will not be, in any respect, in default under the terms and provisions of this Site and Facility Lease. Further, to the best of the Town's knowledge, the Town knows of no event which would, currently or with the passage of time or giving of notice, or both, constitute a default under the terms of this Site and Facility Lease by either the Authority or the Town.

(c) The Town has not currently encumbered its fee interest in the Property to any lender or financial institution, whether by way of mortgage, deed of trust or other security instruments, except for this Site and Facility Lease and the Lease Agreement which is being recorded concurrently herewith and Permitted Encumbrances (as defined in the Trust Agreement).

(d) The Town acknowledges hereby consents to the Lease Agreement.

(e) Upon the Event of Default under the Lease Agreement, the Town will standstill and allow the Authority or the Assignee to pursue any and all remedies available to the Authority or Assignee under either this Site and Facility Lease or the Lease Agreement.

(f) Except for the rental payment referenced in Section 4, no additional rent is or will be due under this Site and Facility Lease by the Authority through the term of this Site and Facility Lease and the Authority has satisfied all of its obligations under this Site and Facility Lease.

(g) During the term of the Site and Facility Lease, the Town will not consent to any amendment, modification or termination of this Site and Facility Lease without the prior written consent of the Assignee.

(h) During the term of this Site and Facility Lease, the Town will not encumber its interest in the Site without the prior written consent of the Assignee.

(i) The Town acknowledges that this Site and Facility Lease cannot be terminated by the Town for any reason, except according to Section 3.

(j) Notwithstanding any Site and Facility Lease provisions to the contrary, policies of fire, casualty, and extended coverage insurance shall be carried and maintained by the Town in

accordance with the terms of the Lease Agreement covering the building or buildings constructed on the Site, with a loss payable clause to Assignee.

Section 8. Assignments and Subleases. Unless the Town shall be in default under the Lease Agreement, the Authority may not assign its rights under this Site and Facility Lease or sublet the Property, except as provided in the Lease Agreement and the Assignment Agreement, without the written consent of the Town and the Assignee. The Town consents to the assignment of the Authority's interest in this Site and Facility Lease to the Assignee. If the Town is in default under the Lease Agreement, the Assignee (including their successors and assigns under the Lease Agreement) may fully and freely assign and sublease the Property or any portion thereof, subject to this Site and Facility Lease.

Section 9. Right of Entry. The Town reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 10. Termination. The Authority agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Property 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 Site and Facility Lease shall remain thereon and title thereto shall vest in the Town.

Section 11. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the Town may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the Town shall have no right to terminate this Site and Facility Lease as a remedy for such default. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the Town will continue to pay the Lease Payments to the Assignee.

In the event of the occurrence of an Event of Default under the Lease Agreement or a breach or default of the certifications and representations, warranties and covenants of the Town contained in Section 7, the Authority and/or the Assignee may (i) exercise the remedies provided in the Lease Agreement, (ii) use the Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein.

Section 12. Quiet Enjoyment. The Authority, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Property subject to the provisions of the Lease Agreement.

Section 13. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Authority are solely liabilities of the Authority and the Town hereby releases each and every Boardmember, director, officer, employee and agent of the Authority of and from any personal or individual liability under this Site and Facility Lease. No Boardmember, director, officer, employee or agent of the Authority shall at any time or under any circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Authority hereunder.

Section 14. Taxes. All assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Property or the Authority's interest in the

Property created by this Site and Facility Lease (including both land and improvements) will be paid by the Town in accordance with the Lease Agreement.

Section 15. Eminent Domain. In the event the whole or any part of the Property is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid principal component of the Lease Payments, any then unpaid interest component of the Lease Payments and any premium due with respect to the prepayment of Lease Payments to the date such amounts are remitted to the Authority or its assignee, and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the Town. The Town hereby waives, to the extent permitted by law, any and all rights that it has or may hereafter have to acquire the interest of the Authority in and to the Property through the eminent domain powers of the Town. However, the Town hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the Town with respect to the Property shall be in an amount not less than the total unpaid principal component of Lease Payments, the interest component of Lease Payments accrued to the date of payment of all Lease Payments and any premium due with respect to the prepayment of Lease Payments under the Lease Agreement.

Section 16. Use of the Proceeds. The Town and the Authority hereby agree that the lease to the Authority of the Town's right and interest in the Property pursuant to Section 2 serves the public purposes of the Town.

Section 17. Attorneys' Fees, Costs and Expenses. In any civil action or proceeding arising from or relating to this Site and Facility Lease or a party's performance under this Site and Facility Lease, the prevailing party shall be awarded its reasonable attorneys' fees, costs and expenses, including the reasonable attorneys' fees, costs and expenses incurred in collecting or executing upon any judgment, order or award.

Section 18. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 19. 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 mail, return receipt requested, postage prepaid, at the addresses set forth in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 20. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon the Town and the Authority and their respective successors and assigns. The Assignee are hereby made third party beneficiaries hereunder with all rights of a third party beneficiary.

Section 21. Amendment. This Site and Facility Lease may not be amended except as permitted under the Lease Agreement.

Section 21. 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 Site and Facility Lease.

Section 22. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

Section 23. No Merger. Neither this Site and Facility Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the Town to the Property under this Site and Facility Lease and the Town's leasehold interest therein under the Lease Agreement.

Section 24. Execution in Counterparts. This Site and Facility 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 instrument.

[Remainder of page intentionally left blank]

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

TOWN OF YOUNTVILLE

By _____
Steven Rogers
Town Manager

Attest:

Michelle Dahme
Town Clerk

YOUNTVILLE FINANCE AUTHORITY

By _____
Steven Rogers
Executive Director

Attest:

Michelle Dahme
Secretary

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A

DESCRIPTION OF THE SITE

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

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHWESTERN LINE OF FINNELL ROAD WITH THE NORTHEASTERN LINE OF YOUNT STREET; THENCE ALONG THE NORTHEASTERN LINE OF SAID YOUNT STREET, NORTH 29° 27' WEST 205.25 FEET; THENCE, LEAVING SAID YOUNT STREET, AND RUNNING NORTH 74° 07'30" EAST 94.62 FEET AND NORTH 69° 37'30" EAST 69.12 FEET TO A POINT WHICH BEARS NORTH 32° 49'30" WEST 165.93 FEET FROM THE NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 32° 49'30" EAST 165.93 FEET TO SAID NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE, 170.12 FEET TO THE POINT OF COMMENCEMENT.

ALSO SHOWN AS PARCEL A, AS SHOWN AND DELINEATED ON THE MAP FILED FOR RECORD ON JANUARY 5, 1977, IN BOOK 8 OF PARCEL MAPS, PAGES 54 NAPA COUNTY OFFICIAL RECORDS.

A.P.N. 036-070-25

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of the Town Hall. Town Hall was originally constructed as a school in the 1930's. Although it has been remodeled and modernized, it still retains its original historic charm. Town Hall is approximately 8,000 square feet, housing administrative offices and council meeting chambers.

LEASE AGREEMENT

Dated as of June 1, 2020

by and between the

YOUNTVILLE FINANCE AUTHORITY, as Sublessor

and the

TOWN OF YOUNTVILLE, as Sublessee

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions2
Section 1.2. Interpretation5

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the Town7
Section 2.2. Covenants, Representations and Warranties of the Authority9

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds11

ARTICLE IV

LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Sublease of Property by the Authority Back to the Town12
Section 4.2. Term12
Section 4.3. Lease Payments12
Section 4.4. Quiet Enjoyment14
Section 4.5. Title14
Section 4.6. Release of Excess Property14
Section 4.7. Substitution of Property15

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments17
Section 5.2. Modification of Property17
Section 5.3. Public Liability Insurance17
Section 5.4. Casualty Insurance18
Section 5.5. Rental Interruption Insurance18
Section 5.6. Worker’s Compensation Insurance18
Section 5.7. Recordation Hereof; Title Insurance18
Section 5.8. Insurance Net Proceeds; Form of Policies19
Section 5.9. Installation of Town’s Personal Property19
Section 5.10. Liens19
Section 5.11. Advances19
Section 5.12. Environmental Covenants19
Section 5.13. Town Consents to Assignment Agreement20

ARTICLE VI

EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain21
Section 6.2. Application of Net Proceeds21
Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction23

ARTICLE VII

OTHER COVENANTS OF THE TOWN

Section 7.1. Disclaimer of Warranties24

Section 7.2. Access to the Property; Grant and Conveyance of Right of Entry	24
Section 7.3. Release and Indemnification Covenants	24
Section 7.4. Assignment by the Authority	25
Section 7.5. Assignment and Subleasing by the Town	25
Section 7.6. Amendment of Lease Agreement	26
Section 7.7. Tax Covenants	26
Section 7.8. Financial Statements; Budgets; Other Information	26
Section 7.9. Records and Accounts	27
Section 7.10. Observance or Laws and Regulations	27
Section 7.11. Notices	27

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined	28
Section 8.2. Remedies on Default	28
Section 8.3. No Remedy Exclusive	30
Section 8.4. Agreement to Pay Attorneys' Fees and Expenses	30
Section 8.5. No Additional Waiver Implied by One Waiver	30
Section 8.6. Assignee to Exercise Rights	30

