
KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2020-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF A BOND IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$4,544,000 TO REFUND CERTAIN PENSION OBLIGATIONS OF THE DISTRICT, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A COMMITMENT LETTER AND AUTHORIZING ACTIONS RELATED THERETO

Adopted June 11, 2020

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WHEREAS, Kensington Police Protection and Community Services District (the “District”) has previously elected to become a contracting member of the California Public Employees’ Retirement System (“PERS”), and under its contract with PERS, as set forth in a contract between PERS and the District (the “PERS Contract”), the District is obligated to make certain payments to PERS to support the District’s pension obligations to the District’s retired employees which amortizes such obligations over a fixed period of time (the “PERS Obligation”);

WHEREAS, pursuant to the Governmental Accounting Standards Board (“GASB”) Statement Number 68, the PERS Obligation is required by GASB to be listed as current liabilities on the District’s financial statements;

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the “Refunding Law”), to issue its bonds for the purpose of refunding certain outstanding indebtedness of the District, specifically the PERS Obligation; and

WHEREAS, in order to refund the PERS Obligation and thereby realize savings in respect of the PERS Obligation and to pay certain costs of issuance in connection thereof, the District has determined to issue its Kensington Police Protection and Community Services District, 2020 Taxable Pension Obligation Bond (the “Bond”), in a principal amount not to exceed \$4,544,000, pursuant to the Refunding Law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Kensington Police Protection and Community Services District as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

“*Authorized Investments*” means any investments permitted by law to be made with moneys belonging to, or in the custody of, the District, as limited by the District’s investment policy, as set forth in applicable law, including but not limited to section 53601 of the California Government Code.

“*Board*” means the Board of Directors of the District.

“*Bond*” means the Kensington Police Protection and Community Services District, 2020 Taxable Pension Obligation Bond, at any time Outstanding pursuant to this Resolution.

“*Business Day*” means a day other than a Saturday, a Sunday or a day on which the New York Stock Exchange is closed or banks in the District are authorized or obligated by law or executive order to close.

“*Bond Counsel*” means (a) the firm of Nixon Peabody LLP, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality of securities issued by public entities.

“*Closing Date*” means the date upon which there is a physical delivery of the Bond in exchange for the amount representing the purchase price of the Bond by the Owner.

“*Commitment Letter*” means the Commitment Letter by and between the District and the Owner, for the purchase and sale of the Bond, as it may be amended and supplemented hereafter.

“*Costs of Issuance*” means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Bond, including but not limited to the costs of preparation and reproduction of documents, printing expenses, Bond Counsel fees, filing fees, fees and disbursements of consultants and professionals, fees and disbursements of counsel to the Owner, fees and charges for preparation, execution and safekeeping of the Bond and any other cost, charge or fee in connection with the original issuance of the Bond, including, but not limited to fees and charges of the California Debt Investment Advisory Commission.

“*District*” means the Kensington Police Protection and Community Services District, a political subdivision organized under the Constitution and laws of the State of California, and any successor thereto.

“*District Representative*” means the President of the Board, each Board member, the District Interim General Manager or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Resolution and the Bond.

“*Debt Service Account*” means the account by that name established and held by the District pursuant to Section 4.02.

“*Federal Securities*” means non-callable United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

“*Fiscal Year*” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period.

“*Interest Payment Date*” means (i) each January 1 and July 1, commencing January 1, 2021, and (ii) the date the Bond matures or is redeemed or is otherwise paid in full.

“*Outstanding,*” when used as of any particular time with reference to the Bond, means the Bond except: (a) if it or a portion thereof is canceled by the District or surrendered to the District for cancellation; (b) the Bond paid or deemed to have been paid within the meaning of Section 8.02 hereof; and (c) a Bond in lieu of or in substitution for which another Bond shall have been authorized, executed, issued and delivered by the District pursuant to this Resolution.

“*Owner*” means the initial purchaser and owner of the Bond, being the institutional purchaser of the Bond selected through a negotiated process, or such owner’s designee or assigns.

“*Redemption Account*” means the account by that name established and held by the District pursuant to Section 4.03.

“*Refunding Law*” means Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code, as is in effect on the date of adoption hereof and as amended hereafter.

“*Resolution*” means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

“*Supplemental Resolution*” means any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Article VI.

“*Written Request of the District*” means an instrument in writing signed by any two District Representatives.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to 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 shall 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 Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Resolution; Findings. This Resolution is entered into pursuant to the provisions of the Refunding Law. It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and

in the issuance of the Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE BOND

Section 2.01. Authorization. The Bond in the aggregate principal amount of not to exceed four million five hundred forty-four thousand dollars (\$4,544,000) is hereby authorized to be issued by the District under and subject to the terms of the Refunding Law and this Resolution for the purpose of refunding the PERS Obligation. This Resolution constitutes a continuing agreement with the Owner to secure the full and final payment of principal of and interest on the Bond, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bond shall be designated the "Kensington Police Protection and Community Services District, 2020 Taxable Pension Obligation Bond."

Section 2.02. Terms of the Bond.

(a) *Form; Numbering.* The Bond shall be issued as one fully registered Bond, without coupons, in the full principal amount thereof. The Bond shall be delivered in physical form and shall not be subject to any book entry system.

(b) *Date of Bond.* The Bond shall be dated as of the date of delivery.

(c) *Maturity.* The Bond shall mature, subject to the provisions of Section 2.03, on the date determined at the time of sale of the Bond by an authorized officer of the District and as set forth in the Commitment Letter, but not later than January 1, 2040.

(d) *Interest.* Interest on the Bond shall be payable on each Interest Payment Date, at a per annum rate of interest of 3.850% as set forth in the Commitment Letter. Such interest will accrue from the next preceding Interest Payment Date except that interest payable on the first Interest Payment Date will accrue from the Closing Date; *provided, however,* that if, on any Interest Payment Date, interest on the Bond is in default, interest shall be payable from the Interest Payment Date to which interest represented hereby has previously been paid or made available for payment.

(e) *Payment.* The District shall pay principal (including sinking fund redemption) of and interest on the Bond when due by wire transfer in immediately available funds to the Owner in accordance with such wire transfer instructions as shall be filed by the Owner with the District from time to time. Payments of principal of the Bond and sinking fund redemptions thereof shall be made without the requirement for presentation and surrender of the Bond by the Owner, provided that principal of the Bond that is payable at final maturity shall be made only upon presentation and surrender of the Bond at the office of the District.

Section 2.03. Redemption.

(a) *Optional Redemption.* The Bond shall be subject to redemption at the option of the District, in whole on any Interest Payment Date on or after January 1, 2030, and may be redeemed prior to the maturity thereof by payment of principal, plus accrued interest to date of redemption, without premium.

