ASSIGNMENT AGREEMENT

by and between the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

and

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

Dated as of December 1, 2016

(2016 Financing Project)
ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, dated as of December 1, 2016, by and between the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit, public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee under the hereinafter defined Trust Agreement (the "Trustee");

W I T N E S S E T H:

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

Section 1. Recitals.

(a) The Corporation and the Mid-Peninsula Water District (the "District"), have entered into an installment sale agreement, by and between the Corporation and the District, dated as of December 1, 2016 (together with any amendments or supplements thereto, the "Installment Sale Agreement"), whereby the Corporation has agreed to sell to the District, and the District has agreed to purchase from the Corporation, certain improvements to the District's municipal water system (the "Water System"), as more particularly described in the Installment Sale Agreement (as amended or modified from time to time, the "Project"), in the manner and on the terms set forth in the Installment Sale Agreement, which terms include, without limitation, the obligation of the District to pay installment payments (the "Installment Payments") to the Corporation.

(b) Under the Installment Sale Agreement, the Corporation is required to deposit or cause to be deposited with the Trustee certain moneys to be credited, held and applied in accordance with a trust agreement by and among the Trustee, the Corporation and the District, dated as of December 1, 2016 (together with any amendments or supplements thereto, the "Trust Agreement").

(c) Upon delivery of the Installment Sale Agreement, the Corporation is required to deposit with the Trustee moneys to finance the acquisition and construction of certain improvements and facilities which constitute part of the Water System.

For the purpose of obtaining such moneys, the Corporation is willing to convey to certain persons (the "Owners") direct, undivided fractional interests in the Installment Payments, such direct, undivided fractional interests to be evidenced by certificates of participation therein (the "Certificates"). In order to make such fractional interests marketable on terms acceptable to the Corporation, the Corporation is willing to assign and transfer its rights under the Installment Sale Agreement to the Trustee for the benefit of the Owners. Concurrently with the delivery of this Assignment Agreement, the Trustee is executing and delivering Certificates in an aggregate principal amount of eighteen million five hundred seventy thousand dollars ($18,570,000). The proceeds of such sale are anticipated to be sufficient to permit the Corporation to make the deposits required under the Installment Sale Agreement and the Trust Agreement and to permit the Corporation to finance the Project.

(d) Each of the parties hereto has authority to enter into this Assignment Agreement and has taken all actions necessary to authorize its officers to enter into it.
(e) The capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Installment Sale Agreement.

Section 2. Assignment. The Corporation, for good and valuable consideration, does hereby irrevocably assign and transfer to the Trustee, for the benefit of the Owners, all of its rights and interest in the Installment Sale Agreement (excepting only its rights under Sections 5.06, 7.03 and 9.04 thereof and its rights to give approvals and consents thereunder), including, without limitation, its rights to receive and collect Installment Payments from the District under the Installment Sale Agreement, its rights to the pledge of Net Revenues, the right to receive and collect any proceeds of any insurance maintained thereunder, or of any condemnation award rendered with respect to the Project and the right to exercise such rights and remedies as are conferred on the Corporation by the Installment Sale Agreement as may be necessary to enforce payment of the Installment Payments when due or otherwise to protect its interests in the event of a default by the District. The Installment Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement for the benefit of the Owners of the Certificates.

Section 3. Acceptance. The Trustee hereby accepts the assignments made herein for the purpose of securing, equally and fractionally, the payments due pursuant to the Installment Sale Agreement and the Trust Agreement to, and the rights under the Installment Sale Agreement and Trust Agreement of, the Owners of the Certificates delivered pursuant to the Trust Agreement, all subject to the provisions of the Trust Agreement.

Section 4. Conditions. This Assignment Agreement shall neither confer rights nor impose duties upon the Trustee beyond those expressly provided in the Trust Agreement. The Trustee assumes no responsibility for the accuracy of the recitals herein.

Section 5. Amendment. This Assignment Agreement may not be amended except as permitted by the Trust Agreement.

Section 6. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

By

William A. Morton
Secretary/Treasurer

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

By

Valere D. Boyd
Vice President
IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Assignor

By ____________________________
    William A. Morton
    Secretary/Treasurer

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

By ____________________________
    Valere Boyd
    Vice President