

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Fresno, a municipal corporation and chartered city duly organized and validly existing under the Constitution and the laws of the State of California (the “City”) on behalf of the Fresno Joint Powers Financing Authority (the “Authority”) in connection with the issuance of \$____,____,000 Fresno Joint Powers Financing Authority Lease Revenue Bonds (Master Lease Projects), Series 2020A (the “Series 2020A Bonds”). The Series 2020A Bonds are being issued pursuant to a Master Trust Agreement dated as of April 1, 2008 (the “Master Trust Agreement”), as previously amended and supplemented, including as further amended and supplemented by the Fourth Supplemental Trust Agreement, dated as of October 1, 2020 (the “Fourth Supplemental Trust Agreement”), each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Series 2020A Bonds are secured by and payable from a pledge, charge and lien upon, certain rental payments received by the Authority from the City (the “Base Rental Payments”) pursuant to a Master Facilities Sublease, dated as of August 1, 2008 (the “Master Sublease”), as previously amended and supplemented, including as further amended and supplemented by the Fourth Amendment to Master Facilities Sublease dated as of October 1, 2020, by and between the Authority and the City. The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders of the Series 2020A Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020A Bonds (including persons holding Series 2020A Bonds through nominees, depositories or other intermediaries).

“*Disclosure Representative*” shall mean the Controller of the City or her or his designee, or such other officer or employee as the City shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean Willdan Financial Services, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City.

“*EMMA*” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

“*Filing Date*” shall mean March 31 of each Fiscal Year of the City (or the next succeeding business day if such day is not a business day), commencing March 31, 2021.

“*Financial Obligation*” means a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a

source of payment for, an existing or planned debt obligation. The term “Financial Obligation” excludes municipal securities for which a final offering memorandum has been provided to the MSRB consistent with the Rule.

“*Fiscal Year*” shall mean the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the City and certified to the Trustee in writing by an Authorized Representative of the City.

“*Holders*” shall mean either the registered owners of the Series 2020A Bonds, or, if the Series 2020A Bonds are registered in the name of Depository Trust Company or another recognized depository, any applicable participant in its depository system.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Obligated Person*” means any person, including the City, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“*Official Statement*” means the Official Statement dated _____, 2020 relating to the 2020A Bonds.

“*Participating Underwriter*” shall mean the original underwriter of the Series 2020A Bonds required to comply with the Rule in connection with offering of the Series 2020A Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time and including any official interpretations thereof issued either before or after the effective date of this Disclosure Certificate which are applicable to this Disclosure Certificate.

“*Specified Event*” shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Certificate and any other event legally required to be reported pursuant to the Rule.

“*State*” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, provide or shall cause the Dissemination Agent to provide, to the MSRB not later than the Filing Date, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report shall be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Fiscal Year of the City changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5. The Dissemination Agent shall have no duty or obligation to review such Annual Report.

(b) If by fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to Repositories, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the City of such failure to receive the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

1. If the City is unable to provide to the Dissemination Agent an Annual Report by the Filing Date, and if not previously filed by the City, send a notice in a timely manner, in electronic format, to the MSRB in substantially the form attached hereto as Exhibit A.

2. File a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City, presented in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time. If the audited financial statements of the City are not available by the time the Annual Report is required to be filed as described above, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) A maturity schedules for the outstanding Series 2020A Bonds.

(c) The balance in each of the following funds established pursuant to the Trust Agreement as of the close of the prior Fiscal Year:

(i) the Acquisition and Construction Fund; and

(ii) the Reserve Account (with a statement of the current Reserve Account Requirement).

(d) A statement of the principal amount of Series 2020 Bonds redeemed in the prior fiscal year, provided however, that no such statement in the Annual Report shall be required if the information which would be included therein has been provided in accordance with Section 5 hereof.

(e) An identification of any real property substituted for a Facility under a Master Sublease.

(f) The adopted budget of the City for the then current Fiscal Year.

(g) To the extent such information is not included in the audited financial statements, information updating Table A-1A—"General Fund Balance Sheet," Table A-1B—"General Fund Revenues and Expenditures and Changes in Fund Balances," Table A-3—"Assessed Value of Taxable Property," Table A-5—"Principal Secured Taxable Property Owners by Valuation," Table A-6—"Property Tax Levies and Collections," Table A-7—"Taxable Retail Sales," Table A-10A—"Fire and Police System—Schedule of Funding Progress," Table A-10B—"Employees' Retirement System—Schedule of Funding Progress," Table A-11A—"Fire and Police Retirement System—Schedule of Employer Contributions," Table A-11B—

“Employees Retirement System–Schedule of Employer Contributions,” Table A-14A–“Long-Term General Fund Obligations,” Table A-15–“Direct and Overlapping Debt Statement,” and Table A-23–“Building Permit Valuation” to the Official Statement.

- (h) A description of any event of default under the Trust Agreement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Specified Events.

(a) Pursuant to the provisions of this Disclosure Agreement, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020A Bonds, no later than ten (10) Business Days after the occurrence of such event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020A Bonds, or other material events affecting the tax status of the Series 2020A Bonds;
7. Modifications to rights of the 2020 Bond Holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property, if any, securing repayment of the Series 2020A Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City or other Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving the City or an Obligated Person, or the sale of all or substantially all of the assets of the City or an Obligated Person (other than in the ordinary course of business), the entry into a definitive agreement to

undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(b) Wherever the City obtains knowledge of the occurrence of Specified Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the Specified Event.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(10), (a)(12), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in this Section 5 with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Specified Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in Section 5(c).

(d) If in response to a request under Section 5(b), the City determines that the Specified Event would not be material under applicable federal securities laws, the City shall so notify the Trustee in writing and instruct the Dissemination Agent not to report the occurrence.

(e) If the Dissemination Agent has been instructed by the City to report the occurrence of a Specified Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Specified Events described in Section 5(a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

(f) For purposes of this Disclosure Agreement, any event described in Section 5(a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(g) The Dissemination Agent may conclusively rely on an opinion of counsel that the instructions of the City to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

SECTION 6. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Specified Events, the City shall indicate the full name of the Series 2020A Bonds and the nine-digit CUSIP numbers for the Series 2020A Bonds as to which the provided information relates.

SECTION 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2020A Bonds.

SECTION 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time upon delivery of written notice thereof to the City at least 30 days prior to the effective date of such resignation. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied with respect to such amendment or waiver:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or a change in the nature, identity or status of an Obligated Person with respect to the Series 2020A Bonds or the type of business conducted by such person;

(b) The undertaking in this Disclosure Certificate, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2020A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2020A Bonds in the same manner as provided in the Trust Agreement for amendments to such Trust Agreement with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2020A Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information being presented by the City.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Series 2020A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Series 2020A Bonds, and shall create no rights in any other person or entity.

Date: _____, 2020

CITY OF FRESNO

By: _____
Treasurer and Controller

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Fresno Joint Powers Financing Authority
Name of Bond Issue: Fresno Joint Powers Financing Authority Lease Revenue Bonds (Master Lease Projects), Series 2020A
Date of Issuance: _____, 2020

NOTICE IS HEREBY GIVEN that the City of Fresno (the “City”) has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Certificate executed in connection with the issuance of the Series 2020A Bonds and Section __.08 of the Master Sublease dated as of October 1, 2020 between the City and the Fresno Joint Powers Financing Authority. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: _____
Authorized Officer

cc: City of Fresno

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