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Security Deposit	31
Section 9.2. Optional Prepayment	31
Section 9.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain	31

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices	33
Section 10.2. Binding Effect	33
Section 10.3. Severability	33
Section 10.4. Net-net-net Lease	33
Section 10.5. Further Assurances and Corrective Instruments	33
Section 10.6. Judicial Reference	33
Section 10.7. Execution in Counterparts	34
Section 10.8. Applicable Law	34
Section 10.9. Captions	34

EXHIBIT A	DESCRIPTION OF THE SITE
EXHIBIT B	DESCRIPTION OF THE FACILITY
EXHIBIT C	SCHEDULE OF LEASE PAYMENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of June 1, 2020, is by and between the YOUNTVILLE FINANCE AUTHORITY, a joint exercise of powers entity organized and existing under the laws of the State of California, as sublessor (the "Authority"), and the TOWN OF YOUNTVILLE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California, as sublessee (the "Town");

WITNESSETH:

WHEREAS, pursuant to that certain Site and Facility Lease, dated as of June 1, 2020 (the "Site and Facility Lease"), the Town has leased those certain parcels of real property situated in Napa County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility" and, with the Site, the "Property"), to the Authority, all for the purpose of enabling the Town to refund the outstanding Yountville Finance Authority Lease Revenue Bonds, Series 2013 (the "2013 Bonds");

WHEREAS, the Authority proposes to lease the Property back to the Town pursuant to this Lease Agreement and to assign all of its rights, title and interest in, to and under this Lease Agreement, including its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the Town and its rights under the Site and Facility Lease, to _____ (the "Assignee"), pursuant to that certain assignment agreement, dated as of June 1, 2020, by and between the Authority and the Assignee; and

WHEREAS, the Town and the Authority have agreed to enter into this Lease Agreement providing for Lease Payments with an aggregate principal component in the amount of \$7,276,000 for the purpose of implementing the financing transactions described above.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease Agreement.

“Additional Payments” means the amounts specified as such in Section 4.3(b) of this Lease Agreement.

“Applicable Environmental Laws” means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 *et seq.*; the Federal Water Pollution Control Act, 33 USC Sections 1251 *et seq.*; the Clean Air Act, 42 USC Sections 7401 *et seq.*; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 *et seq.*; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 *et seq.*; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 *et seq.*; the Air Resources Act, California Health & Safety Code Sections 3900 *et seq.*; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 *et seq.*; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Applicable Law” means (a) all applicable common law and principles of equity and (b) all applicable provisions of all (i) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (ii) Applicable Environmental Laws, (iii) applicable seismic building code requirements at the time of construction, and (iv) orders, decisions, judgments, writs, injunctions and decrees of all courts (whether at law or in equity) and arbitrators.

“Assignee” means initially, _____, as assignees of all rights, title and interests of the Authority hereunder, and (b) any other entity to whom the rights of the Authority hereunder are assigned, including subsequent assignees of the Assignee.

“Assignment Agreement” means the Assignment Agreement, dated as of June 1, 2020, by and between the Authority, as assignor, and the Assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Authority” means the Yountville Municipal Financing Authority, a joint exercise of powers entity, organized and existing under the laws of the State.

“Authority Representative” means the President, the Vice President, the Executive Director or the Treasurer or the designee of any such official, or any other person authorized by resolution of the Authority delivered to the Assignee to act on behalf of the Authority under or

with respect to the Site and Facility Lease, the Lease Agreement and the Assignment Agreement.

"Bond Counsel" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

"Closing Date" means the date this Lease Agreement or a memorandum thereof is recorded in the office of the County Recorder of Napa County.

"Contract" means any indenture, trust agreement, contract, agreement (other than this Lease Agreement), other contractual restriction, lease, mortgage or instrument.

"Costs of Issuance Agreement" means the Costs of Issuance Custodian Agreement, dated the Closing Date by and between the Town and the Custodian, together with any duly authorized and executed amendments thereto.

"Custodian" means U.S. Bank National Association, as custodian under the Costs of Issuance Agreement.

"Default Rate" means the then prevailing interest rate per annum plus 5.00%.

"Escrow Agreement" means the Escrow Agreement, dated the Closing Date, by and between the Town and the Escrow Bank, providing for the payment and redemption of the 2013 Bonds, together with any duly authorized and executed amendments thereto.

"Escrow Bank" means U.S. Bank National Association, or any successor thereto, acting as escrow bank under the Escrow Agreement.

"Escrow Fund" means the fund by that name established and held by the Escrow Bank pursuant to Section 3 of the Escrow Agreement.

"Event of Default" means any of the events of default as defined in Section 8.1.

"Facility" means those certain existing facilities more particularly described in Exhibit B to the Site and Facility Lease and in Exhibit B to the Lease Agreement.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the Town as its fiscal year period.

"Governmental Authority" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, city or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or

functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Hazardous Substance” means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 *et seq.*).

“Lease Agreement ” means this Lease Agreement, dated as of June 1, 2020, between the Authority and the Town.

“Lease Payment Date” means June 1 and December 1 in each year, commencing December 1, 2020, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payments” means all payments required to be paid by the Town under Section 4.3, including any prepayment thereof under Sections 9.2 or 9.3.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Town, (b) the ability of the Town to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis, (c) the validity or enforceability of this Lease Agreement, or (d) the exemption of the interest component of the Lease Payments for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the Town in any court or before any arbitrator of any kind or before or by any Governmental Authority, (a) if determined adversely to the Town, may have a Material Adverse Effect, (b) seek to restrain or enjoin any of the transactions contemplated by this Lease Agreement, or (c) may adversely affect (i) the exemption of the interest component of the Lease Payments for state income tax purposes or (ii) the ability of the Town to perform its obligations under this Lease Agreement.

“Net Proceeds” means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Town may permit to remain unpaid under Article VI of this Lease Agreement; (b) the Site and Facility Lease, this Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy received by the Town in connection with its acquisition with respect to the Property issued as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the Town certifies in writing will not materially impair the use of the Property for its intended purposes.

“Property” means, collectively, the Site and the Facility.

“Rental Period” means each period during the Term of the Lease commencing on and including June 2 in each year and extending to and including the next succeeding June 1. The first Rental Period begins on the Closing Date and ends on June 1, 2021.

“Site” means that certain real property more particularly described in Exhibit A to the Site and Facility Lease and in Exhibit A to the Lease Agreement.

“Site and Facility Lease” means the Site and Facility Lease, dated as of June 1, 2020, by and between the Town, as lessor, and the Authority, as lessee, together with any duly authorized and executed amendments thereto.

“State” means the State of California.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

“Taxable Date” means the date when a final determination is made by the Internal Revenue Service that the interest component of the Lease Payments is not excludible from the gross income of the Assignee for federal income tax purposes caused by the actions or omissions of the Town.

“Taxable Rate” means _____% computed on the basis of a 360-day year of twelve 30-day months.

“Term of this Lease Agreement” or *“Term”* means the time during which this Lease Agreement is in effect, as provided in Section 4.2.

“Town” means the Town of Yountville, a municipal corporation and general law city organized and existing under the laws of the State.

“Town Representative” means the Mayor, the Chief Executive Officer, the Director of Finance or the designee of any such official, or any other person authorized by resolution delivered to the Authority and the Assignee to act on behalf of the Town under or with respect to the Site and Facility Lease and this Lease Agreement.

“2013 Bonds” means the Yountville Finance Authority Lease Revenue Bonds, Series 2012, issued to finance and refinance the costs of the certain capital improvements within the geographic boundaries of the Town.

Section 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the Town. The Town makes the following covenants, representations and warranties to the Authority and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence*. The Town is a municipal corporation and general law city, organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into the Escrow Agreement, the Site and Facility Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Town has duly authorized the execution and delivery by the Town of the Escrow Agreement, the Site and Facility Lease and this Lease Agreement.

(b) *Due Execution*. The representative of the Town executing the Escrow Agreement, the Site and Facility Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the Town Board of the Town.

(c) *Valid, Binding and Enforceable Obligations*. The Escrow Agreement, the Site and Facility Lease and this Lease Agreement have been duly authorized, executed and delivered by the Town and constitute the legal, valid and binding agreements of the Town enforceable against the Town in accordance with their respective terms.

(d) *No Conflicts*. The execution and delivery of the Escrow Agreement, the Site and Facility Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Town is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Town, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Escrow Agreement, the Site and Facility Lease or this Lease Agreement or the financial condition, assets, properties or operations of the Town.

(e) *Consents and Approvals*. No consent or approval of any trustee or holder of any indebtedness of the Town or of the voters of the Town, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Escrow Agreement, the Site and Facility Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation*. 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 Town or, to the knowledge of the Town after reasonable investigation, threatened against or affecting the Town or the assets, properties or operations of the Town which, if determined adversely to the Town or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Escrow Agreement, the Site and Facility Lease and this Lease Agreement or upon the

financial condition, assets, properties or operations of the Town, and the Town 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 Town.

(g) *Sufficient Funds*. The Town reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) *No Defaults*. The Town has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

(i) *Fee Title*. The Town is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the Town's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(j) *Use of the Property*. During the term of this Lease Agreement, the Property will be used by the Town only for the purpose of performing one or more governmental or proprietary functions of the Town consistent with the permissible scope of the Town's authority.