(b) *Mandatory Sinking Fund Redemption.* The Bond shall be subject to mandatory sinking fund redemption on the dates and in the amounts determined at the time of sale of the Bond by an authorized officer of the District and as set forth in the Commitment Letter, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

(c) *Reserved.*

(d) *Notice of Redemption.* The District shall give written notice of the redemption of the Bond as provided herein at the expense of the District. Such notice shall specify: (a) that the Bond or a designated portion thereof are to be redeemed, (b) the date of notice and the date of redemption, and (c) the place or places where the redemption will be made. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Written notice of redemption shall be given by the District to the Owner by registered or otherwise secured mail or delivery service, postage prepaid, at least thirty (30) days prior to the redemption date.

(e) *Reserved.*

(f) *Effect of Redemption.* Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for such purpose, the Bond to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bond to be redeemed as provided in this Section 2.03, together with interest to such redemption date, shall be held by the District so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date and payment to the Owner on such redemption date, interest with respect to the Bond to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the District for the redemption of the Bond shall be held in trust for the account of the Owner.

The Bond paid at maturity shall be canceled upon surrender thereof and be delivered to or upon the order of the District.

If the Bond has been duly called for redemption in whole prior to maturity under the provisions of this Resolution and sufficient moneys shall be held by the District irrevocably in trust for the payment of the redemption price of the Bond, all as provided in this Resolution, then

the Bond shall no longer be deemed outstanding and shall be surrendered to the District for cancellation.

Section 2.04. Form of Bond. The Bond shall be substantially in the form with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as is set forth in Exhibit A attached hereto.

Section 2.05. Execution of the Bond. The Bond shall be executed on behalf of the District by the manual or facsimile signature of the President of the Board and attested by the manual or facsimile signature its Secretary of the Board (although at least one of such signatures shall be manual) who are in office on the date of adoption of this Resolution or at any time thereafter. If any officer whose signature appears on the Bond ceases to be such officer before delivery of the Bond to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bond to the purchaser. The Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Section 2.06. Transfer of the Bond.

(a) The Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of the Bond to the District for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the District, duly executed. Whenever the Bond shall be surrendered for registration of transfer, the District shall execute and shall deliver a new Bond of like interest rate, maturity and principal amount. The District shall collect from the Owner any tax or other governmental charge on the transfer of the Bond pursuant to this Section 2.06. The cost of printing the Bond and any services rendered or expenses incurred by the District in connection with any transfer shall be paid by the transferee.

The District may refuse to transfer the Bond, under the provisions of this Section 2.06, during the period fifteen (15) days prior to the date established by the District for redemption or any Interest Payment Date.

(b) Transfer of ownership of the Bond shall be subject to restriction as determined at the time of sale of the Bond by an authorized officer of the District and as set forth in the Commitment Letter. In each case the new owner must execute and deliver to the District a certificate in substantially the form attached hereto as Exhibit B.

Section 2.07. Bond Register. The District will keep or cause to be kept, sufficient books for the registration and transfer of the Bond, which shall at all times be open to inspection by the Owner with reasonable prior written notice during regular business hours; and, upon presentation for such purpose, the District shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Bond as hereinbefore provided.

Section 2.08. Temporary Bond. The Bond may be initially issued in temporary form exchangeable for the definitive Bond when ready for delivery. The temporary Bond may be

printed, lithographed or typewritten, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Any temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bond. If the District issues a temporary Bond it will execute and furnish the definitive Bond without delay and thereupon the temporary Bond may be surrendered, for cancellation, in exchange therefor and the District shall deliver in exchange for such temporary Bond the definitive Bond. Until so exchanged, the temporary Bond shall be entitled to the same benefits pursuant to this Resolution as the definitive Bond executed and delivered hereunder.

Section 2.09. Bond Mutilated, Lost, Destroyed or Stolen. If the Bond shall become mutilated the District, at the expense of the Owner, shall execute and deliver, a new Bond in exchange and substitution for the Bond so mutilated, but only upon surrender to the District of the Bond so mutilated. Every mutilated Bond so surrendered to the District shall be canceled by it and delivered to, or upon the order of, the District. If the Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute and deliver, a new Bond in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the District in connection therewith. Any Bond issued under the provisions of this Section 2.09 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution.

ARTICLE III

SALE AND ISSUANCE OF THE BOND; SECURITY FOR THE BOND

Section 3.01. Sale, Issuance and Delivery of the Bond.

(a) *Issuance of the Bond.* At any time after the execution of this Resolution and award of the sale of the Bond, the District may issue and deliver the Bond in the aggregate principal amount of not to exceed four million five hundred forty-four thousand dollars (\$4,544,000).

(b) *Sale of the Bond.* The Board hereby authorizes the negotiated sale of the Bond to the Owner. A Commitment Letter, in the form attached hereto as Exhibit C, together with any additions thereto or changes therein deemed necessary or advisable by a District Representative, or any designee thereof, is hereby approved by the Board. Any District Representative is hereby authorized and directed to execute the Commitment Letter for and in the name and on behalf of the District. The present value savings to be realized by the District with respect to the PERS Obligation as a result of the issuance of the Bond shall not be less than 3%.

(c) *Preparation of the Bond.* Any District Representative is hereby directed to cause the Bond to be printed and signed.

Section 3.02. Official Action. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Bond is hereby approved, and the District Representatives are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond in accordance with this resolution.

Section 3.03. Security for the Bond. The obligations of the District with respect to the Bond, including the obligation to make all payments of interest and principal on the Bond when due, are obligations of the District imposed by law and are absolute, unconditional and irrevocable, without any right of set-off or counterclaim whatsoever. The Bond does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bond nor the obligations of the District to make payments on the Bond constitute an indebtedness of the District, the State or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. The Board shall be obligated to make annual or more frequent appropriations to pay the Bond from any source of legally available funds of the District. The Board shall be obligated in each Fiscal Year to appropriate all amounts from any such funds as may be required to pay the aggregate amount of the principal of and the interest on the Bond coming due and payable in such Fiscal Year.

Section 3.04. Consultants.

(a) Kosmont Transactions Services, Inc. is hereby confirmed as municipal advisor to the District in connection with the authorization, issuance and sale of the Bond.

(b) Nixon Peabody LLP is hereby confirmed as bond counsel to the District in connection with the authorization, issuance and sale of the Bond.

(c) Brandis Tallman LLC is hereby confirmed as placement agent to the District in connection with the authorization, issuance and sale of the Bond.

ARTICLE IV

APPLICATION OF PROCEEDS OF THE SALE OF THE BOND; ACCOUNTS; INVESTMENT

Section 4.01. Application of Proceeds of Sale of the Bond. On the Closing Date, the proceeds of sale of the Bond shall be paid by the Owner as follows:

- (a) to PERS the amount required to satisfy the PERS Obligation; and
- (b) to various payees in payment of the Costs of Issuance of the Bond.

