

**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 \_\_\_\_\_

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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.

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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 \_\_\_\_\_

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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 \_\_\_\_\_