(k) *Change in Financial Condition*. The Town has experienced no material change in its financial condition since June 30, 2019.

(l) *Hazardous Substances*. The Property is free of all Hazardous Substances, and the Town is in full compliance with all Applicable Environmental Laws.

(m) *Flooding Risk*. The Property is not located in a 100-year flood zone and has never been subject to material damage from flooding.

(n) *Value of Property*. The value of the Property (real property replacement cost) is not less than \$2,500,000.

(o) *Essential to Town Operations*. The Property is essential to the Town's efficient and economic operations and the lease thereof for use by the Town is in the best interest of the Town.

(p) *Financial Statements*. The statement of financial position of the Town as of June 30, 2019, and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Assignee, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the Town at such date and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect and (ii) no material increase in the indebtedness of the Town.

(q) *No Material Adverse Change.* Since the most current date of the information, financial or otherwise, supplied by the Town to the Assignee:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the Town which might reasonably be anticipated to cause a Material Adverse Effect.

(ii) The Town has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iii) The Town has not (A) incurred any material indebtedness, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the Town's business and not past due, or (B) guaranteed the indebtedness of any other person.

(r) *Accuracy of Information.* All information, reports and other papers and data furnished by the Town to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the Town which has had or, so far as the Town can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the Town or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the Town's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(s) *Facility.* The Facility complies with all applicable restrictive covenants, zoning ordinances, building laws and other Applicable Laws (including without limitation, the Americans with Disabilities Act, as amended).

(t) *Sovereign Immunity.* The Town does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Lease Agreement. To the extent the Town has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the Town hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Lease Agreement.

Section 2.2. Covenants, Representations and Warranties of the Authority. The Authority makes the following covenants, representations and warranties to the Town and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence.* The Authority is a joint exercise of powers entity, duly organized and existing under the laws of the State, has full legal right, power and authority to

enter into the Site and Facility Lease, this Lease Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Authority has duly authorized the execution and delivery by the Authority of the Site and Facility Lease, this Lease Agreement and the Assignment Agreement.

(b) *Due Execution.* The representative of the Authority executing the Site and Facility Lease, this Lease Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Authority.

(c) *Valid, Binding and Enforceable Obligations.* The Site and Facility Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Site and Facility Lease, this Lease Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site and Facility Lease, this Lease Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Authority.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site and Facility Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* 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 Authority or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site and Facility Lease, this Lease Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Authority, and the Authority 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 materially and adversely affect the consummation of the transactions contemplated by the Site and Facility Lease, this Lease Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Authority.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. On the Closing Date, from the amounts paid by the Assignee of \$_____ (which represents the principal amount of this Lease Agreement), the Town shall cause (a) the amount of \$_____ to be transferred to the Escrow Bank for deposit in the Escrow Fund to provide for the defeasance of the 2013 Bonds, and (b) the amount of \$_____ to be paid to various payees to pay financing costs of the transaction.

ARTICLE IV

LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Sublease of Property by the Authority Back to the Town.

(a) The Authority hereby subleases the Property to the Town, and the Town hereby subleases the Property from the Authority, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the Town to the Authority pursuant to the Site and Facility Lease shall not affect or result in a merger of the Town's subleasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site and Facility Lease.

Section 4.2. Term. The Term of this Lease Agreement commences on the date of recordation of this Lease Agreement or a memorandum hereof and ends on June 1, 2027, or the date on which all of the Lease Payments have been paid in full pursuant to the terms of this Lease Agreement. If on June 1, 2027, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the Town shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the Town, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed ten (10) years. The provisions of this Section 4.2 are subject to the provisions of Section 6.1 relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.3. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of Sections 6.1 and 6.3 and the provisions of Article IX, the Town agrees to pay to the Authority, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit C attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit C; *provided, however,* that if any Lease Payment Date is not a Business Day, such Lease Payment shall be due on the next succeeding Business Day. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period.

The interest component of the Lease Payments shall be calculated based on an interest rate of _____% per annum on the basis of a 360-day year of twelve 30-day months. The Town understands that the Assignee will send an invoice to the Town in advance of each Lease Payment Date. Beginning on the Taxable Date, if applicable, the interest component of the Lease Payments shall be equal to the Taxable Rate. Upon the occurrence and continuation of an Event of Default, the interest component of the Lease Payments shall be equal to the Default Rate.

(b) *Additional Payments.* In addition to the Lease Payments set forth herein, the Town agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Authority therein or in this Lease Agreement; provided, however, the Town may, at the

Town's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Authority shall notify the Town that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property, or any portion thereof, will be subject to loss or forfeiture, in which event the Town shall promptly pay such taxes and assessments or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof; and

(iii) any other reasonable fees, costs or expenses incurred by the Authority in connection with the execution, performance or enforcement of this Lease Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the Town shall not be responsible for any costs incurred by the Authority associated with any assignment made by the Assignee.

Amounts constituting Additional Payments payable hereunder shall be paid by the Town directly to the person or persons to whom such amounts shall be payable. The Town shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Authority to the Town stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) *Effect of Prepayment.* If the Town prepays the Lease Payments in part but not in whole under Section 9.3, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) *Rate on Upon Event of Default.* If the Town fails to make any of the payments required in this Section 4.3 for more than ten days after the due date for payment, the payment in default will continue as an obligation of the Town until the amount in default has been fully paid, and the Town agrees to pay a rate equal to the rates specified in paragraph (a) above, plus 6% from the date of default to the date of payment.

(e) *Fair Rental Value.* The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period and will be paid by the Town in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the Town and the general public.

(f) *Source of Payments; Budget and Appropriation.* The Lease Payments are payable from any source of legally available funds of the Town, subject to the provisions of Sections 6.1 and 9.1. The Town covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease Agreement and to make the

necessary annual appropriations for all such Lease Payments. The covenants on the part of the Town herein contained constitute duties imposed by law and it is the duty of each and every public official of the Town 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 Town to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the Town.

(g) *Allocation of Lease Payments.* All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) *No Offsets.* Notwithstanding any dispute between the Authority, or Assignee as the Authority's assignee, and the Town, the Town shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) *Assignment Agreement.* The Town understands and agrees that all Lease Payments have been assigned by the Authority to the Assignee under the Assignment Agreement executed concurrently herewith, and the Town hereby assents to such assignment. The Authority hereby directs the Town, and the Town hereby agrees, to pay to the Assignee, all payments payable by the Town under this Section 4.3 and all amounts payable by the Town under Article IX. Lease Payments shall be paid to the Assignee.

(f) *No Abatement.* As the Town is not a debt limit entity under the State Constitution, its obligations to make Lease Payments hereunder are not subject to abatement.

Section 4.4. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Authority will provide the Town with quiet use and enjoyment of the Property and the Town will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease Agreement. The Authority will, at the request of the Town and at the Town's cost, join in any legal action in which the Town asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority and the Assignee have the right to inspect the Property as provided in Sections 5.12(c) and 7.2.

Section 4.5. Title. At all times during the Term of this Lease Agreement, the Town shall hold title to the Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.2.

Upon the termination of this Lease Agreement (other than under Section 8.2(b) hereof), all right, title and interest of the Authority in and to the Property shall be transferred to and vested in the Town. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the Town of security for such Lease Payments as provided in Section 9.1, all right, title and interest of the Authority in and to the Property shall be transferred to and vested in the Town. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by the Town to consummate any such transfer.

Section 4.6. Release of Excess Property. The Town may, at any time and from time to time, release any portion of the Property (the "Released Property") from the Lease, with the prior written consent of the Assignee, which consent shall be at the Assignee's sole discretion,

and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) The Town shall certify to the Authority and the Assignee that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under Section 6.3 has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) The Town shall file with the Authority and the Assignee, and cause to be recorded in the office of the Napa County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) The Town shall file with the Authority and the Assignee a written certificate of the Town stating the Town's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Assignee, the Town shall provide to the Assignee additional information and documents to evidence the value of the remaining portion of the Property;

(d) The Town shall file with the Authority and the Assignee a written certificate of the Town stating the Town's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate; and

(e) The Town shall file with the Authority and the Assignee such other information, documents and instruments as the Authority or the Assignee shall reasonably request, including (if requested by the Assignee) evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Released Property. The Town is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Authority and the Town shall execute, deliver and cause to be recorded all documents required to discharge this Lease Agreement of record against the Released Property.

Section 4.7. Substitution of Property.

(a) In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the Town shall substitute under the Site and Facility Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining Lease Payments hereunder.

(b) If for any reason the Town is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining Lease Payments hereunder, the Town shall use its best efforts to obtain other financing in an amount necessary to prepay the principal

component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the Town, and the Town will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the Town or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Property, as hereinbefore more specifically set forth. The Town waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the Town under the terms of this Lease Agreement.

The Town will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the Town affecting the 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 Town is obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

The Town may, at the Town's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the Town that, in its reasonable opinion, by nonpayment of any such items the interest of the Authority in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the Town will promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority. The Town shall promptly notify the Assignee of any tax, assessment, utility or other charge it elects to contest.

