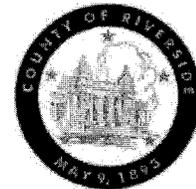


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM
19.1
(ID # 9643)**

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

MEETING DATE:
Tuesday, April 30, 2019

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA) Adoption of Ordinance No. 952, Authorizing a Public Leaseback to Finance the Costs of Construction of the Library Buildings in French Valley, Menifee, and Desert Hot Springs; Adoption of Resolution No. 2019-099, Authorizing Proceedings and Certain Agreements Relating to the Financing of the Design, Development, Construction, Installation, Equipping, Operating and Maintaining of Three New Public Libraries, in Connection With the Issuance and Sale of Lease Revenue Bonds by the California Enterprise Development Authority, Approving Certain Legal Documents to Effect the Issuance of the Bonds and Authorizing Official Actions; Adoption of Resolution No. 2019-100, Approving the Issuance, From time to Time, Pursuant to a plan of Finance, By the California Enterprise Development Authority of Its Lease Revenue Bonds in an Aggregate Amount Not to Exceed \$50,000,000 for the Purpose of Financing the Cost of Design, Development, Construction, Installation, Equipping Furnishing, Operating and Maintaining Public Library Facilities by CFP Riverside., LLC for the Benefit of the County of Riverside, Providing the Terms and Conditions for Such Bonds and Other Matters Relating Thereto Herein Specified; Public Hearing on Issuance of Lease Revenue Bonds by the California Enterprise Development Authority for the Financing of the Library Project, Riverside County Library System, Riverside County Libraries Project, Leased Build to Suit Facilities, French Valley, Menifee, and Desert Hot Springs - California Environmental Quality Act Exempt; [CONDUCT PUBLIC HEARING, District 3, 4, & 5, [\$116,661,024] County Library Fund 100%

RECOMMENDED MOTION: That the Board of Supervisors:
Continued on page 2

ACTION: Policy, CIP

Robert Field, Assistant County Executive Officer/ECO 4/18/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried, IT WAS ORDERED that the above matter is approved as recommended and that Ordinance 952 is adopted with waiver of the reading.

Ayes: Jeffries, Spiegel, Washington and Perez
Nays: None
Absent: Hewitt
Date: April 30, 2019
xc: EDA, MC, COB, Recorder

Keqia Harper
Clerk of the Board
By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Ground Lease and Facilities Lease forms are exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3), "Common Sense" exemption, as it can be seen with certainty that there is no possibility the activity in question may have a significant impact on the environment;
2. Conduct a public hearing with respect to the issuance of lease revenue bonds by the California Enterprise Development Authority in an aggregate amount not to exceed \$50,000,000 for the purpose of financing the cost of design, development, construction, installation, equipping, furnishing, operating, and maintaining of public library facilities by CFP Riverside, LLC for the benefit of the County of Riverside, and at the close of the public hearing adopt the following:
 - a. Ordinance No. 952, An Ordinance of the County of Riverside Authorizing a Public Leaseback to Finance the Costs of Construction of Library Buildings in Desert Hot Springs, Menifee, and French Valley;
 - b. Resolution No 2019-099, Authorizing Proceedings and Certain Agreements Relating to the Financing of the Design, Development, Construction, Installation, Equipping, Operating and Maintaining of Three New Public Libraries, in connection With the Issuance and Sale of Lease Revenue Bonds by the California Enterprise Development Authority, Approving Certain Legal Documents to Effect the Issuance of the Bonds and Authorizing Official Actions;
 - c. Resolution No. 2019-100, Approving the Issuance, From Time to Time, Pursuant to a Plan of Finance, By the California Enterprise Development Authority of its Lease Revenue Bonds in an Aggregate Amount no to Exceed \$50,000,000 for the Purpose of Financing the Cost of Design, Development, Construction, Installation, Equipping, Furnishing, Operating and Maintaining Public Library Facilities by CFP Riverside, LLC for the Benefit of the County of Riverside, providing the Terms and Conditions for Such Bonds and Other Matters Relating Thereto Herein Specified;
3. Approve the Ground Lease and Facilities Lease between the County of Riverside and CFP Riverside, LLC, in substantially the same form as attached, and Authorize the Chairman of the Board to execute the Ground Lease and Facilities Lease in substantially the same and final forms as attached on behalf of the County on the Closing Date following the pricing and issuance of the Lease Revenue Bonds;
3. Authorize the Assistant County Executive Officer/ECD, or designee, to negotiate and execute any and all documents and to perform any and all ministerial actions necessary to effect the purpose of the Ordinance and the two Resolutions and complete the transaction herein authorized; and

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

4. Direct the Clerk of the Board to file the attached Notice of Exemption with the County Clerk for posting within five days of Board approval and to publish Ordinance No. 952 pursuant to Government code Section 25124.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$116,661,024	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: County Library Fund 100%			Budget Adjustment: No	
			For Fiscal Year: 2020/21 - 2050/51	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Riverside County Library System (RCLS) has grown over the past 22 years to 36 library branches, mobile library amenities, literacy services and museum and the cultural enrichment programming, and has over 4-million patron visits annually. To address the County's growing population and community needs, additional library space is necessary in the communities of French Valley, Menifee and Desert Hot Springs.