Section 4.02. Debt Service Account.

(a) There is hereby created an account to be known as the "2020 Taxable Pension Obligation Bond Debt Service Account" (the "Debt Service Account"), which shall be maintained

by the District as a separate account, held in trust, distinct from all other funds and accounts of the District. The Debt Service Account shall be administered, and disbursements made in the manner and in the order progressively set forth in this Section 4.02.

(b) On or before the Business Day immediately preceding each Interest Payment Date, the District shall transfer to the Debt Service Fund from the General Fund or any other legally available fund or funds of the District an amount which, when added to the amount contained in the Debt Service Account on that date, if any, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bond on such Interest Payment Date.

(c) On or before the Business Day immediately preceding each Interest Payment Date, the District shall transfer to the Debt Service Fund from the General Fund of the District an amount which will be equal to the principal or sinking fund installment, if any, becoming due and payable on such Interest Payment Date.

(d) All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying the principal of and interest on the Bond as the same shall become due and payable. On each Interest Payment Date, the District shall apply moneys on deposit in the Debt Service Account to the payment of principal of or interest on the Bond, or both.

Section 4.03. Redemption Account. There is hereby created, as an account within the General Fund of the District, a separate account to be known as the "2020 Taxable Pension Obligation Bond Redemption Account" (the "Redemption Account"), which shall be maintained by the District as a separate account, distinct from all other funds and accounts. The Redemption Account shall be maintained by the District to pay for the prior optional redemption of the Bond. Any funds legally available may, at any time, at the option of the District, be deposited in the Redemption Account and applied to the prior optional redemption of the Bond pursuant to Section 2.03(a).

Section 4.04. Investment of Moneys. Amounts on deposit in the Debt Service Account and the Redemption Account may be invested in Authorized Investments. Earnings on the investment of amounts held in any fund or account established hereunder shall be credited to the respective fund or account from which such investments are made.

Section 4.05. Requirements of Section 5852.1 of the California Government Code. As required by section 5852.1 of the California Government Code, the District hereby provides the following good faith estimates regarding the Bond (based on a principal amount of \$4,544,000):

(a) The true interest cost of the Bond: 3.849839%.

(b) The finance charge of the Bond (the sum of all fees and charges paid to third parties): \$119,592.

(c) The amount of proceeds to be received less the sum of all fees and charges paid to third parties, any reserves or capitalized interest: \$4,424,408.

(d) The sum total of all payments the District will make to pay debt service on the Bond, calculated to the final maturity of the Bond: \$6,523,442.

The foregoing constitute good faith estimates only.

The principal amount of the Bond, the true interest cost of the Bond, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bond being different than the date assumed for purposes of such estimates, (b) the actual principal amount of the Bond sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Bond being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bond being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Bond and the actual principal amount of the Bond sold will be determined based on the timing of the need for proceeds of the Bond and other factors. The actual interest rates with respect to the Bond will depend on market interest rates at the time of sale thereof. The actual amortization of the Bond will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

ARTICLE V

COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District shall punctually pay, or cause to be paid, the principal of and interest on the Bond, in strict conformity with the terms of the Bond and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Bond. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the maturity of the Bond or the time for the payment of any claim for interest on any of the Bond and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case the maturity of the Bond or the time of payment of any such claim for interest shall be extended or funded, whether or not with the consent of the District, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Bond then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.03. Books and Accounts. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the Bond. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owner.

Section 5.04. Protection of Security and Rights of Owner. The District will preserve and protect the security of the Bond and the rights of the Owner and will warrant and defend their

rights against all claims and demands of all persons. From and after the sale and delivery of the Bond by the District, the Bond shall be incontestable by the District.

Section 5.05. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owner of the rights and benefits provided in this Resolution.

Section 5.06. Dissemination of Information to the Owner. The District shall provide the following items to the Owner, in each case in an electronic format which is acceptable to the Owner and otherwise in form and detail satisfactory to the Owner:

- (a) audited annual financial statements of the District within 270 days after the end of the Fiscal Year;
- (b) annual District budgets within 30 days after the adoption thereof;
- (c) 90 days' prior notice of any intention to file a Chapter 9 bankruptcy proceeding; and
- (d) such additional information as the Owner shall reasonably request from time to time pursuant to written notice to the District.

Section 5.07. Financial Obligation Disclosure. In connection with the District's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by the District pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the District believes it may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal market Access system or its successor ("EMMA") notice of its incurrence of its obligations with respect to the Bond and related documents and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with the Bond and related documents, in each case including a full copy thereof or a description of the material terms thereof (each such posting, an "EMMA Posting"). The District agrees that it shall not file or submit or permit the filing or submission of any EMMA Posting that includes information relating to Capital One Public Funding, LLC ("COPF"), including the following: unredacted sensitive or confidential information about COPF or its affiliates in any portion of an EMMA Posting, address and account information of COPF or any affiliates, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of COPF or its affiliates. The District acknowledges and agrees that COPF and its affiliates are not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those related to the Rule.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. The following events shall be Events of Default:

(a) Default in the due and punctual payment of the principal of the Bond when and as the same shall become due and payable.

(b) Default in the due and punctual payment of any installment of interest on the Bond when and as the same shall become due and payable.

(c) Default by the District in the observance of any of the other covenants, agreements or conditions on its part contained in this Resolution or the Bond, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Owner; *provided, however,* if in the reasonable judgment of the District the default stated in the notice can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default if corrective action is instituted by the District within such thirty (30) day period and diligently pursued until the default is corrected, but in no event shall any such cure period extend longer than sixty (60) days without the consent of the Owner.

(d) The filing by the District, or any filing required by State law to be made by the District, of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or the approval by a court of competent jurisdiction of a petition, filed with or without the consent of the District, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or the assumption of custody or control of the District or of the whole or any substantial part of its property, under the provisions of any other law for the relief or aid of debtors, by any court of competent jurisdiction.

Upon the occurrence and during the continuance of any Event of Default, the Owner may declare the principal of the Bond then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable anything in this Resolution or in the Bond contained to the contrary notwithstanding. At any time after such a declaration of acceleration has been made, the Owner may rescind and annul such declaration and its consequences. No such rescission and annulment shall affect any subsequent default or impair any consequent right.

If any principal of, redemption premium, if any, or interest on the Bond is not paid when due (whether at maturity, by acceleration or call for redemption or otherwise), then the overdue installments of principal and, to the extent permitted by law, interest and redemption premium, if any, shall bear interest until paid at the same rate set forth in the Bond.