Section 5.2. Modification of Property. The Town has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.3. Public Liability Insurance. The Town shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard comprehensive general liability insurance policy or policies in protection of the Town, the Assignee and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of

the Property. Such policy or policies must provide coverage with limits of at least \$1,000,000 per occurrence, \$3,000,000 in the aggregate, for bodily injury and property damage coverage, and excess liability umbrella coverage of at least \$5,000,000, and in all events in form and amount (including any deductibles) satisfactory to the Assignee. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the Town (including, with Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the Town in a joint powers authority or other program providing pooled insurance. The Town will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.4. Casualty Insurance. The Town will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the Town, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Such insurance shall be subject to a deductible of not to exceed \$250,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the Town (including, with the Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the Town in a joint powers authority or other program providing pooled insurance. The Town will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.5. Rental Interruption Insurance. The Town will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the Town and may be maintained in whole or in part in the form of the participation by the Town in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the Town. The Town will apply the Net Proceeds of such insurance towards the payment of the Lease Payments as the same become due and payable.

Section 5.6. Worker's Compensation Insurance. If required by applicable California law, the Town shall carry worker's compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Authority certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the Town (including a self-insurance program) and may be maintained in whole or in part in the form of the participation by the Town in a joint powers authority or other program providing pooled insurance.

Section 5.7. Recordation Hereof; Title Insurance. On or before the Closing Date, the Town shall, at its expense, (a) cause this Lease Agreement, the Site and Facility Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Special Counsel, to be recorded in the office of the Napa County Recorder with respect to the Property, and (b) obtain a CLTA title insurance policy insuring the Assignee's interests in the leasehold estate established under the Site and Facility Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal

components of the Lease Payments. The Town will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.8. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.3, 5.4 and 5.5 and provided by third party insurance carriers shall name the Town and the Assignee as insured parties and the Assignee as loss payees and shall include a lender's loss payable endorsement for the benefit of the Assignee. Prior to the Closing Date, the Town will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the Town will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the Town shall notify the Assignee of such fact.

Section 5.9. Installation of Town's Personal Property. The Town 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 Property. All such items shall remain the sole property of the Town, in which the Authority has no interest, and may be modified or removed by the Town at any time. The Town must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the Town from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, 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 may attach to any part of the Property.

Section 5.10. Liens. The Town will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than as herein contemplated and except for such encumbrances as the Town certifies in writing to the Assignee do not materially and adversely affect the leasehold estate in the Property hereunder and for which the Assignee provides its prior written approval, which approval shall be at Assignee's sole discretion. Except as expressly provided in this Article V, the Town will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Town will reimburse the Assignee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Advances. If the Town fails to perform any of its obligations under this Article V, the Authority may take such action as may be necessary to cure such failure, including the advancement of money, and the Town shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(c).

Section 5.12. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances.* The Town will comply with all Applicable Environmental Laws with respect to the Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would

cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Property.

(b) *Notification of Assignee.* The Town will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Assignee, and the Town will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Assignee.

(c) *Access for Inspection.* The Town will permit the Assignee, its agents, or any experts designated by the Assignee to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Assignee has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

Section 5.13. Town Consent to Assignment Agreement. The Authority's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site and Facility Lease, are being assigned to the Assignee pursuant to the Assignment Agreement. The Town hereby consents to such assignment and to any additional assignment of such rights by the Assignee or its assignees. The Town agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Assignee or its assignees to protect their interests in the Property and in this Lease Agreement.

ARTICLE VI

EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the Town and the Assignee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award*.

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the Town in the event of any such damage or destruction shall be deposited by the Town promptly upon receipt thereof in a special fund with the Assignee designated as the "Insurance and Condemnation Fund."

(ii) Within ninety (90) days following the date of such deposit, the Town shall determine and notify the Authority and the Assignee in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the Town and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.3 hereof, or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the Town's determination is as set forth in clause (A) of subparagraph (ii) above, such Net Proceeds shall be promptly applied to the prepayment of Lease Payments and other amounts pursuant to Section 9.3 of this Lease Agreement; *provided, however*, that in the event of damage or destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, Prepayment Premiums described in Section 9.2, and all other costs related to such prepayments pursuant to Section 9.3 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of Lease Payments only if the resulting Lease Payments following such prepayment from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair,

restoration, modification or improvement of the Property, evidenced by a certificate signed by a Town Representative.

(iv) In the event the Town's determination is as set forth in clause (B) of subparagraph (ii) above and the Town certifies to the Assignee that such repair or replacement can be completed within 24 months, such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the Town, and until the Property has been restored to its prior condition, the Town shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Assignee, at its sole discretion.

(b) *From Eminent Domain Award.* If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the Town in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the Town has given written notice to the Authority and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the Town to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are not needed for repair or rehabilitation of the Property, the Town shall so certify to the Authority and the Assignee, and the Town shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.3 of this Lease Agreement.

(ii) If the Town has given written notice to the Authority and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the Town to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the Town shall so certify to the Authority and the Assignee, and the Town shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the Town has given written notice to the Authority and the Assignee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the Town to meet any of its obligations with respect to the Property under the Lease Agreement or (B) all of the Property shall have been taken in such eminent domain proceedings, then the Town shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.3 of this Lease Agreement.

(iv) In making any determination under this Section 6.2(b), the Town may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Authority and the Assignee. Any such determination by the Town shall be final.

(c) *From Title Insurance.* The Net Proceeds from a title insurance award shall be applied by the Town towards the prepayment of Lease Payments required to be paid pursuant to Section 9.3 of this Lease Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the Town of the Property or any portion thereof to the extent to be agreed upon by the Town and the Assignee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit C, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a Town Representative to the Authority and the Assignee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the Town waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII

OTHER COVENANTS OF THE TOWN

Section 7.1. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE TOWN OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE TOWN ACKNOWLEDGES THAT THE TOWN LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE TOWN. In no event is the Authority liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the Town.

Section 7.2. Access to the Property; Grant and Conveyance of Right of Entry. The Town agrees that the Authority, and the Authority's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the Town, to enter upon and to examine and inspect (to the extent permitted by law and public policy) the Property or any part thereof. The Town further agrees that the Authority, and the Authority's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours written notice provided to the Town, as may be reasonably necessary to cause the proper maintenance of the Property if the Town fails to perform its obligations hereunder. Neither the Authority nor any of its assigns has any obligation to cause such proper maintenance.

The Town further grants, conveys and confirms to the Authority, for the use, benefit and enjoyment of the Authority, its successors and assigns in interest to the Property, including the Assignee, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the Town adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.3. Release and Indemnification Covenants. The Town hereby indemnifies the Authority, the Assignee and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the Town or the Town's employees, agents, contractors, invitees or licensees, (b) any breach or default on the part of the Town in the performance of any of its obligations under this Lease Agreement, (c) any negligence or willful misconduct of the Town or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any intentional misconduct or negligence of any sublessee of the Town with respect to the Property, (e) the acquisition, construction, improvement and equipping of the Property, (f) the clean-up of any Hazardous Substances or toxic wastes from the Property, or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Authority, the Assignee, or their respective officers, agents, employees, successors or assigns. The Town and the Authority

each agree to promptly give notice to each other and the Assignee of any claim or liability hereby indemnified against following learning thereof.

Section 7.4. Assignment by the Authority. The Authority's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the Town hereunder, have been assigned to the Assignee; provided that the Authority's rights to indemnification and payment or reimbursement for any costs or expenses hereunder have been retained by the Authority to the extent such rights accrue to the Authority and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee. The Town hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Authority, such reference shall be deemed to refer to the Assignee (including its assignees).

The Assignee may make additional assignments of its rights, title and interests herein, but only in whole only and only to a person or persons that the Assignee reasonably believes is (i) a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, (ii) an accredited investor as defined in section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, or (iii) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to qualified institutional buyers or accredited investors and, in each case, that executes and delivers to the Town a letter substantially in the form of the letter delivered by the Assignee on the Closing Date. The Town shall pay all Lease Payments hereunder to the Assignee, as provided in Section 4.3(h) hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the Town. During the Term of this Lease Agreement, the Town will keep a complete and accurate record of all such notices of assignment.

Section 7.5. Assignment and Subleasing by the Town. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the Town. The Town may sublease the Property, or any portion thereof, with the prior written consent of the Assignee, at the Assignee's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the Town to make Lease Payments hereunder shall remain obligations of the Town, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The Town shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Assignee a true and complete copy of such sublease.

(c) No such sublease by the Town may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) The Town shall furnish the Authority and the Assignee with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site and Facility Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.6. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the Authority and the Assignee (at the Assignee's sole discretion) provided such amendment does not, in the Assignee's sole judgment, adversely affect the Assignee.

Section 7.7. Tax Covenants.

(a) *Generally.* The Town will not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross income of the Assignee for federal income tax purposes and will deliver a tax certificate on the Closing Date.

(b) *Private Activity Bond Limitation.* The Town will ensure that the proceeds of the Lease Payments are not so used as to cause the Town's obligations hereunder to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) *Federal Guarantee Prohibition.* The Town will not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) *No Arbitrage.* The Town will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Lease Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Lease Payments to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) *Arbitrage Rebate.* The Town will take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Lease Payments.

(f) *Bank Qualification.* The Town hereby designates this Lease Agreement for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), this Lease Agreement, has been or will be issued by the Town, including all subordinate entities of the Town, during the calendar year 2017.