As a public investment advocating lifelong learning, these new library buildings will support a broad and diverse range of 21st century library services, programs, and technology. They will be a community wide destination for learning, discovery and collaboration. Distinctive and complementary interior areas will create unique surroundings and experiences, from places for quiet reading to active collaboration and social spaces. The libraries will provide a welcoming environment that engages and inspires patrons of all ages, plans for open public spaces without walls, and integrates technology as a means to engage and stimulate. Areas within the new libraries include adult, teen, and children areas, group study/quiet rooms, marketplace (What's New) and opportunity rooms, community rooms, staff workrooms and library branch staff offices.

The new French Valley Library will be located on the northeast corner of Winchester Road and Skyview Road in the unincorporated area of Riverside County. The new Menifee Library will be located at La Piedra Road and Menifee Road in the City of Menifee, and the Desert Hot Springs Library replacement facility will be located on the northeast corner of Palm Drive and Park Lane in the City of Desert Hot Springs.

On January 9, 2018, EDA Libraries obtained "In Principle" Board of Supervisors approval for minute order 3.12, to proceed with the project. RCLS engaged in analysis of library facilities and developed a comprehensive space program for these new facilities ("Project"). The Economic Development Agency (EDA) Real Estate Division then issued a Request for Proposal (RFP) in February of 2018, to area developers, to partner with the County through a Public Private

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Partnership (P3) real estate development project. The RFP requested developers to plan, design, entitle, construct, and provide property management services for the three new libraries. Responses to the RFP were collected and analyzed and an award was made to Omni West Group, Inc. ("Omni West").

The new library facilities will be delivered to the County through the P3 Project deal structure, specifically through a Ground Lease and Facilities Lease on all three County owned parcels in French Valley, Menifee, and Desert Hot Springs. The financing for the Project will be provided through a privately issued Lease Revenue Tax Exempt Bond structure. Internal Revenue Code Section 145 (Section 145) defines a qualified 501(c)(3) bond as any private activity bond issue if, among other requirements, all the property which is to be provided by the net proceeds of the issue is owned by a 501(c)(3) organization or governmental unit. Bonds issued pursuant to Section 145 may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure. In accordance with these requirements, CFP Riverside, LLC ("CFP") has been formed by the Omni West development team as a nonprofit limited liability company for the purpose of planning, designing, entitling, permitting, and constructing the Project and will be the lessee under the Ground Lease and the landlord under the Facilities Lease. This financing will not be a commitment on the County's debt limit. Per Board Policy B-24, the bond documents will be brought before the Debt Advisory Committee (DAC) and the Board of Supervisors for approval prior to the bonds being issued.

CFP will plan, design, entitle, construct, operate and maintain the facilities and complete all onsite and off-site improvements and will be responsible for all environmental aspects. The term of the Ground Lease and Facilities Lease will be for a period of thirty (30) years and will provide the County the opportunity to purchase the library facilities and all improvements after the sixth year of the Lease term. RCLS will pay rent on the facilities as set forth below in semi-annual installments. Substantial Completion of the Project is estimated to be December of 2020.

All Project funding will be allocated to the costs of the Project. Furniture, Fixtures, and Equipment (FF&E) shall also be procured and installed by CFP, however this will not be a part of the Project bond issuance funding. The estimated cost of the FF&E is \$5,000,000, which includes design and procurement, installation and construction management fees. This cost will be reimbursed by the County to CFP.

Pursuant to the California Environmental Quality Act (CEQA), the execution of the Ground Lease and Facilities Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15061 (b)(3), "Common Sense", or "General Rule exemption, as it will not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The direct effects of the Ground Lease and Facilities Lease are limited to the execution of agreements which entails administrative, contractual obligations between parties. The indirect effects of the Ground Lease and Facilities Lease, provided all conditions and contingencies in the agreements are satisfied, would result in the development of three libraries but are not included as part of the current action as the potential effects are not reasonably foreseeable. Specific details regarding project descriptions, footprints and site plans

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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are unknown and will be further defined during the design process. Any attempt at assessing the potential impacts at this time would be wholly speculative and, therefore, the indirect effects of the proposed action are not considered as part of the project under CEQA. The future indirect effects of the proposed action will undergo separate environmental review once a conceptual design is completed that will allow for a meaningful evaluation of potential impacts. The approval of the form of these agreements will enable the County and CFP to develop the conceptual design of the Project along with the specific details regarding Project descriptions, footprints, and site plans that will allow CFP to undertake the environmental review required under CEQA. At the appropriate time, the requisite environmental review will be completed by CFP before any actual development will move forward, and the environmental documentation under CEQA would be presented to the governing jurisdictions for approval.