Section 6.02. Remedies of Owner. Upon the happening and continuation of any Event of Default by the District hereunder or under the Bond, the Owner shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the District and its Board members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Bond, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Owner's rights; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the District and its Board members and employees to account as if it and they were the trustee of an express trust.

Section 6.03. Remedies Not Exclusive. No remedy herein conferred upon the Owner shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Owner.

Section 6.04. Absolute Obligation of the District. The District's obligation to pay the principal of and interest on the Bond to the Owner when due and all of its other obligations under the Commitment Letter are absolute and unconditional under any and all circumstances and notwithstanding any amendment or waiver of or any consent to departure from any circumstance or happening whatsoever, whether or not similar to any of the foregoing. To the fullest extent permitted by law, the District hereby waives presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of nonpayment and all statutes of limitation, and the District agrees that any forbearance, change of interest rate or acceptance, release or substitution of any security, guaranty or loan or any change of any term or condition under any Financing Document (other than by mutual agreement between the District and the Owner) shall not in any way affect the liability of the District under the Financing Documents.

Section 6.05. Application of Revenues and Other Funds After Default. All amounts received by the Owner pursuant to any right given or action taken under the provisions of this Resolution shall be applied in the following order upon presentation of the Bond, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of any and all expenses necessary, in the opinion of the Owner, to protect the interests of the Owner;

Second, at the Owner's direction, to the payment of the whole amount then owing and unpaid upon the Bond for interest and principal, with interest on such overdue amounts to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bond, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bond, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

Section 6.06. Non-Waiver. Nothing in this Article VI or in any other provision of this Resolution, or in the Bond, shall affect or impair the obligation of the District, which is absolute

and unconditional, to pay the interest on and principal of the Bond to the Owner when due, as herein provided.

A waiver of any default or breach of duty or contract by the Owner shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach. No delay or omission of any Owner of any of the Bond to exercise any right or power accruing upon any default or breach shall impair any such right or power or shall be construed to be a waiver of any such default or breach or an acquiescence therein; and every power and remedy conferred upon the Owner by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owner.

ARTICLE VII

AMENDMENTS

Section 7.01. Amendments. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To establish any additional funds or accounts to be held under this Resolution; or
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, which in any event shall not materially adversely affect the interests of the Owner, in the opinion of Bond Counsel filed with the District.

Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owner, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owner. No such modification or amendment shall permit a change in the terms of maturity of the principal of the Bond or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall change any of the provisions relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Bond without the consent of the Owner.

Section 7.02. Effect of Supplemental Resolution. From and after the time any Supplemental Resolution becomes effective pursuant to this Article VII, this Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and the Owner, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

Section 7.03. Endorsement or Replacement of the Bond After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the District may determine that the Bond shall bear a notation, by endorsement in form approved by the

District, as to such amendment or modification and in that case upon demand of the District, the Owner shall present the Bond for that purpose, and thereupon a suitable notation as to such action shall be made on the Bond. In lieu of such notation, the District may determine that, at the expense of the District, a new Bond shall be prepared and executed in exchange for the Bond and in that case upon demand of the District the Owner shall present the Bond for exchange without cost to the Owner.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District and the Owner, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owner. Whenever in this Resolution or any Supplemental Resolution either the District is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the District, that are presently vested in the District, and all the covenants, agreements and provisions contained in this Resolution by or on behalf of the District shall bind and inure to the benefit of its successors whether so expressed or not.

Section 8.02. Defeasance.

(a) *Discharge of Resolution.* The Bond may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal of and interest on the Outstanding Bond, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 8.02(c) hereof) to pay or redeem the Outstanding Bond; or
- (iii) by delivering the Outstanding Bond to the District for cancellation by it.

If the District shall pay the Outstanding Bond and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District, and notwithstanding that the Bond shall not have been surrendered for payment, this Resolution, and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 8.02(b).

(b) *Discharge of Liability on the Bond.* Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 8.02(c) hereof) to pay or redeem the Outstanding Bond (whether upon or prior to its maturity or the redemption date of the Bond), provided that, if the Bond is to be redeemed prior to maturity, notice of such redemption

shall have been given as provided in Section 2.03 or provision shall have been made for the giving of such notice, then all liability of the District in respect of the Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on the Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited as aforesaid for such payment, provided further, however, that the provisions of Section 8.02(d) shall apply in all events.

The District may at any time cancel the Bond previously issued and delivered, which the District may have acquired in any manner whatsoever, and the Bond, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) *Deposit of Money or Securities.* Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust money or securities in the necessary amount to pay or redeem the Bond, the money or securities so to be deposited or held may include money or securities held by in the funds and accounts established pursuant to this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of the Bond and all unpaid interest thereon to maturity, except that, in the case of the Bond which is to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Section 2.03 or provision shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of the Bond and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bond to be paid or redeemed, as such principal and interest become due, provided that, in the case of the Bond which is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Paving Agent shall have been made for the giving of such notice.

(d) *Payment of the Bond After Discharge of Resolution.* Notwithstanding any provisions of this Resolution, any moneys held in trust for the payment of the principal of, or interest on, the Bond and remaining unclaimed for two (2) years after the principal of all of the Bond has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when the Bond becomes due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution.

Section 8.03. Execution of Documents and Proof of Ownership by Owner. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Owner may be in one or more instruments of similar tenor and shall be executed by the Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Section 8.04. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Bond; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

Section 8.05. Destruction of Canceled Bond. Whenever in this Resolution provision is made for the surrender to the District of the Bond which has been paid or canceled pursuant to the provisions of this Resolution, a certificate of destruction shall be deemed to be the equivalent of the surrender of the canceled Bond and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of the Bond therein referred to.

Section 8.06. Funds and Accounts. Any fund or account required by this Resolution to be established and maintained by the District may be established and maintained in the accounting records of the District either as a fund or an account and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the District shall at all times be maintained in accordance with generally accepted accounting principles with due regard for the protection of the security of the Bond and the rights of every Owner thereof. Any fund or account required by this Resolution to be established and maintained by the District may be established and maintained in the form of multiple funds, accounts or sub-accounts therein.

Section 8.07. All Obligations Due on Business Days. If the date for making any payment, or the date for performing any act or exercising any right hereunder, is a day which is not a Business Day, such payment may be made, act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein.