Section 7.8. Financial Statements; Budgets; Other Information. Within two hundred ten (210) days following the end of each Fiscal Year of the Town during the Term of this Lease Agreement, the Town will provide the Authority and the Assignee with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include the Town's Comprehensive Annual Financial Report ("CAFR"), including such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within thirty (30) days of the end of each fiscal year, the Town will provide the Assignee with a copy of its annual budget. The Town hereby agrees to provide the Assignee with such other information as may be reasonably requested by the Assignee.

Section 7.9. Records and Accounts. The Town covenants and agrees that it shall keep proper books of record and accounts of its operations in accordance with GASB, in which complete and correct entries shall be made of all transactions relating to the Town. Said books and records shall at all reasonable times be subject to the inspection of the Assignee upon 72 hours' prior notice.

Section 7.10. Observance of Laws and Regulations. The Town will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations, regulations or Applicable Laws now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board, commission or Governmental Authority having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the Town, including the Town's right to exist and carry on business as a county office of education, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.11. Notices. During the Term of this Lease Agreement, the Town shall provide to the Assignee:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease Agreement, together with a detailed statement by a Town Representative of the steps being taken by the Town to cure the effect of such Event of Default.

(b) prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority.

(c) with reasonable promptness, such other information respecting the Town, and the operations, affairs and financial condition of the Town as the Assignee may from time to time reasonably request.

(d) Notices of filings with the Municipal Securities Regulatory Board's EMMA system, other than regular annual filings.

(e) Notice of an event that could cause a Material Adverse Effect.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) Failure by the Town to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein, including the failure to prepay the Lease Payments if requested by the Assignee pursuant to Section 9.4 hereof.

(b) Failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Town by the Assignee. However, if in the reasonable opinion of the Town the failure stated in the notice can be corrected, but not within such 30-day period, the Authority and the Assignee shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the Town within such 30-day period and diligently pursued until the default is corrected.

(c) The filing by the Town of a voluntary petition in bankruptcy, or failure by the Town promptly to lift any execution, garnishment or attachment, or adjudication of the Town as a bankrupt, or assignment by the Town for the benefit of creditors, or the entry by the Town into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Town in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State act now existing or which may hereafter be enacted.

(d) Any statement, representation or warranty made by the Town in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made.

(e) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the Town is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Assignee or any affiliate of the Assignee, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of \$300,000.

(f) Any default by the Town to observe any covenant, condition or agreement on its part to be observed or performed under the Site and Facility Lease.

(g) Any court of competent jurisdiction shall find or rule that the Site and Facility Lease or this Lease Agreement is not valid or binding against the Town.

(h) The Town abandons any part of the Property.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Authority may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable.

Each and every covenant hereof to be kept and performed by the Town is expressly made a condition and upon the breach thereof the Authority may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Authority may exercise any one or more of the following remedies:

(a) *Enforcement of Payments Without Termination.* If the Authority does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the Town agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Property, or, if the Authority is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Authority. The Town hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the Town to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in Napa County for the account of and at the expense of the Town, and the Town hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The Town agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Authority to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the Town the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The Town agrees to surrender and quit possession of the Property upon demand of the Authority for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Authority in excess of the sum of Lease Payments plus costs and expenses incurred by the Authority for its services in re-leasing the Property shall be paid to the Town.

(b) *Termination of Lease.* If an Event of Default occurs and is continuing hereunder, the Authority at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site and Facility Lease. If the Authority terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the Town (and notwithstanding any re-entry upon the Property by the Authority in any manner whatsoever or the re-leasing of the Property), the Town nevertheless agrees to pay to the Authority all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Authority from such re-leasing shall be applied by the Authority to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Authority shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the Town shall be or become effective by operation of law, or otherwise, unless and until the Authority

shall have given written notice to the Town of the election on the part of the Authority to terminate this Lease Agreement. The Town covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(c) *Proceedings at Law or In Equity.* If an Event of Default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) *Remedies under the Site and Facility Lease.* If an Event of Default occurs and continues hereunder, the Authority may exercise its rights under the Site and Facility Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Lease Agreement defaults under any of the provisions hereof and the no defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the no defaulting party (including the Assignee) the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the no defaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Assignee, to which assignment the Town hereby consents.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the Town may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Assignee or a fiduciary reasonably satisfactory to the Assignee, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Assignee, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit C, or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Assignee and addressed and delivered to the Assignee), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.3(a) or when due on any optional prepayment date under Section 9.2, as the Town instructs at the time of said deposit; *provided, however*, that at or prior to the date on which any such security deposit is established, the Town shall deliver to the Assignee an opinion of Bond Counsel (in form and substance acceptable to the Assignee) to the effect that any such security deposit will not adversely affect the excludability of the interest component of Lease Payments from gross income of the Assignee for federal income tax purposes. In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue, (ii) all obligations of the Town under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the Town to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the Town, and (B) the release and indemnification obligations of the Town under subparagraphs (f) and (g) of Section 7.3, and (iii) under Section 4.5, the Authority's leasehold interest in the Property will vest in the Town on the date of said deposit automatically and without further action by the Town or the Authority. The Town hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Assignee. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.3 hereof to the extent payable from the funds held by the Assignee or the fiduciary as described in the first sentence of this Section 9.1.

Section 9.2. Optional Prepayment. The Lease Payments may not be prepaid prior to August 1, 2025. The Town may prepay the principal component of the Lease Payments in full but not in part, on any Interest Payment Date on and after August 1, 2025, upon at least 30 days' notice to the Assignee, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Section 9.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The Town shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the Town on any date, together with any accrued and unpaid interest, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under Section 6.2. The Town

and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the Town's obligations under this Section 9.3.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the Town and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Authority: Yountville Finance Authority
c/o Town of Yountville
6550 Yount Street
Yountville, CA 94559
Attention: Town Manager
Phone: (707) 944-8851

If to the Town: Town of Yountville
Yountville, CA 94559
Attention: Town Manager
Phone: (707) 944-8851

If to the Assignee: _____

Attention: _____
Phone: (____) ____ - ____

Section 10.2. Binding Effect. This Lease Agreement inures to the benefit of and is binding upon the Authority, the Town and their respective successors and assigns.

Section 10.3. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease Agreement is a "net-net-net lease" and the Town hereby agrees that the Lease Payments are an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. Further Assurances and Corrective Instruments. The Authority and the Town agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended to be so or for carrying out the expressed intention of this Lease Agreement.

Section 10.6. Judicial Reference. To the extent permitted by law, the parties to this Lease Agreement hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to this Lease Agreement or any of the related documents or the transaction contemplated hereby or thereby. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, the parties hereby consent to

the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such reference whether fact or law. The parties represent that each has reviewed this waiver and consent and each knowingly and voluntarily waives its jury trial rights and consents to judicial reference following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this agreement may be filed as a written consent to judicial reference under California Code of Civil Procedure section 638 as provided herein.

Section 10.7. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.8. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.9. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Town have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

YOUNTVILLE FINANCE AUTHORITY

By _____
Steven Rogers
Executive Director

Attest:

Michelle Dahme
Secretary

TOWN OF YOUNTVILLE

By _____
Steven Rogers
Town Manager

Attest:

Michelle Dahme
Town Clerk

EXHIBIT A

DESCRIPTION OF THE SITE

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

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHWESTERN LINE OF FINNELL ROAD WITH THE NORTHEASTERN LINE OF YOUNT STREET; THENCE ALONG THE NORTHEASTERN LINE OF SAID YOUNT STREET, NORTH 29° 27' WEST 205.25 FEET; THENCE, LEAVING SAID YOUNT STREET, AND RUNNING NORTH 74° 07'30" EAST 94.62 FEET AND NORTH 69° 37'30" EAST 69.12 FEET TO A POINT WHICH BEARS NORTH 32° 49'30" WEST 165.93 FEET FROM THE NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 32° 49'30" EAST 165.93 FEET TO SAID NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE, 170.12 FEET TO THE POINT OF COMMENCEMENT.

ALSO SHOWN AS PARCEL A, AS SHOWN AND DELINEATED ON THE MAP FILED FOR RECORD ON JANUARY 5, 1977, IN BOOK 8 OF PARCEL MAPS, PAGES 54 NAPA COUNTY OFFICIAL RECORDS.

A.P.N. 036-070-25

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of the Town Hall. Town Hall was originally constructed as a school in the 1930's. Although it has been remodeled and modernized, it still retains its original historic charm. Town Hall is approximately 8,000 square feet, housing administrative offices and council meeting chambers.

EXHIBIT C

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
12/1/20			
6/1/21			
12/1/21			
6/1/22			
12/1/22			
6/1/23			
12/1/23			
6/1/24			
12/1/24			
6/1/25			
12/1/25			
6/1/26			
12/1/26			
6/1/27			
TOTAL			

(1) The applicable interest rate is _____% per annum. If the Default Rate or the Taxable Rate is in effect, interest will be computed by applying such alternate rate.

ESCROW AGREEMENT

by and between the

TOWN OF YOUNTVILLE

and

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A, as Escrow Bank**

Dated June 3, 2020

Relating to the refunding of the
Yountville Finance Authority
Lease Revenue Bonds, Series 2013

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Escrow Agreement"), dated June 3, 2020, is by and between the TOWN OF YOUNTVILLE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California (the "Town"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as escrow bank (the "Escrow Bank").