The terms of the Ground Lease and the Facilities Lease are as follows:

GROUND LEASE:

Ground Lessor: County of Riverside, a political subdivision of the State of California

Ground Lessee: CFP Riverside, LLC, a Minnesota limited liability company and a 501(c)(3) non-profit organization, as established through Omni West Group, Inc.

Locations/acres/Sq. Ft.: French Valley: 25,000 Sq. Ft., 1.69 acres of a 11.33 acre parcel
Menifee: 20,000 Sq. Ft., 1.17 acres of a 4.73 acre parcel
Desert Hot Springs: 15,000 Sq. Ft., 1.03 acres of a 13.78 acre parcel

Term: 30 years

Consideration: \$1.00 a year for the duration of the term.

Maintenance: Ground Lessee responsible

FACILITIES LEASE:

Landlord/Owner: CFP Riverside, LLC, a Minnesota limited liability company and a 501(c)(3) non-profit organization, as established through Omni West Group, Inc.

Tenant: County of Riverside

Locations/acres/Sq. Ft.: French Valley: 25,000 Sq. Ft., 1.69 acres of a 11.33 acre parcel

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

SUPPLEMENTAL:

Additional Fiscal Information

To Be Determined

Contract History and Price Reasonableness

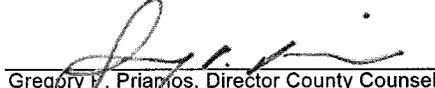
These are new library facilities and the rental rates are competitive in the market for new facilities.

Attachments

- Form of Ground Lease with CFP Riverside, LLC
- Form of Facilities Lease with CFP Riverside, LLC
- Ordinance No. 952, An Ordinance of the County of Riverside Authorizing a Public Leaseback to Finance the Costs of Construction of Library Buildings in Desert Hot Springs, Menifee, and French Valley
- Resolution No. 2019-099, Authorizing Proceedings and Certain Agreements Relating to the Financing of the Design, Development, Construction, Installation, Equipping, Operating and Maintaining of Three New Public Libraries, In Connection With the Issuance and Sale of Lease Revenue Bonds by the California Enterprise Development Authority, Approving Certain Legal Documents to Effect the Issuance of the Bonds and Authorizing Official Actions
- Resolution No. 2019-100, Approving the Issuance, From Time to Time, Pursuant to a Plan of Finance, By the California Enterprise Development Authority of Its Lease Revenue Bonds in an Aggregate Amount Not to Exceed \$50,000,000 for the Purpose of Financing the Cost of Design, Development, Construction, Installation, Equipping, Furnishing, Operating and Maintaining Public Library Facilities by CFP Riverside, LLC for the Benefit of the County of Riverside, Providing the Terms and Conditions for Such Bonds and Other Matters Relating Thereto Herein Specified
- Notice of Exemption
- Exhibits A, B, and C
- Site Map


Melissa Noone, Associate Management Analyst

4/23/2019


Gregory V. Priarios, Director County Counsel

4/19/2019

Exhibit A

FY 2020/21
Riverside County Library System
French Valley, Menifee, and Desert Hot Springs

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

French Valley	25,000	SQFT	
Menifee	20,000	SQFT	
Desert Hot Springs	15,000	SQFT	
Total	60,000	SQFT	
Approximate Cost per SQFT (Jul-Nov)	\$ -		
Approximate Cost per SQFT (Dec-Jun)	\$ 3.90		
Lease Cost per Month (Jul-Nov)	\$ -		
Lease Cost per Month (Dec-Jun)	\$ 234,000.00		
Total Lease Cost (Jul-Nov)			\$ -
Total Lease Cost (Dec-Jun)			\$ 1,638,000.00
Total Estimated Additional Lease Cost for FY 2020/21			\$ 1,638,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12		
Estimated Utility Costs per Month		\$ 7,200.00	
Total Estimated Utility Cost (Jul-Nov)			\$ -
Total Estimated Utility Cost (Dec-Jun)			\$ 50,400.00
Total Estimated Utility Cost for FY 2020/21			\$ 50,400.00
RCIT			\$ -
Tenant Improvement			\$ -
EDA Lease Management Fee as of 12/01/2020	4.92%		\$ 80,589.60
TOTAL ESTIMATED COST FOR FY 2020/21			\$ 1,768,989.60
TOTAL COUNTY COST	0%		\$ -