Section 8.08. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bond pursuant hereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 8.09. Execution of Documents. Any two District Representatives are authorized and directed in the name and on behalf of the District to make any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Bond. Whenever in this Resolution any District Representative is authorized to execute or

countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 8.10. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

I, the undersigned District Clerk of the Board of Directors of the Kensington Police Protection and Community Services District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board at a meeting thereof on the ____ day of ____, 2020, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

District Clerk of the Board of Directors

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2020 TAXABLE PENSION OBLIGATION BOND**

INTEREST RATE:	MATURITY DATE:	ISSUE DATE:
3.85%	January 1, 2040	June 18, 2020

OWNER: CAPITAL ONE PUBLIC FUNDING, LLC

PRINCIPAL SUM: FOUR MILLION FIVE HUNDRED FORTY-FOUR DOLLARS

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT, a political subdivision organized and existing under the Constitution and laws of the State of California (the "District"), for value received, hereby promises to pay to the owner identified above (the "Owner"), on the Maturity Date identified above, the Principal Amount identified above in lawful money of the United States of America, and to pay interest thereon in like lawful money on each July 1 and January 1 commencing January 1, 2021 (each, a "Interest Payment Date"), to and including the date of final principal payment or redemption, whichever is earlier. Such interest will accrue from the next preceding Interest Payment Date except that interest payable on the first Interest Payment Date, will accrue from the Issue Date identified above; *provided, however*, that if, on any Interest Payment Date, interest represented by this Bond is in default, interest represented by this Bond shall be payable from the Interest Payment Date to which interest represented hereby has previously been paid or made available for payment.

This Bond is the duly authorized bond of the District designated the "Kensington Police Protection and Community Services District, 2020 Taxable Pension Obligation Bond (the "Bond")", issued in the aggregate principal amount to \$4,544,000, under and secured by a resolution, adopted by the Board of Directors of the District on June __, 2020 (the "Resolution"). Reference is hereby made to the Resolution and all resolutions supplemental thereto for a description of the rights thereunder of the owner of the Bond, of the nature and extent of the security therefor, and of the rights and obligations of the District thereunder; and all of the terms of the Resolution are hereby incorporated herein and constitute a contract between the District and the Owner hereof, and to all of the provisions of which Resolution the Owner hereof, by acceptance hereof, assents and agrees.

Capitalized terms used herein and not otherwise defined are used with the meanings ascribed to them in the Resolution.

The Bond is authorized to be issued pursuant to the provisions of the Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code for the purpose of refunding the District's PERS Obligation. The Bond is issuable as one fully registered Bond without coupons.

THE OBLIGATIONS OF THE DISTRICT WITH RESPECT TO THE BOND, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL ON THE BOND WHEN DUE, ARE OBLIGATIONS OF THE DISTRICT IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. THE BOND DOES NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE BOND NOR THE OBLIGATIONS OF THE DISTRICT TO MAKE PAYMENTS ON THE BOND CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BOARD SHALL BE OBLIGATED TO MAKE APPROPRIATIONS TO PAY THE BOND FROM ANY SOURCE OF LEGALLY AVAILABLE FUNDS OF THE DISTRICT. THE BOARD SHALL BE OBLIGATED IN EACH FISCAL YEAR TO APPROPRIATE, ALL AMOUNTS FROM SUCH FUNDS AS MAY BE REQUIRED TO PAY THE AGGREGATE AMOUNT OF THE PRINCIPAL OF AND THE INTEREST ON THE BOND COMING DUE AND PAYABLE IN SUCH FISCAL YEAR.

Payment of the principal (including sinking fund redemption) of and interest on the Bond will be made to the Owner by wire transfer to such account as shall have been identified by the Owner to the District from time to time. Payments of principal of the Bond and sinking fund redemptions thereof shall be made without the requirement for presentation and surrender of the Bond by the Owner, provided that the principal of the Bond that is payable at the final maturity shall be made only upon presentation and surrender of the Bond at the office of the District.

Interest on the Bond shall be computed on the basis of a 360-day year of twelve 30-day months.

The Bond is callable for redemption at the option of the District, in whole on any Interest Payment Date on or after January 1, 2030, and may be redeemed prior to the maturity thereof by payment of principal, plus accrued interest to date of redemption, without premium.

The District shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption, to the Owner.

Such notice shall specify: (a) that the Bond is to be redeemed, (b) the date of notice and the date of redemption, and (c) the place or places where the redemption will be made. Such notice shall further state that on the specified date there shall become due and payable upon the Bond to be redeemed, the outstanding principal amount of the Bond to be redeemed, together with interest accrued to said date, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

The Bond is not transferable or exchangeable, except as provided in the Resolution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, Kensington Police Protection and Community Services District has caused the Bond to be signed by the manual or facsimile signature of the President of the Board of Directors of the District, countersigned by the manual or facsimile signature of the District Clerk of the Board of Directors of the District, and has caused the Bond to be dated as set forth above.

KENSINGTON POLICE PROTECTION AND
COMMUNITY SERVICES DISTRICT

By _____
President of the Board of Directors

ATTEST:

District Clerk of the Board of Directors

EXHIBIT B

FORM OF TRANSFEREE'S CERTIFICATE

Dated: ____ __, 20__

[Transferee] (“Transferee”), the transferee of the interests of the prior owner of the 2020 Taxable Pension Obligation Bond in the original principal amount of \$4,544,000 (the “Loan Obligation”) issued by the Kensington Police Protection and Community Services District (the “Borrower”) hereby certifies as follows:

1. Transferee has full power and authority to carry on its business as now conducted, deliver this letter, and make the representations and certifications contained herein.

2. Transferee has knowledge and experience in financial and business matters that make it capable of evaluating the Borrower, the Loan Obligation, and the risks associated with the purchase of the Loan Obligation; has the ability to bear the economic risk of owning the Loan Obligation. Transferee is not acting as a broker, dealer, municipal securities underwriter, municipal advisor, or fiduciary in connection with its purchase of the Loan Obligation.

3. Transferee has conducted its own investigation of the financial condition of the Borrower, the purpose for which the Loan Obligation was issued, and the security for the payment of the principal of and interest on the Loan Obligation and has obtained such information regarding the Loan Obligation and the Borrower and its operations, financial condition, and financial prospects as Transferee deems necessary to make an informed decision with respect to its purchase of the Loan Obligation.

4. [Transferee is acquiring the Loan Obligation for its own account, with the present intention of holding the Loan Obligation to maturity or earlier prepayment, provided that Transferee retains the right at any time to dispose of the Loan Obligation, but agrees that any such sale, transfer, or distribution by Transferee shall be made in accordance with applicable law and the provisions of the Loan Obligation and related documents in whole and only to (a) an affiliate of Transferee or (b) a bank, insurance company, or other financial institution, or (c) a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to an entity described in (a) or (b) above.] [Transferee is a trust, partnership, custodial arrangement or similar entity, interests in which will be offered and sold in a private placement or limited offering only to an affiliate of the prior owner or banks, insurance companies, or other financial institutions].

5. Transferee acknowledges that (a) the Loan Obligation (i) has not been registered under the Securities Act of 1933, as amended, (ii) has not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Loan Obligation and that none is likely to develop. Transferee understands and acknowledges that (a) its purchase of the Loan Obligation is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and (b) in connection with its purchase of the Loan Obligation,

the Borrower has not prepared or caused to be prepared, any official statement, private placement memorandum, or other offering document.