WITNESSETH:

WHEREAS, the Yountville Finance Authority (the "Authority") has heretofore issued its \$4,260,000 Yountville Finance Authority Lease Revenue Bonds, Series 2013, of which \$2,240,000 remains outstanding (the "2013 Bonds"), the proceeds of which were used to finance and refinance the costs of the certain capital improvements within the geographic boundaries of the Town (the "2013 Project");

WHEREAS, the 2013 Bonds were issued pursuant to the terms of an indenture, dated as of February 1, 2013 (the "2013 Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the "2013 Trustee");

WHEREAS, in order to provide for the repayment of the 2013 Bonds, the Authority leased certain real property and improvements (the "2013 Property") to the Town pursuant to a lease agreement, dated as of February 1, 2013 (the "2013 Lease Agreement"), under which the Town agreed to make lease payments to the Authority (the "2013 Lease Payments") from moneys in its General Fund and the Town has budgeted and appropriated sufficient amounts in each year to pay the full amount of principal of and interest on the 2013 Bonds;

WHEREAS, the Town has determined that it is in the best interests of the Town at this time to provide for the payment and prepayment of the 2013 Lease Payments and, as a result thereof, to provide for the payment and redemption of the 2013 Bonds and, to that end, the Town proposes to enter into a new lease agreement, dated as of June 1, 2020, by and between the Authority and the Town (the "Lease Agreement");

WHEREAS, the Town proposes to provide for the payment described above and to appoint the Escrow Bank as their agent for the purpose of applying said deposit to provide for the prepayment of the 2013 Lease Payments in accordance with the instructions provided by this Escrow Agreement and of applying said prepaid 2013 Lease Payments to the redemption of the 2013 Bonds and the Escrow Bank desires to accept said appointment;

WHEREAS, the Town wishes to provide for the payment described above and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited;

WHEREAS, to obtain moneys to make such deposit, and for certain other purposes, the Authority proposes to assign and transfer certain of its rights under the Lease Agreement to _____ (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of June 1, 2020, by and between the Authority and the Assignee;

WHEREAS, the Escrow Bank has full powers to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto do hereby agree as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, herein, shall have the meanings ascribed thereto in the 2013 Indenture.

Section 2. Appointment of Escrow Bank. The Town hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the Town with, and to be held by, the Escrow Bank, as security for the prepayment of the 2013 Lease Payments and the redemption of the 2013 Bonds, as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the Town (the "Escrow Fund"). The Escrow Fund shall be held separate and apart from other funds and moneys of, or held by, the Escrow Bank. All moneys deposited in the Escrow Fund shall be held as a special fund for the prepayment of the 2013 Lease Payments and the payment and redemption of the 2013 Bonds. If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Town of such fact and the Town shall immediately cure such deficiency. The Escrow Bank shall have no liability for such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts.

(a) Concurrently with delivery of the Lease Agreement, the Town shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$2,242,787.2255 in immediately available funds, from the proceeds of the assignment of the Lease Agreement to the Assignee.

(b) The Escrow Bank shall hold all moneys deposited in the Escrow Fund in cash, uninvested. Such moneys shall be held by the Escrow Bank in the Escrow Fund solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2013 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be transferred to the Town to be applied to the payment of principal and interest with respect to the Lease Agreement.

Section 5. Instructions as to Application of Deposit.

(a) The moneys deposited in the Escrow Fund pursuant to Section 4 shall be applied by the Escrow Bank for the sole purpose of redeeming the 2013 Bonds on June 17, 2020, at a redemption price equal to the principal amount of the 2013 Bonds plus accrued interest such date, as set forth in Exhibit B attached hereto and by this reference incorporated herein.

(b) The Escrow Bank, in its capacity as 2013 Trustee has previously been requested to give timely notice of the redemption of the 2013 Bonds on June 17, 2020, in accordance with the applicable provisions of the 2013 Indenture and the Escrow Bank, as 2013 Trustee, has done so.

Section 6. Application of 2013 Bond Moneys. Any amounts remaining on deposit in any fund or account established under the 2013 Indenture for the 2013 Bonds, including any investment earnings received after the date of original delivery of the Lease Agreement, shall be transferred by the Escrow Bank to the Town and applied as a credit against payments of principal and interest with respect to the Lease Agreement.

Section 7. Compensation to Escrow Bank. The Town shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Bank. The Escrow Bank shall have no obligation to make any payment or disbursement of any type or risk or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Town shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting upon the written instructions of the Town or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or any securities deposited therein, the purchase of the securities to be purchased pursuant hereto, the retention of such securities or the proceeds thereof, the sufficiency of the securities or any uninvested moneys held hereunder to accomplish the purposes set forth in Section 5 hereof, or any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Bank made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statement of the Town, and the Escrow Bank assumes no responsibility for the correctness thereof. The Escrow Bank makes no representations as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the purposes set forth in Section 5 hereof or to the validity of this Escrow Agreement as to the Town and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence or willful misconduct, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Bank. The Escrow Bank may consult with counsel, who may or may not be counsel to the Town, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith.

Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of a nationally recognized firm of independent certified public accountants or an opinion of counsel) may be deemed to be conclusively established by a written certification of the Town.

The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Bank may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Escrow Agreement and delivered using Electronic Means ("Electronic Means" means mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Town shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Town whenever a person is to be added or deleted from the listing. If the Town elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank's understanding of such Instructions shall be deemed controlling. The Town understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Town shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Town and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Town. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Town agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Town; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its

particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the Town and the 2013 Trustee. Upon receiving such notice of resignation, the Town shall promptly appoint a successor, and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the Town, the 2013 Trustee, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

The Town hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated), to the extent permitted by law, to indemnify, protect, save and hold harmless the Escrow Bank and its respective directors, officers, employees, successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties; provided, however, that the Town shall not be required to indemnify the Escrow Bank against its own negligence or willful misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement or the resignation or removal of the Escrow Bank.

The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, quarantine restrictions or other similar occurrences."

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the 2013 Trustee shall have been filed with the Escrow Bank. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of the 2013 Trustee, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Town, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, provided any such cure, correction or supplement does not adversely affect the interests of the 2013 Trustee, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel reasonably acceptable to the 2013 Trustee shall not materially adversely affect the interests of the holders of the 2013 Bonds, and that such amendment will not cause interest with respect to the 2013 Bonds to become subject to federal income taxation.

Section 10. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 11. Notice to Escrow Bank and District. Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the Principal Corporate Trust Office of the Escrow Bank. Any notice to or demand upon the Town shall be deemed to have been sufficiently given or served for all purposes by being mailed by first class mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2013 Indenture (or such other address as may have been filed in writing by the Town with the Escrow Bank).

Section 12. Merger or Consolidation of Escrow Bank. Any company into which the Escrow Bank 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 Bank may sell or transfer all or substantially all of its corporate trust business, provided such company is reasonably acceptable to the Town, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

Section 13. Governing Law. This Escrow Agreement shall be governed by the laws of the State of California.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Town and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

TOWN OF YOUNTVILLE

By _____
Steven Rogers
Town Manager

Attest:

Michelle Dahme
Town Clerk

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow
Bank

By _____
Gonzalo Urey
Vice President

EXHIBIT A

REDEMPTION SCHEDULE

Date	Maturing Principal	Called Principal	Interest	Redemption Premium	Total Payment
6/17/29	—	\$2,240,000	\$2,787.22	—	\$2,242,787.22

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

For Value Received, the YOUNTVILLE FINANCE AUTHORITY (the "Authority") without recourse does hereby sell, assign and transfer to _____, and its successors and assigns (the "Assignee"), (i) all rights, title and interest in and to the Lease Agreement, dated as of June 1, 2020, in the amounts shown on Exhibit A attached hereto, a memorandum of which has been recorded concurrently herewith, by and between the Authority, as sublessor, and the Town of Yountville (the "Town"), as sublessee (said Lease Agreement and any supplements, amendments, annexations, extensions or renewals thereof are referred to hereinafter as the "Lease Agreement"), as well as its rights to enforce payment of Lease Payments (as defined in the Lease Agreement) when due or otherwise to protect its interests and exercise all remedies in the event of a default or termination by the Town under the Lease Agreement; provided that the Authority's rights to indemnification and payment or reimbursement for any costs or expenses thereunder have been retained by the Authority to the extent such rights accrue to the Authority and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee, (ii) except for the Authority's obligation under Section 4 thereof, all of its rights, title and interest in and to the Site and Facility Lease, dated as of June 1, 2020, which has been recorded concurrently herewith, by and between the Town, as lessor, and the Authority, as lessee (the "Site and Facility Lease"), and (iii) all moneys, sums and amounts now due or hereinafter to become due under the Lease Agreement, including proceeds of insurance or condemnation awards with respect to the Property. The Site and Facility Lease and the Lease Agreement delivered to the Assignee are duly executed duplicate originals that comprise the entire writing, obligation and agreement between the Authority and the Town respecting the leases made thereunder and the lease payments made therefor.