Exhibit B

FY 2021/22

Riverside County Library System French Valley, Menifee, and Desert Hot Springs

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

French Valley	25,000	SQFT
Menifee	20,000	SQFT
Desert Hot Springs	15,000	SQFT
Total	60,000	SQFT

Approximate Cost per SQFT (Jul-Nov)	\$ 3.90
Approximate Cost per SQFT (Dec-Jun)	\$ 3.90

Lease Cost per Month (Jul-Nov)	\$ 234,000.00
Lease Cost per Month (Dec-Jun)	\$ 234,000.00

Total Lease Cost (Jul-Nov)	\$ 1,170,000.00
Total Lease Cost (Dec-Jun)	\$ 1,638,000.00
Total Estimated Lease Cost for FY 2021/22	\$ 2,808,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	
Estimated Utility Costs per Month	\$ 7,200.00	
Total Estimated Utility Cost (Jul-Nov)		\$ 36,000.00
Total Estimated Utility Cost (Dec-Jun)		\$ 50,400.00
Total Estimated Utility Cost for FY 2021/22		\$ 86,400.00
Tenant Improvement		\$ -
EDA Lease Management Fee as of 12/01/2020	4.92%	\$ 138,153.60
TOTAL ESTIMATED COST FOR FY 2021/22		\$ 3,032,553.60
TOTAL COUNTY COST	0%	\$ -

Exhibit C

**FY 2022/23 to 2050/51
Riverside County Library System
French Valley, Menifee, and Desert Hot Springs**

ESTIMATED AMOUNTS

Total Square Footage to be Leased:

French Valley	25,000	SQFT
Menifee	20,000	SQFT
Desert Hot Springs	15,000	SQFT
Total	60,000	SQFT

	FY 2022/23	FY 2023/24	Total FY 2024/25 to 2050/51
Approximate Cost per SQFT (Jul-Nov)	\$ 3.90	\$ 3.90	
Approximate Cost per SQFT (Dec-Jun)	\$ 3.90	\$ 3.90	
Lease Cost per Month (Jul-Nov)	\$ 234,000.00	\$ 234,000.00	
Lease Cost per Month (Dec-Jun)	\$ 234,000.00	\$ 234,000.00	
Total Lease Cost (Jul-Nov)	\$ 1,170,000.00	\$ 1,170,000.00	
Total Lease Cost (Dec-Jun)	\$ 1,638,000.00	\$ 1,638,000.00	
Total Estimated Lease Cost for FY 2022/23 to 2050/51	\$ 2,808,000.00	\$ 2,808,000.00	\$ 98,658,000.00

Estimated Additional Costs:

Utility Cost per SQFT	\$ 0.12	\$ 0.12	
Estimated Utility Costs per Month	\$ 7,200.00	\$ 7,200.00	
Total Estimated Utility Cost	\$ 86,400.00	\$ 86,400.00	\$ 2,282,400.00
EDA Lease Management Fee as of 12/01/2020 4.92%	\$ 138,153.60	\$ 138,153.60	\$ 4,853,973.60
TOTAL ESTIMATED COST FOR FY 2022/23 to 2050/51	\$ 3,032,553.60	\$ 3,032,553.60	\$ 105,794,373.60

F11 Total Cost	\$ 116,661,024.00
F11 Total County Cost 0%	\$ -

- 1 e. CFP proposes to enter into a Facilities Lease Agreement (the “Facilities
2 Lease”) under which CFP will undertake the Project and lease the Premises
3 (as such term is defined in the Facilities Lease) to the County.
- 4 f. Payments by the County of rent under the Facilities Lease will be used to
5 pay debt service on the Bonds, but the Bonds will not in any way constitute
6 an obligation or debt of the County.
- 7 g. The Revenue Procedure requires that, within one year prior to issuance of
8 the Bonds, the County approve the nonprofit corporation (CFP) and the
9 bonds to be issued (the Bonds) and agree to accept title to the Project when
10 the Bonds are retired.
- 11 h. The Project is necessary to meet the County’s needs for facilities to provide
12 library services to residents of the County.
- 13 i. The County does not wish to undertake directly the governmental burden
14 associated with development of the Project, and has determined that the
15 proposal by CFP is the most efficient means for managing the financing,
16 construction and operation of the Project.
- 17 j. The transaction as proposed constitutes a public leaseback that the County
18 wishes to approve in accordance with Section 54241 of the Government
19 Code.
- 20 k. Environmental review will be completed before any development would
21 occur for the Project.

22 Section 2. PURPOSE. The purpose of this ordinance is to authorize a public
23 leaseback to finance the costs of construction of the library buildings in the Desert Hot Springs, Menifee
24 and French Valley areas of Riverside County.

