
ASSIGNMENT AGREEMENT

by and between the
SLO COUNTY FINANCING AUTHORITY
and the
AUDITOR-CONTROLLER OF THE
COUNTY OF SAN LUIS OBISPO,
as Trustee

Dated as of June 1, 2013

relating to the
CSA 10A Water Improvement Project

ASSIGNMENT AGREEMENT
Water System Improvement Project

This Assignment Agreement is entered into as of June 1, 2013, by and between the SLO COUNTY FINANCING AUTHORITY, a California joint powers authority (the “**Authority**”), and the AUDITOR-CONTROLLER OF THE COUNTY OF SAN LUIS OBISPO, as trustee (the “**Trustee**”) pursuant to the Trust Agreement (as hereinafter defined);

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The County of San Luis Obispo (the “**County**”), acting on behalf of County Service Area No. 10 Zone of Benefit A (“**CSA 10A**”) and the Authority have entered into a Purchase Agreement, dated as of June 1, 2013 (the “**Purchase Agreement**”), whereby the County has agreed to sell the existing water system of CSA 10A (the “**Existing System**”) to the Authority.

(b) The Authority and the County, acting on behalf of CSA 10A, have entered into an Installment Sale Agreement, dated as of June 1, 2013 (the “**Installment Sale Agreement**”), whereby the Authority has agreed to implement or cause the implementation of an improvement project (the “**Project**”) to the Existing System and to sell to the County, acting on behalf of CSA 10A, and the County, acting on behalf of CSA 10A, has agreed to purchase from the Authority the Existing System as improved by the Project (as more particularly described in Exhibit A to the Installment Sale Agreement, the “**Water System**”), in the manner and on the terms set forth in the Installment Sale Agreement.

(c) The County, the Authority and the Trustee have entered into a Trust Agreement, dated as of June 1, 2013 (the “**Trust Agreement**”), whereby the Trustee has agreed to act as such for purposes of receiving Installment Payments (as defined in the Installment Sale Agreement) and for purposes of issuing, administering and making payments (from such Installment Payments) on the Certificates of Participation to be executed and delivered under the Trust Agreement (the “**Certificates**”).

(d) Under the Installment Sale Agreement, and upon the execution and delivery thereof, there is required to be deposited with the County and the Trustee certain sums of money to be credited, held and applied in accordance with the Trust Agreement.

(e) Upon delivery of the Installment Sale Agreement and the deposit of said moneys, the County is obligated to pay in accordance with the terms of the Installment Sale Agreement, certain Installment Payments to the Authority or its assignee.

(f) For the purpose of obtaining the moneys required to be deposited with the County as described in paragraph 1(d) above, the Authority is willing to assign and transfer to the Trustee all of its rights and interests under the Installment Sale Agreement for the benefit of the Owners of the Certificates, and in consideration of such assignment, the Trustee is executing

and delivering such Certificates to the purchaser or purchasers thereof, which shall provide the moneys required to be deposited with the County and the Trustee pursuant to the Trust Agreement.

(g) Each of the respective parties hereto has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to enter into such agreement.

(h) The terms capitalized in the Assignment Agreement but not defined herein shall have the meanings given to them in the Installment Sale Agreement or in the Trust Agreement.

Section 2. Assignment.

(a) The Authority, for good and valuable consideration in hand received, does hereby irrevocably sell, assign and transfer to the Trustee, for the benefit of Owners from time to time of the Certificates, all of its rights and interests in Purchase Agreement and the Installment Sale Agreement, including, but not limited to, its rights to receive Installment Payments from the County under the Installment Sale Agreement, and the right to exercise such rights and remedies as are conferred on the Authority by the Installment Sale Agreement as may be necessary to enforce payment of such Installment Payments when due or otherwise to protect its interests upon an Event of Default thereunder by the County.

(b) The Installment Payments shall be applied, and the rights assigned herein shall be exercised, by the Trustee as provided in the Trust Agreement.

Section 3. Acceptance. The Trustee hereby accepts the assignment set forth in Section 2 hereof for the purpose of securing such payments and rights to the Owners of the Certificates, subject to the provisions of the Trust Agreement.

Section 4. Retention of Indemnification Rights. With regard to the indemnification rights contained in Section 7.10 of the Installment Sale Agreement, each of which, by its terms, extends both to the Authority and to its assigns, the Authority is hereby assigning to the Trustee and its successors and assigns those rights in full insofar as they pertain to the Authority's assigns.

Section 5. Sale of Certificates. The Authority does hereby authorize, direct and consent to the execution and delivery of the Certificates by the Trustee, the receipt by the Trustee of payment for the Certificates when the same shall be sold to the original purchaser or purchasers thereof, and the transfer and deposit by the Trustee of such proceeds into the funds and accounts created by the Trust Agreement, all in accordance with the terms of the Trust Agreement.

Section 6. Conditions. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement. The recitals herein contained are not those of the Trustee.

Section 7. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their duly authorized officers as of the date first written above.

SLO COUNTY FINANCING
AUTHORITY,
a California joint powers authority

By: _____
Chairperson

AUDITOR-CONTROLLER OF THE
COUNTY OF SAN LUIS OBISPO,
as Trustee

By: _____
Auditor-Controller

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