The Assignee hereby accepts the foregoing assignment. The above assignment is intended to be an absolute and unconditional assignment to the Assignee and is not intended as a loan by the Assignee to the Authority. Accordingly, in the event of bankruptcy of the Authority, the assigned property shall not be part of the Authority's estate. However, if the above assignment is deemed to be a loan by the Assignee to the Authority, then the Authority shall be deemed to have granted to the Assignee, and hereby grants to the Assignee, a continuing first priority security interest in the assigned property and all proceeds thereof as

collateral security for all obligations of the Authority hereunder and all obligations of the Town under the Lease Agreement and this Assignment Agreement shall be deemed a security agreement with respect to such loan.

The Authority acknowledges that:

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

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

(3) The Assignee has no fiduciary duty pursuant to section 15B of the Securities Exchange Act of 1934, as amended, to the Authority 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;

(4) Each of the Authority 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 Assignee or its affiliates) to the extent that the Authority or its municipal advisor desires to, should, or needs to obtain such advice;

(5) The Assignee 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 Authority'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 Authority's municipal advisor, with respect to any such matters; and

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

The Authority represents and warrants as follows:

(1) it has made no prior sale or assignment of any interest in the Site and Facility Lease and the Lease Agreement;

(2) that the Lease Agreement and the Site and Facility Lease are genuine and in all respects are what they purport to be;

(3) that the Assignee is not liable for and does not assume responsibility for the performance of any of the covenants, agreements, duties or obligations specified in the Lease Agreement to be kept, paid or performed by the Authority, with exception of such covenants, agreements, duties and obligations (if any) which are expressly made the responsibility of the Assignee under the Lease Agreement;

(4) that the Authority has the power, authority, and legal right to execute, deliver and perform this Assignment Agreement and this Assignment Agreement is a valid, binding, and enforceable obligation of the Authority, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles;

(5) that good and marketable title to the assigned property has been duly vested in the Assignee free and clear of any liens, security interests, encumbrances or other claims other than the rights of the Town under the Lease Agreement, and the Authority has not assigned or transferred any of the assigned property or any interest in the assigned property to any party other than the Assignee;

(6) that this Assignment Agreement has been duly authorized by all necessary action on the part of the Authority;

(7) that the Authority agrees that it (a) shall not have any right to amend, modify, compromise, release, terminate or permit prepayment of the Lease Agreement, and (b) shall not take any action that may impair the payment of Lease Payments or the validity or enforceability of the Lease Agreement;

(8) that if the Authority receives any Lease Payments, then the Authority shall receive such payments in trust for the Assignee and shall immediately deliver the same to the Assignee in the form received, duly endorsed by the Authority for deposit by the Assignee; and

(9) that the Authority shall execute and deliver to the Assignee such documents, in form and substance reasonably satisfactory to the Assignee, and the Authority shall take such other actions, as the Assignee may reasonably request from time to time to evidence, perfect, maintain, and enforce the Assignee 's rights in the assigned property and/or to enforce or exercise the Assignee 's rights or remedies under the Lease Agreement.

The Authority further represents and warrants that as of the date of this Assignment Agreement, the Lease Agreement and the Site and Facility Lease are in full force and effect and the Town is not in default of any of the terms set forth therein.

By its acceptance of this Assignment Agreement, the Assignee, represents and warrants (i) the price paid in consideration for assignment of the Site and Facility Lease and the Lease Agreement is \$_____; and (ii) that the Assignee reasonably expects to hold its interests in the Lease Agreement for its own account and does not presently expect to sell, assign, or otherwise transfer its interests in the Lease Agreement, subject to the Assignee's right to dispose of or otherwise deal with its property (including its interest in the Lease Agreement) as it determines to be in its best interests from time to time.

This Assignment Agreement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in the State of California. Any provision of this Assignment Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition and shall not invalidate the remainder of this Assignment Agreement.

This Assignment Agreement binds and inures to the benefit of the parties and their respective successors and assigns. In the event of litigation between the Authority and the Assignee arising under this Assignment Agreement, the prevailing party shall be entitled to

recover from the other party all costs and expenses, including attorneys' fees which may be those of in-house counsel, incurred by the prevailing party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions of this Assignment Agreement.

If any one or more of the terms, provisions, covenants, or conditions of this Assignment Agreement 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, provision, covenants and conditions of this Assignment Agreement shall be affected thereby, and each provision of this Assignment Agreement shall be valid and enforceable to the fullest extent permitted by law.

The descriptions of the Site and the Facility which are the subject of the Site and Facility Lease and the Lease Agreement are set forth in Exhibits B and C attached hereto and by this reference incorporated herein.

[Remainder of page intentionally left blank]

This Assignment 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 as of June 1, 2020

YOUNTVILLE FINANCE AUTHORITY

By _____
Steven Rogers
Executive Director

Attest:

Michelle Dahme
Secretary

ACCEPTANCE OF ASSIGNMENT:

_____, as Assignee

By _____
Name _____
Title _____

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
12/1/20			
6/1/21			
12/1/21			
6/1/22			
12/1/22			
6/1/23			
12/1/23			
6/1/24			
12/1/24			
6/1/25			
12/1/25			
6/1/26			
12/1/26			
6/1/27			
TOTAL			

(1) The applicable interest rate is _____% per annum. If the Default Rate or the Taxable Rate is in effect, interest will be computed by applying such alternate rate.

EXHIBIT B

DESCRIPTION OF THE SITE

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

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHWESTERN LINE OF FINNELL ROAD WITH THE NORTHEASTERN LINE OF YOUNT STREET; THENCE ALONG THE NORTHEASTERN LINE OF SAID YOUNT STREET, NORTH 29° 27' WEST 205.25 FEET; THENCE, LEAVING SAID YOUNT STREET, AND RUNNING NORTH 74° 07'30" EAST 94.62 FEET AND NORTH 69° 37'30" EAST 69.12 FEET TO A POINT WHICH BEARS NORTH 32° 49'30" WEST 165.93 FEET FROM THE NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 32° 49'30" EAST 165.93 FEET TO SAID NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE, 170.12 FEET TO THE POINT OF COMMENCEMENT.

ALSO SHOWN AS PARCEL A, AS SHOWN AND DELINEATED ON THE MAP FILED FOR RECORD ON JANUARY 5, 1977, IN BOOK 8 OF PARCEL MAPS, PAGES 54 NAPA COUNTY OFFICIAL RECORDS.

A.P.N. 036-070-25

EXHIBIT C

DESCRIPTION OF THE FACILITY

The Facility consists of the Town Hall. Town Hall was originally constructed as a school in the 1930's. Although it has been remodeled and modernized, it still retains its original historic charm. Town Hall is approximately 8,000 square feet, housing administrative offices and council meeting chambers.

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

TERMINATION AGREEMENT

Dated as of June 1, 2020

by and among the

YOUNTVILLE FINANCE AUTHORITY,

the

TOWN OF YOUNTVILLE

and the

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as 2013 Trustee and Assignee**

Relating to the Defeasance of the
Yountville Finance Authority
Lease Revenue Bonds, Series 2013

TERMINATION AGREEMENT

This TERMINATION AGREEMENT is dated as of June 1, 2020, and is by and among the TOWN OF YOUNTVILLE (the "Town"), the YOUNTVILLE FINANCE AUTHORITY (the "Authority") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as 2013 Trustee and Assignee (the "2013 Trustee")

WITNESSETH:

WHEREAS, the Authority has heretofore issued its \$4,260,000 Yountville Finance Authority Lease Revenue Bonds, Series 2013, of which \$2,240,000 remains outstanding (the "2013 Bonds"), the proceeds of which were used to finance the costs of the acquisition, rehabilitation, construction, installation and equipping of civic center improvements in the Town (the "2013 Project");

WHEREAS, the 2013 Bonds were issued pursuant to the terms of an indenture of trust, dated as February 1, 2013 (the "2013 Indenture"), by and between the Authority and the 2013 Trustee;

WHEREAS, in order to provide for the repayment of the 2013 Bonds, the Authority leased certain real property and improvements (the "2013 Property") to the Town pursuant to a lease agreement, dated as of February 1, 2013 (the "2013 Lease Agreement"), under which the Town agreed to make lease payments to the Authority (the "2013 Lease Payments") from moneys in its General Fund and the Town has budgeted and appropriated sufficient amounts in each year to pay the full amount of principal of and interest on the 2013 Bonds;

WHEREAS, the Town has determined that, as a result of favorable financial market conditions and for other reasons, it is in the best interests of the Town at this time to refinance the Town's obligation to make the 2013 Lease Payments and, as a result thereof, to provide for the redemption of all 2013 Bonds on June 17, 2020, at the redemption price equal to 100% of the principal amount thereof plus accrued interest to such date, and to that end, the Town proposes to enter into a new lease agreement, dated as of June 1, 2020, by and between the Authority and the Town;

WHEREAS, the 2013 Lease Agreement provides that in the event that the Town deposits, or causes the deposit on its behalf of moneys for the prepayment of the 2013 Lease Payments, then all of the obligations of the Town under the 2013 Lease Agreement and all of the security provided by the Town for such obligations, excepting only the obligation of the Town to make the 2013 Lease Payments from said deposit, shall cease and terminate, and unencumbered title to the 2013 Project shall be vested in the Town without further action by the Town or the Authority;

WHEREAS, to obtain moneys to make such deposit, the Authority proposes to assign and transfer certain of its rights under the Lease Agreement to _____ (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of December 1, 2017, by and between the Authority and the Assignee (the "Assignment Agreement"), whereby the Assignee will make a payment of \$_____ to or to the order of the Town;

WHEREAS, upon the deposit of a portion of the proceeds of the Assignee's payment for prepayment of the 2013 Lease Payments, the 2013 Lease Agreement and the agreements related thereto need not be maintained (except as otherwise provided below), and the parties hereto now desire to provide for the termination of such documents as provided herein.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as to the document or documents to which such party is a party or assignee:

Section 1. Termination.