25 Section 3. AUTHORITY. This ordinance is adopted pursuant to California
26 Government Code Section 54241.

27 Section 4. AUTHORIZATION OF PUBLIC LEASEBACK. The public leaseback
28 as set forth in this ordinance is authorized.

- 1 a. Upon completion of negotiations of the Ground Lease and Facilities
2 Lease, the County shall consider approving and authorizing execution of
3 said leases. The final schedule of monthly rent payments due under the
4 Facilities Lease shall be determined and added as an exhibit to the
5 Facilities Lease upon the issuance and sale of the Bonds.
- 6 b. The County hereby requests that CFP lease the Land pursuant to the
7 anticipated Ground Lease and undertake the Project, and thereby relieve the
8 County of the governmental burden thereof. The County hereby approves
9 CFP solely for the purposes of approving the issuance by it of the Bonds to
10 finance the Project under the Revenue Procedure. The Bonds shall not be
11 an obligation of the County or any other agency or subdivision of the state
12 of California, subject to entering into the Ground Lease and Facilities
13 Lease. The County further agrees to accept title to the Project financed by
14 the Bonds, including any additions to the Premises, when the Bonds are
15 discharged. At such time, title to the Project financed by the Bonds will
16 be transferred to the County at no additional cost.
- 17 c. To the extent necessary to meet the conditions of paragraph (d)(2) of
18 United States Securities and Exchange Commission Rule 15c2-12, as
19 applicable to a participating underwriter or remarketing agent for
20 Bonds, the County is hereby authorized to enter into an undertaking in a
21 form acceptable at the time to the participating underwriter or remarketing
22 agent, as the case may be.
- 23 d. All appropriate officers of the County are authorized to take any
24 actions and to execute documents as in their judgment may be necessary or
25 desirable in order to carry out the terms of, and complete the
26 transactions contemplated by, this action. All acts taken and all approvals
27 and agreements previously made pursuant to the authority of this action but
28 prior to the effective date hereof are hereby ratified and confirmed.

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e. This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to California Government Code Section 25124.

Section 5. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

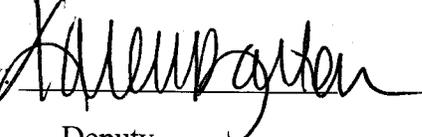
Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

By: 
Chairman

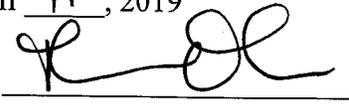
ATTEST:

KECIA R. HARPER
CLERK OF THE BOARD

By: 
Deputy

APPROVED AS TO FORM:

April 11, 2019

By: 
Thomas Oh
Deputy County Counsel

Filename path

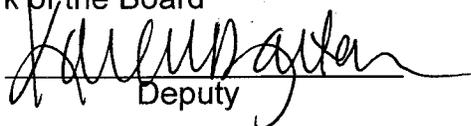
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STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) SS

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said county held on April 30, 2019, the foregoing ordinance consisting of 6 Sections was adopted by the following vote:

AYES: Jeffries, Spiegel, Washington and Perez
NAYS: None
ABSENT: Hewitt

DATE: April 30, 2019

KECIA R. HARPER
Clerk of the Board
BY: 
Deputy

SEAL

Item 19.1

2
3 RESOLUTION NO. 2019-099

4
5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 AUTHORIZING PROCEEDINGS AND CERTAIN AGREEMENTS RELATING TO THE
7 FINANCING OF THE DESIGN, DEVELOPMENT, CONSTRUCTION, INSTALLATION,
8 EQUIPPING, OPERATING AND MAINTAINING OF THREE NEW PUBLIC LIBRARIES, IN
9 CONNECTION WITH THE ISSUANCE AND SALE OF LEASE REVENUE BONDS BY THE
10 CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, APPROVING CERTAIN LEGAL
11 DOCUMENTS TO EFFECT THE ISSUANCE OF THE BONDS
12 AND AUTHORIZING OFFICIAL ACTIONS
13

14 **WHEREAS**, the County of Riverside (the "County") has determined that it is in the public interest
15 to facilitate the (a) design, development, construction, installation, equipping, operating and maintaining of
16 (a) an approximately 25,000 square foot modern and state-of-the-art library and related improvements
17 including a parking lot to accommodate approximately 93 cars (the "French Valley Library") on an
18 approximately 11.33 acre parcel of real property owned by the County and located at the corner of
19 Winchester Road and Sky View Road (APN 480-160-021) in the unincorporated French Valley area of
20 Riverside County (the "French Valley Site"), (b) an approximately 20,000 square foot modern and state-of-
21 the-art library and related improvements including a parking lot to accommodate approximately 76 cars
22 (the "Menifee Library") on on an approximately 4.73 acre parcel of real property owned by the County and
23 located at the corner of Menifee Road and La Piedra Road (APN 364-152-034) in the incorporated City of
24 Menifee, California (the "Menifee Site"), and (c) an approximately 15,000 square foot modern and state-
25 of-the-art library and related improvements including a parking lot to accommodate approximately 68 cars
26 (the "Desert Hot Springs Library" and, together with the French Valley Library and the Menifee Library,
27 the "Library Facilities") on an approximately 13.78 acre parcel of real property located at the corner of Palm
28 Drive and Park Lane (APN 656-040-039-3) in the incorporated city of Desert Hot Springs, California (the