IN WITNESS WHEREOF, [Transferee], has caused this Certificate to be executed by its officer thereunto duly authorized, all as of the day and year first above written.

[TRANSFEEE]

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF COMMITMENT LETTER

\$4,544,000

**KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
2020 TAXABLE PENSION OBLIGATION BOND**

COMMITMENT LETTER

_____, 2020

Kensington Police Protection and Community Services District
217 Arlington Ave
Kensington, CA 94707
Attention: District Interim General Manager

Ladies and Gentlemen:

The undersigned, Capital One Public Funding, LLC, acting solely as lender and not as broker, dealer, municipal securities underwriter, municipal advisor, or fiduciary, (the “Purchaser”), hereby offers to enter into this Commitment Letter (this “Agreement”) on the following terms and conditions with the Kensington Police Protection and Community Services District (the “District”), which upon acceptance of this offer by the District, will be binding upon the District and the Purchaser. This offer is made subject to its acceptance by the District by execution and delivery of this Agreement to the Purchaser by 11:59 p.m., Pacific Time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice to the District at any time prior to acceptance hereof by the District. This Agreement is provided to the District pursuant to and in reliance upon the “bank exemption” provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

Section 1. Purchase and Sale of the Bond.

(a) Subject to the conditions, and upon the basis of the representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to extend credit to the District by purchasing from the District, and the District hereby agrees to sell to the Purchaser, all (but not less than all) of the \$4,544,000 aggregate principal amount of Kensington Police Protection and Community Services District, 2020 Taxable Pension Obligation Bond (the “Bond”), at a price of \$ 4,544,000 (which price is equal to the aggregate principal amount of the Bond).

(b) The District acknowledges and agrees that (i) the transaction contemplated by this Agreement is an arm’s-length commercial transaction between the District and the Purchaser; (ii) the District will make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) the Purchaser is acting solely for its own loan account

in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the District or any other person or entity (including to any financial advisor or placement agent engaged by the District) and the District, its financial advisor and placement agent are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as it deems necessary or appropriate; (iv) the Purchaser has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the District with respect to the transaction contemplated hereby and the discussions, undertaking and procedures leading thereto; (v) neither the Purchaser nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect to the transactions contemplated hereby; (vi) the only obligations the Purchaser has to the District with respect to the transaction contemplated hereby expressly are set forth in this Agreement; (vii) the Purchaser is not recommending that the District take an action with respect to the transactions contemplated by this Agreement and before taking any action with respect to the contemplated transactions the District has discussed the information contained herein and consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate; and (viii) if the District would like a municipal advisor in this transaction that has legal fiduciary duties to it, the District is free to engage a municipal advisor to serve in that capacity.

(c) The District has represented to the Purchaser that (i) the Bond is authorized pursuant to the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the “Refunding Law”), and a resolution adopted by the Board of Directors of the District adopted on June 11, 2020 (the “Bond Resolution”), (ii) the Bond is being issued to provide funds to (a) refund certain outstanding indebtedness of the District, specifically the District’s obligation to make certain payments to the California Public Employees’ Retirement System (“PERS”), and (b) pay the costs of issuing the Bond. The issuance of the Bond and execution of this Agreement was approved by the Bond Resolution.

(d) The Bond shall be dated its date of delivery and shall mature on the date, bear interest at the rate per annum payable on the dates and be subject to redemption as set forth in Exhibit A hereof.

(e) As provided in the Bond Resolution, the obligations of the District with respect to the Bond, including the obligation to make all payments of interest and principal on the Bond when due, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim.

(f) As provided in the Bond Resolution, the Bond does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the Bond nor the obligations of the District to make payments on the Bond constitute an indebtedness of the District, the State or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction.

(g) The District Board of Directors (the “Board”) shall be obligated to make annual or more frequent appropriations to pay the Bond from any source of legally available funds of the District. The Board shall be obligated in each fiscal year of the District to appropriate all amounts

from such funds as may be required to pay the aggregate amount of the principal of and the interest on the Bond coming due and payable in such fiscal year.

(h) All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Bond Resolution.

Section 2. Private Placement.

(a) Lender Certificate. At the Closing (as hereinafter defined), the Purchaser shall deliver to the District an executed Lender Certificate in substantially the form attached hereto as Exhibit B.

(b) Authority. The Purchaser has authority to purchase the Bond and to execute this Agreement and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bond. 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 by execution of this Agreement on behalf of the Purchaser.

(c) Transfer. Ownership of the Bond may be transferred in whole and only to:

(i) An affiliate of the Owner,

(ii) A bank, insurance company, or other financial institution, or

(iii) A trust, partnership, custodial arrangement or similar entity for the Purchaser or its assignees to sell or assign participation interests in the Bond to an entity listed in (i) or (ii); provided that any participation, custodial or similar agreement under which multiple ownership interests in the Bond are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the registered owner of the Bond, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an Event of Default under the Resolution or the Bond.

Section 3. Closing. At 8:00 a.m., Pacific Time, June 18, 2020, or at such other time on such earlier or later date as shall have been mutually agreed upon by the District and the Purchaser (the "Closing Date"), the District will deliver or cause to be delivered to the Purchaser the Bond duly executed by the District, together with the other documents hereinafter mentioned, and the Purchaser will accept such delivery and pay the purchase price of such Bond as set forth in Section 1 hereof. The consummation of the purchase and delivery of the Bond as aforesaid shall be made at the offices of Nixon Peabody LLP, Los Angeles, California, or at such other place as shall be agreed upon by the District and the Purchaser. Such purchase and delivery is herein called the "Closing" and the date and time of the Closing is herein called the "Closing Date."

The Bond shall be executed and delivered under and in accordance with the provisions of this Agreement and the Bond Resolution. The Bond shall be in definitive form, shall be delivered as one fully-registered bond, registered in the name of the Purchaser.

The Purchaser agrees that, on the Closing Date, the purchase price for the Bond shall be disbursed as follows:

- (a) to PERS, \$4,424,408;
- (b) to Kosmont Transactions Services, Inc., as municipal advisor, \$35,000;
- (c) to Brandis Tallman LLC, as placement agent, \$35,000;
- (d) to Nixon Peabody LLP, as bond counsel, \$32,500;
- (e) to Nixon Peabody LLP, for CDIAC reimbursement, \$1,136;
- (f) to Nixon Peabody LLP, for legal expenses, \$956;
- (g) to District's Legal Counsel, \$5,000; and
- (h) to Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, as counsel to the Purchaser, \$10,000.

Section 4. Representations and Warranties.