(a) By virtue of the deposit of a portion of the proceeds of the Assignee's payment for prepayment of the 2013 Lease Payments, all obligations of the Town under the 2013 Lease Agreement shall cease and terminate, excepting only the obligation of the Town to make, or cause to be made, all payments from such deposit and title to the 2013 Project shall vest in the Town automatically and without further action by the Town or the Authority. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the prepayment of the 2013 Lease Payments.

(b) In accordance with the foregoing, the following agreements are hereby terminated and are of no further force or effect except for such provisions of the 2013 Lease Agreement which, by their terms, survive but do not affect real property:

1. Site and Facility Lease, recorded on February 4, 2013, as Document No. 2013-0003296, Official Records of Napa County;

1. 2013 Lease Agreement, recorded by memorandum on February 4, 2013, as Document No. 2013-0003297, Official Records of Napa County; and

2. Memorandum of Assignment of Lease, recorded on February 4, 2013, as Document No. 2013-0003298, Official Records of Napa County.

(c) That from and after the date hereof, none of the parties shall have any further rights or obligations thereunder except for such rights and obligations which, by the terms of the 2013 Lease Agreement, survive but do not affect real property.

Section 2. Execution in Counterparts. This Termination 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.

Section 3. Governing Laws. This Termination Agreement shall be governed by the laws of the State of California.

[Remainder of page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Termination Agreement.

YOUNTVILLE FINANCE AUTHORITY

By _____
Steven Rogers
Executive Director

Attest:

Michelle Dahme
Secretary

TOWN OF YOUNTVILLE

By _____
Steven Rogers
Town Manager

Attest:

Michelle Dahme
Town Clerk

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as 2013 Trustee
and Assignee

By _____
Gonzalo Urey
Vice President

NOTARY ACKNOWLEDGMENTS TO BE INSERTED

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to herein is situated in the Town of Yountville, Napa County, State of California, and is described as follows:

Town Center Site

COMMENCING AT THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN THE GRANT DEED TO THE CITY OF YOUNTVILLE RECORDED MARCH 6, 1970, IN BOOK 824 OF OFFICIAL RECORDS PAGE 422, NAPA COUNTY RECORDS; SAID SOUTHEAST CORNER BEING ON THE NORTHWESTERN LINE OF MULBERRY STREET AS SHOWN ON MAP NO. 4512 ENTITLED "RECORD OF SURVEY OF THE LANDS OF THE CITY OF YOUNTVILLE, A MUNICIPAL CORPORATION", RECORDED OCTOBER 9, 1991, IN BOOK 28 OF SURVEYS AT PAGE 24, SAID NAPA COUNTY RECORDS; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE 318.46 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET THROUGH A CENTRAL ANGLE OF 92° 08'15" AN ARC DISTANCE OF 32.16 FEET TO THE NORTHEASTERN LINE OF YOUNG STREET; THENCE NORTH 29° 30'00" WEST ALONG SAID NORTHEASTERN LINE 309.51 FEET TO THE NORTHWEST CORNER OF THE TRACT OF LAND DESCRIBED IN THE GRANT DEED TO THE CITY OF YOUNTVILLE RECORDED SEPTEMBER 1, 1965, IN BOOK 729 OF OFFICIAL RECORDS AT PAGE 990, SAID NAPA COUNTY RECORDS; THENCE ALONG THE NORTHWESTERN LINE OF SAID TRACT AND ITS NORTHEASTERLY EXTENSION NORTH 58° 21'45" EAST 326.90 FEET TO THE NORTHEAST CORNER OF THE CITY OF YOUNTVILLE TRACT AS DESCRIBED IN SAID BOOK 824 OF OFFICIAL RECORDS AT PAGE 422 AND AS SHOWN ON SAID MAP; THENCE ALONG THE NORTHEASTERN LINE OF SAID LAST MENTIONED TRACT, SOUTH 31° 38'15" EAST 330.04 FEET TO THE POINT OF COMMENCEMENT.

EXCEPTING THEREFROM THE FOLLOWING:

COMMENCING AT THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN THE GRANT DEED TO THE CITY OF YOUNTVILLE RECORDED MARCH 6, 1970, IN BOOK 824 OF OFFICIAL RECORDS AT PAGE 422, NAPA COUNTY RECORDS, SAID SOUTHEAST CORNER BEING ON THE NORTHWESTERN LINE OF MULBERRY STREET AS SHOWN ON MAP NO. 4512, ENTITLED "RECORD OF SURVEY OF THE LANDS OF THE CITY OF YOUNTVILLE, A MUNICIPAL CORPORATION", RECORDED OCTOBER 9, 1991, IN BOOK 28 OF SURVEYS AT PAGE 24, SAID NAPA COUNTY RECORDS; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE 220.84 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTHWESTERN LINE NORTH 31° 37'39" WEST 33.76 FEET; THENCE SOUTH 58° 26'20" WEST 90.26 FEET; THENCE SOUTH 31° 37'39" EAST 33.88 FEET TO A POINT ON SAID NORTHWESTERN LINE OF MULBERRY STREET; THENCE ALONG SAID NORTHWESTERN LINE SOUTH 58° 21'45" WEST 7.36 FEET AND ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 20.00 FEET THROUGH A CENTRAL ANGLE OF 90° 08'15" AN ARC LENGTH OF 32.16 FEET TO A POINT ON THE NORTHEASTERN LINE OF YOUNT STREET; THENCE ALONG SAID NORTHEASTERN LINE NORTH 29° 30'00" WEST 99.77 FEET; THENCE LEAVING SAID NORTHEASTERN LINE NORTH 61° 11'51" EAST 212.20 FEET; THENCE NORTH 62° 06'20" EAST 65.84 FEET; THENCE SOUTH 31° 27'03" EAST 75.59 FEET; THENCE SOUTH 58° 16'48" WEST 35.98 FEET; THENCE SOUTH 31° 43'12" EAST 6.65 FEET; THENCE SOUTH 58° 16'48" WEST 47.47 FEET; THENCE SOUTH 31°38'15" EAST 23.29 FEET TO A POINT ON SAID NORTHWESTERN LINE OF MULBERRY STREET; THENCE ALONG SAID NORTHWESTERN LINE SOUTH 58° 21'45" WEST 80.07 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

COMMENCING AT THE SOUTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN GRANT DEED TO THE CITY OF YOUNTVILLE RECORDED MARCH 6, 1970, IN BOOK 824 OF OFFICIAL RECORDS AT PAGE 422, NAPA COUNTY RECORDS, SAID SOUTHEAST CORNER BEING ON THE

NORTHWESTERN LINE OF MULBERRY STREET AS SHOWN ON MAP NO. 4512, ENTITLED "RECORD OF SURVEY OF THE LANDS OF THE CITY OF YOUNTVILLE, A MUNICIPAL CORPORATION", RECORDED OCTOBER 9, 1991, IN BOOK 28 OF SURVEYS AT PAGE 24, SAID NAPA COUNTY RECORDS; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE 220.84 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID NORTHWESTERN LINE NORTH 31° 37'39" WEST 33.76 FEET; THENCE SOUTH 58° 26'20" WEST 90.26 FEET; THENCE SOUTH 31° 37'39" EAST 33.88 FEET TO THE SAID NORTHWESTERN LINE OF MULBERRY STREET; THENCE ALONG SAID NORTHWESTERN LINE NORTH 58° 21'45" EAST 90.26 FEET TO THE TRUE POINT OF BEGINNING.

A.P.N. 036-221-19

Town Hall Site

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHWESTERN LINE OF FINNELL ROAD WITH THE NORTHEASTERN LINE OF YOUNT STREET; THENCE ALONG THE NORTHEASTERN LINE OF SAID YOUNT STREET, NORTH 29° 27' WEST 205.25 FEET; THENCE, LEAVING SAID YOUNT STREET, AND RUNNING NORTH 74° 07'30" EAST 94.62 FEET AND NORTH 69° 37'30" EAST 69.12 FEET TO A POINT WHICH BEARS NORTH 32° 49'30" WEST 165.93 FEET FROM THE NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 32° 49'30" EAST 165.93 FEET TO SAID NORTHWESTERN LINE OF FINNELL ROAD; THENCE SOUTH 58° 21'45" WEST ALONG SAID NORTHWESTERN LINE, 170.12 FEET TO THE POINT OF COMMENCEMENT.

ALSO SHOWN AS PARCEL A, AS SHOWN AND DELINEATED ON THE MAP FILED FOR RECORD ON JANUARY 5, 1977, IN BOOK 8 OF PARCEL MAPS, PAGES 54 NAPA COUNTY OFFICIAL RECORDS.

A.P.N. 036-070-25