1 “Desert Hot Springs Site” and, together with the French Valley Site and the Meniffee Site, the “Library
2 Sites”); and

3 **WHEREAS**, CFP Riverside, LLC, a Minnesota non-profit limited liability company (“CFP”),
4 whose sole member is Community Facility Partners, a Minnesota non-profit corporation and a tax-exempt
5 charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”), as
6 amended, has agreed to undertake the design, development, construction, installation, equipping, financing,
7 operating and maintaining of the Library Facilities (the “Project”) and to lease the Library Facilities to the
8 County pursuant to the terms of a facilities lease agreement (the “Facilities Lease”); and

9 **WHEREAS**, the County will lease the Library Sites to CFP pursuant to the terms of a ground lease
10 (the “Ground Lease”) to facilitate the Project; and

11 **WHEREAS**, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1,
12 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code
13 of the State of California (the “Act”), the cities of Eureka, Lancaster and Selma (the “Members”) entered
14 into a joint exercise of powers agreement (the “Agreement”) pursuant to which the California Enterprise
15 Development Authority (the “Authority”) was organized, for the purpose of promoting economic, cultural
16 and community development, and in order to exercise any powers common to the Members and associate
17 members, including the issuance of bonds, notes or other evidences of indebtedness; and

18 **WHEREAS**, the County is an associate member of the Authority; and

19 **WHEREAS**, the Authority is authorized to issue and sell revenue bonds for the purpose, among
20 others, of financing or refinancing the construction of public capital projects; and

21 **WHEREAS**, CFP has requested that the Authority participate in the issuance, from time to time,
22 pursuant to a plan of finance, of its lease revenue bonds for the purpose of (a) financing the cost of designing,
23 developing, constructing, installing, equipping, operating and maintaining the Library Facilities; (b)
24 funding a debt service reserve fund for the Bonds, if necessary; and (c) paying capitalized interest, costs of
25 issuance and other related transaction costs in connection with the issuance of the Bonds (collectively, the
26 “Project”); and

27 **WHEREAS**, to provide such financing for the Project, the Authority proposes to issue its lease
28 revenue bonds in an aggregate original principal amount of not to exceed \$50,000,000 (the “Bonds”) under

1 the provisions of Act, including Article 4 (commencing with Section 6584) of Act, which are proposed to
2 be payable from lease payments to be paid by the County pursuant to the Facilities Lease; and

3 **WHEREAS**, the Authority has determined that the Bonds should be offered for sale on a negotiated
4 basis by Robert W. Baird & Co.; and

5 **WHEREAS**, a preliminary official statement describing the Bonds (the "Preliminary Official
6 Statement"), the Ground Lease and the Facilities Lease (substantially to form) and certain other matters
7 have been provided to the County; and

8 **WHEREAS**, on April 30, 2019, the Board of Supervisors conducted a noticed public hearing
9 pursuant to Section 6586.5 of the Act and published notice of such public hearing was given in accordance
10 with the Act;

11 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of
12 Supervisors of the County of Riverside, in regular session assembled on April 30, 2019 at 9:00 a.m. or soon
13 thereafter, in the meeting room of the Board of Supervisors, located on the first floor of the County
14 Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

15 Section 1. Findings and Determinations. The Board of Supervisors finds and determines that it
16 is in the prudent management of the fiscal affairs of the County that the County proceed with the design,
17 development, construction, installation, equipping, operating and maintaining of the Library Facilities.

18 Pursuant to the Act, the Board of Supervisors hereby finds that the issuance of the Bonds by the
19 Authority will result in more efficient delivery of local agency services to residential and commercial
20 development and thereby result in significant public benefits within the meaning of Section 6586 of the
21 Act.

22 Section 2. Approval of Bonds. The Board of Supervisors hereby approves of the issuance of
23 the Bonds by the Authority under and pursuant to the Act provided that the maximum aggregate principal
24 amount of the Bonds shall not exceed \$50,000,000 and provided that the rent for Years 1-10 shall not exceed
25 \$3.90/psf, the rent for Years 11-20 shall not exceed \$4.95/psf, and the rent for Years 21-30 shall not exceed
26 \$6.25/psf.