(a) The Purchaser hereby represents that it has full power and authority to enter into this Agreement, that the execution, delivery and performance of this Agreement and the purchase of the Bond contemplated herein have been duly authorized by the Purchaser, and that this Agreement, upon due authorization, execution and delivery by the District, will be a valid and binding obligation of the Purchaser.

(b) The District, by its acceptance hereof, represents, warrants, covenants and agrees with the Purchaser as follows:

(i) The District is a political subdivision organized and existing under the constitution and laws of the State of California and the Board, by adoption of the Bond Resolution, has duly approved the execution and delivery of this Agreement and the issuance, execution, sale and delivery of the Bond, and the District has full right, power and authority to execute, deliver and perform its obligations under this Agreement and the Bond and to carry out and consummate the transactions contemplated by the Bond Resolution and this Agreement.

(ii) The District has, on or before the date hereof, duly adopted the Bond Resolution and taken all action necessary to be taken by it prior to such date for (A) the issuance, sale and delivery of the Bond upon the terms and conditions and for the purposes described herein, in the Bond Resolution, (B) the execution and delivery of this Agreement and performance of its obligations thereunder, and (C) the carrying out of, giving effect to, consummating and performing the transactions and obligations contemplated to be performed by it by the Bond Resolution and this Agreement, provided that no representation is made with respect to compliance with the securities or "Blue Sky" laws

of the various states of the United States, and such resolution has not been amended, modified or repealed and is in full force and effect on the date hereof.

(iii) The execution and delivery by the District of this Agreement, the issuance, execution, sale and delivery of the Bond, the compliance by it with the terms, conditions or provisions thereof, and the consummation on its part of the transactions herein and therein contemplated do not and will not, in any respect material for the performance by the District of its obligations under the Bond Resolution, this Agreement or the Bond, conflict with or constitute a breach of or a default under nor contravene any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, deed of trust, resolution, agreement or other instrument in any respect material to the performance by the District of its obligations under the Bond Resolution, the Agreement and the Bond.

(iv) There is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the execution, delivery and sale of the Bond or the consummation by the District of the transactions contemplated by the Bond Resolution and this Agreement, which has not been duly obtained or made on or prior to the date hereof and each such matter is in full force and effect.

(v) Under the laws of the State of California, the District cannot assert sovereign immunity as a defense to the enforcement of its obligations under the Bond or this Agreement.

(vi) To the best knowledge of the District, none of the matters referred to in Section 6(a) or (b) hereof has occurred or is pending.

(vii) The financial statements of the District for the fiscal year ended June 30, 2019, were prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) consistently applied and present fairly the financial position of the District at the date thereof and the changes in financial position for the fiscal year ended on such date. Since June 30, 2019, there has been no material adverse change in such position or in the operation, properties or condition (financial or otherwise) of the District other than as previously disclosed to the Purchaser.

(viii) There is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending against or, to the best knowledge of the District, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would adversely affect (A) the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Bond Resolution and this

Agreement or (B) the transactions contemplated to be performed by it under the Bond Resolution and this Agreement.

(ix) The proceeds from the sale to the Purchaser of the Bond will be applied in the manner and for the purposes specified in this Agreement.

(x) Any certificate of the District delivered to the Purchaser in connection with the transactions contemplated by the Bond Resolution and this Agreement shall be deemed a representation by the District to the Purchaser as to the statements made therein.

(xi) No default or event of default has occurred and is continuing by the District under the Bond Resolution or this Agreement, and no such event has occurred and is continuing that with the lapse of time, the giving of notice or both would constitute a default by the District or an event of default under the Bond Resolution or this Agreement.

Section 5. Conditions to the Obligations of the Purchaser. The obligations of the Purchaser under this Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the parties hereto of their respective obligations and agreements to be performed hereunder, and on and as of the date of delivery of this Agreement and on and as of the Closing Date. The obligations of the Purchaser hereunder to accept delivery of and pay for the Bond at the Closing are also subject, in the discretion of the Purchaser, to the following further conditions:

(a) At the time of the Closing, (i) the Bond Resolution and this Agreement shall be in full force and effect and shall not have been rescinded, amended, modified or supplemented, except as may have been agreed to by the Purchaser, and the District shall have adopted or executed and delivered, as the case may be, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates, which resolutions, agreements, opinions and certificates shall be reasonably satisfactory in form and substance to the Purchaser, and there shall have been taken in connection therewith and in connection with the issuance of the Bond all such action as shall, in the opinion of the Purchaser, be necessary in connection with the transactions contemplated hereby, (ii) the Bond shall have been duly issued and delivered, (iii) the District shall perform or have performed all of its obligations under or specified in this Agreement to be performed by the District at or prior to the Closing, and (iv) all representations and warranties contained in this Agreement shall be true and correct in all material respects.

(b) On the Closing Date, there shall be delivered to the Purchaser in form satisfactory to the Purchaser:

(i) Executed counterparts of this Agreement, certified copies of the Bond Resolution and such other documents and certificates as the Purchaser or its counsel may reasonably require in order to evidence the accuracy or satisfaction of any of the representations, warranties or conditions herein contained.

(ii) An approving opinion of Nixon Peabody LLP, Bond Counsel, and a letter from Bond Counsel addressed to the Purchaser expressly permitting the Purchaser to rely on such final approving opinion as if the Purchaser was an addressee thereof.

(iii) A certificate, dated the Closing Date, signed by an authorized official of the District, and in form and substance satisfactory to the Purchaser, to the effect that:

(A) Except as previously disclosed to the Purchaser, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Bond Resolution or this Agreement, or which would restrain or enjoin the sale, execution or delivery of the Bond or in any way contest or affect the validity of the Bond, the proceedings of the District taken with respect to the issuance, delivery or sale thereof, the pledge or application of any moneys or securities provided for the payment of the Bond and the existence or powers of the District or the title of any officers of the District to their respective positions.

(B) The representations and warranties of the District contained in this Agreement are true and correct in all material respects on and as of the Closing Date.

(C) The District has complied, or is presently in compliance, with all agreements and has satisfied all conditions on its part to be observed or satisfied under this Agreement at or prior to the Closing Date; and

(iv) Such additional legal opinions, certificates, instruments and documents as the Purchaser may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and the due performance or satisfaction by the District on or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

If the conditions to the obligations of the Purchaser contained in this Agreement shall not be satisfied, unless otherwise waived by the Purchaser, this Agreement shall terminate with the effect stated in paragraph (b) of Section 6 hereof.

Section 6. Termination of Agreement.

(a) The Purchaser may terminate this Agreement at any time subsequent to the date of this Agreement and at or prior to the Closing by notifying the District in writing or by telegram of its election so to do, if legislation shall be introduced, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bond, as contemplated hereby, is or would be in violation of any provision of the Securities Act, the Securities Exchange Act of 1934 (the "Securities Exchange Act") or the Trust Indenture Act, as

any of the foregoing Acts are amended, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of obligations of the general character of the Bond, as contemplated hereby.