27 Section 3. Approval of Certain Documents. The Board of Supervisors hereby approves each of
28 the following documents in substantially the respective forms, together with such additions thereto and

1 changes therein as approved as to form by County Counsel and consistent with the maximum aggregate
2 principal amount and not to exceed rent amounts described in Section 2 of this Resolution:

3 (a) the Ground Lease between the County, as lessor, and CFP, as lessee, which relates to the
4 Library Sites; and

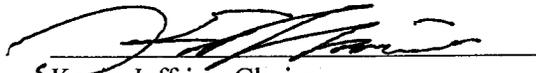
5 (b) the Facilities Lease relating to the lease of the Library Facilities by the County from CFP.

6 The Chairman of the Board of Supervisors is hereby authorized to finalize and execute the final
7 forms of each of the above-mentioned documents for and in the name and on behalf of the County on the
8 closing date following the pricing and issuance of the Bonds.

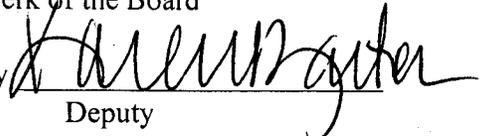
9 Section 4. Official Actions. The County Executive Officer, or designee, the Clerk of the Board
10 of Supervisors and any and all other officers of the County are hereby authorized, for and in the name and
11 on behalf of the County, to do any and all things and take any and all actions, including negotiation,
12 execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents,
13 instruments of conveyance, warrants and other documents, subject to approval as to form by County
14 Counsel, which they, or any of them, may deem necessary or advisable in order to consummate the
15 transactions as described herein in connection with the Project and the issuance and sale of the Bonds.

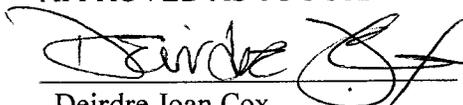
16 THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors of the
17 County of Riverside this April 30, 2019, by the following vote:

18 AYES: Jeffries, Spiegel, Washington and Perez
19 NOES: None
20 ABSENT: Hewitt
21 ABSTAINING: None

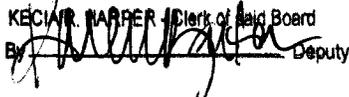
22 
23 Kevin Jeffries, Chairman
24 Board of Supervisors

25 **ATTEST:**
26 Kecia R. Harper
27 Clerk of the Board

28 By 
Deputy

APPROVED AS TO FORM:

Deirdre Joan Cox
Special Counsel For The County

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA R. HARPER, Clerk of said Board
By  Deputy

2
3 RESOLUTION NO. 2019-100
4

5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 APPROVING THE ISSUANCE, FROM TIME TO TIME, PURSUANT TO A PLAN OF FINANCE, BY
7 THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY OF ITS LEASE REVENUE
8 BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF
9 FINANCING THE COST OF DESIGN, DEVELOPMENT, CONSTRUCTION, INSTALLATION,
10 EQUIPPING, FURNISHING, OPERATING AND MAINTAINING PUBLIC LIBRARY FACILITIES BY
11 CFP RIVERSIDE, LLC FOR THE BENEFIT OF THE COUNTY OF RIVERSIDE,
12 PROVIDING THE TERMS AND CONDITIONS FOR SUCH BONDS
13 AND OTHER MATTERS RELATING THERETO HEREIN SPECIFIED
14

15 **WHEREAS**, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1,
16 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code
17 of the State of California (the "Act"), the cities of Eureka, Lancaster and Selma (the "Members") entered
18 into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Enterprise
19 Development Authority (the "Authority") was organized, for the purpose of promoting economic, cultural
20 and community development, and in order to exercise any powers common to the Members and associate
21 members, including the issuance of bonds, notes or other evidences of indebtedness; and

22 **WHEREAS**, the County of Riverside, California (the "County") is an associate member of the
23 Authority; and

24 **WHEREAS**, the Authority is authorized to issue and sell revenue bonds for the purpose, among
25 others, of financing or refinancing the construction of public capital projects; and

26 **WHEREAS**, CFP Riverside, LLC, a Minnesota non-profit limited liability company ("CFP"), whose
27 sole member is Community Facility Partners, a Minnesota non-profit corporation and a tax-exempt charitable
28 organization under Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), as amended, has