(b) If this Agreement is terminated as herein provided, the parties hereto shall have no obligations one to the other.

Section 7. Expenses. Except as otherwise provided herein, the Purchaser shall be under no obligation to pay and the District shall pay any expenses incident to, or in connection with, the offering, issuance and sale of the Bond.

Section 8. Miscellaneous.

(a) Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement shall be in writing and mailed, telegraphed or personally delivered to:

If to the Purchaser: Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, NY 11747
Attention: President

The District: Kensington Police Protection and Community Services
District
217 Arlington Ave
Kensington, CA 94707
Attention: District General Manager

(b) This Agreement will inure to the benefit of and be binding upon the District and the Purchaser and their respective successors and assigns and will not confer any rights upon any other person, partnership, association or corporation other than the District and persons, if any, controlling the Purchaser within the meaning of the Securities Act or the Securities Exchange Act. The terms “successors” and “assigns” shall not include any purchaser or holder of the Bond.

(c) All of the representations, warranties and covenants of the District in this Agreement will remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Purchaser or (ii) delivery of and any payment for the Bond hereunder.

(d) Section headings have been inserted in this Agreement as a matter of convenience or for reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

(e) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or

circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

(f) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 9. Survival. The provisions of Sections 1(b), 4 and 8 of this Agreement shall survive until the Bond and all other costs are fully paid to Purchaser.

CAPITAL ONE PUBLIC FUNDING, LLC,
as Purchaser

By _____
Authorized Officer

This Agreement is accepted and
agreed to by the undersigned duly authorized
signatory as of the date first above written:

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

By _____
Name _____
Title _____

EXHIBIT A

**MATURITY DATE, PRINCIPAL AMOUNT, INTEREST RATE, INTEREST
PAYMENT DATES AND REDEMPTION PROVISIONS**

Maturity Schedule

Maturity Date	Principal Amount	Interest Rate
1/1/2040	\$4,544,000	3.85%

Interest on the Bond shall be payable semiannually on each January 1 and July 1, commencing January 1, 2021 (each, an “Interest Payment Date”).

If the District is in default in the payment of making any payment of principal or interest, the interest rate shall increase to 5% and shall continue until such default is cured.

Redemption Provisions

The Bond is subject to redemption at the option of the District, in whole on any Interest Payment Date on or after January 1, 2030, and may be redeemed prior to the maturity thereof by payment of principal, plus accrued interest to date of redemption, without premium.

The Bond is also subject to mandatory sinking fund redemption on the dates and in the amounts set forth below at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Sinking Fund Redemption Date (January 1)	Principal Amount Redeemed	Sinking Fund Redemption Date (January 1)	Principal Amount Redeemed
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EXHIBIT B

FORM OF LENDER'S CERTIFICATE

Dated: June __, 2020

Capital One Public Funding, LLC, Melville, New York ("COPF"), hereby certifies as follows with regard to the 2020 Taxable Pension Obligation Bonds in the principal amount of \$_____ (the "Loan Obligation") issued by the Kensington Police Protection and Community Services District (the "Borrower").

1. COPF has full power and authority to carry on its business as now conducted, deliver this letter, and make the representations and certifications contained herein.

2. COPF is a lender that regularly extends credit to state and local governments by making loans and repayment obligations that are evidenced by obligations such as the Loan Obligation; has knowledge and experience in financial and business matters that make it capable of evaluating the Borrower, the Loan Obligation, and the risks associated with the extension of credit evidenced by the Loan Obligation; has the ability to bear the economic risk of extending the credit evidenced by the Loan Obligation; and is a limited liability company controlled by a bank and engaged in the primary business of extending credit and making loans to state and local governments and non-profit entities and has total assets in excess of \$1 billion. COPF is not acting as a broker, dealer, municipal securities underwriter, municipal advisor, or fiduciary in connection with its extension of credit evidenced by the Loan Obligation.

3. COPF has conducted its own investigation of the financial condition of the Borrower, the purpose for which the Loan Obligation is being executed and delivered, and the security for the payment of the principal of and interest on the Loan Obligation and has obtained such information regarding the Loan Obligation and the Borrower and its operations, financial condition, and financial prospects as COPF deems necessary to make an informed lending decision with respect to its extension of credit evidenced by the Loan Obligation.

4. COPF is extending credit to the Borrower evidenced by the Loan Obligation as a vehicle for making a commercial loan for its own loan account, with the present intention of holding the Loan Obligation to maturity or earlier prepayment, provided that COPF retains the right at any time to dispose of the Loan Obligation or any interest therein or portion thereof, but agrees that any such sale, transfer, or distribution by COPF shall be made in accordance with applicable law and the provisions of the Loan Obligation and related documents to (a) an affiliate of COPF or (b) one or more banks, insurance companies, or other financial institutions.

5. COPF acknowledges that (a) the Loan Obligation (i) has not been registered under the Securities Act of 1933, as amended, (ii) has not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Loan Obligation and that none is likely to develop. COPF understands and acknowledges that (a) its extension of credit evidenced by the Loan Obligation is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and (b) in connection with its extension of credit evidenced

by the Loan Obligation, the Borrower has not prepared or caused to be prepared, any official statement, private placement memorandum, or other offering document.

6. COPF is acting solely for its own loan account and not as a fiduciary for the Borrower or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor, or fiduciary. COPF has not provided, and will not provide, financial, legal (including securities law), tax, accounting, or other advice to or on behalf of the Borrower (including to the financial advisor or the placement agent engaged by the Borrower) with respect to the structuring or delivery of the Loan Obligation. COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the Borrower with respect to the transactions relating to the structuring or delivery of the Loan Obligation and the discussions, undertakings, and procedures leading thereto. Each of the Borrower, its financial advisor, and its placement agent 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 and compliance with legal requirements applicable to such parties) with respect to the Loan Obligation from its own financial, legal, tax, and other advisors (and not from COPF or its affiliates) to the extent that the Borrower, its financial advisor, or its placement agent desires to, should, or needs to obtain such advice. COPF expresses 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 Borrower's financial advisor or placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the Borrower's financial advisor or placement agent, with respect to any such matters. The transactions between the Borrower and COPF are arm's-length, commercial transactions in which COPF is acting and has acted solely as a principal and for its own interest, and COPF has not made recommendations to the Borrower with respect to the transactions relating to the Loan Obligation.

IN WITNESS WHEREOF, Capital One Public Funding, LLC, has caused this Lender Certificate to be executed by its officer thereunto duly authorized, all as of the day and year first above written.

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____

Name: _____

Title: _____