1 requested that the Authority participate in the issuance, from time to time, pursuant to a plan of finance, its
2 lease revenue bonds in an aggregate principal amount not to exceed \$50,000,000 (the "Bonds") for the
3 purpose of (a) designing, developing, constructing, installing, equipping, operating and maintaining (1) an
4 approximately 25,000 square foot modern and state-of-the-art library and related improvements including a
5 parking lot to accommodate approximately 93 cars on an approximately 11.33 acre parcel of real property
6 located at the corner of Winchester Road and Sky View Road (APN 480-160-021) in the unincorporated
7 French Valley area of Riverside County (the "French Valley Library"), (2) an approximately 20,000 square
8 foot modern and state-of-the-art library and related improvements including a parking lot to accommodate
9 approximately 76 cars on on an approximately 4.73 acre parcel of real property located at the corner of
10 Menifee Road and La Piedra Road (APN 364-152-034) in the incorporated City of Menifee, California (the
11 "Menifee Library"), and (3) an approximately 15,000 square foot modern and state-of-the-art library and
12 related improvements including a parking lot to accommodate approximately 68 cars on an approximately
13 13.78 acre parcel of real property located at the corner of Palm Drive and Park Lane (APN 656-040-039-3)
14 in the incorporated City of Desert Hot Springs, California (the "Desert Hot Springs Library" and, together
15 with the French Valley Library and the Menifee Library, the "Library Facilities"); (b) funding a debt service
16 reserve fund for the Bonds; and (c) paying capitalized interest, costs of issuance and other related transaction
17 costs in connection with the issuance of the Bonds (collectively, the "Project"); and

18 **WHEREAS**, the Library Facilities will be leased by CFP to the County of Riverside for use as
19 public libraries; and

20 **WHEREAS**, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Code,
21 requires that an "applicable elected representative" of the governmental unit, the geographic jurisdiction of
22 which contains the site of facilities to be financed with the proceeds of the Bonds, hold a public hearing on
23 the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

24 **WHEREAS**, the Authority has determined that the Board of Supervisors of the County (the
25 "Board") is an "applicable elected representative" for purposes of holding such hearing; and

26 **WHEREAS**, the Authority has requested that the Board approve the issuance of the Bonds by the
27 Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the Act; and

28 **WHEREAS**, notice of such public hearing has been duly given as required by the Code, and this

1 Board has heretofore held such public hearing at which all interested persons were given an opportunity to
2 be heard on all matters related to the Project and the Authority's issuance of the Bonds therefor; and

3 **WHEREAS**, it is in the public interest and for the public benefit that the Board approve the issuance
4 of the Bonds by the Authority for the aforesaid purposes;

5 **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of
6 Supervisors of the County of Riverside in regular session assembled on April 30, 2019 at 9:00 a.m. or soon
7 thereafter, in the meeting room of the Board of Supervisors, located on the first floor of the County
8 Administrative Center, 4080 Lemon Street, Riverside, California, that:

9 Section 1. The foregoing recitals are true and correct.

10 Section 2. The Board hereby finds and determines that the design, development, construction,
11 installation, equipping, operating and maintaining of the Library Facilities by CFP relieves the burdens on
12 the County by constructing and operating public library facilities to accommodate critical functions of the
13 County.

14 Section 3. The Board hereby approves the issuance of the Bonds by the Authority. It is the
15 purpose and intent of the Board that this resolution (a) shall constitute "host" approval and "issuer" approval
16 of the issuance of the Bonds within the meaning of Section 147(f) of the Code and, (b) approval of the
17 issuance of the Bonds by the Board in accordance with the Act.

18 Section 4. The issuance of the Bonds shall be subject to the approval of the Authority of all
19 financing documents relating thereto to which the Authority is a party.

20 Section 5. The executing officers(s), the Clerk and all other proper officers and officials of the
21 County are hereby authorized and directed to execute such other agreements, documents and certificates,
22 and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this
23 Resolution and the transactions herein authorized.

24 Section 6. The Clerk shall forward a certified copy of this Resolution to the Authority in care
25 of its bond counsel:

26 Sam S. Balisy, Esq.

27 Kutak Rock LLP

28 777 South Figueroa Street, Suite 4550

1 Los Angeles, California 90017

2 Section 7. This Resolution shall take effect immediately upon its adoption.

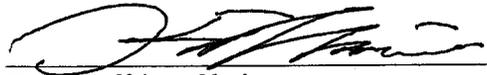
3
4 THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors of the
5 County of Riverside this April 30, 2019, by the following vote:

6 AYES: Jeffries, Spiegel, Washington and Perez

7 NOES: None

8 ABSENT: Hewitt

9 ABSTAINING: None

10 

11 Kevin Jeffries, Chairman
12 Board of Supervisors

13 ATTEST:
14 Kecia R. Harper
15 Clerk of the Board

16 By 

17 Deputy

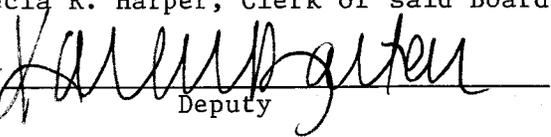
18
19
20 APPROVED AS TO FORM:

21
22 

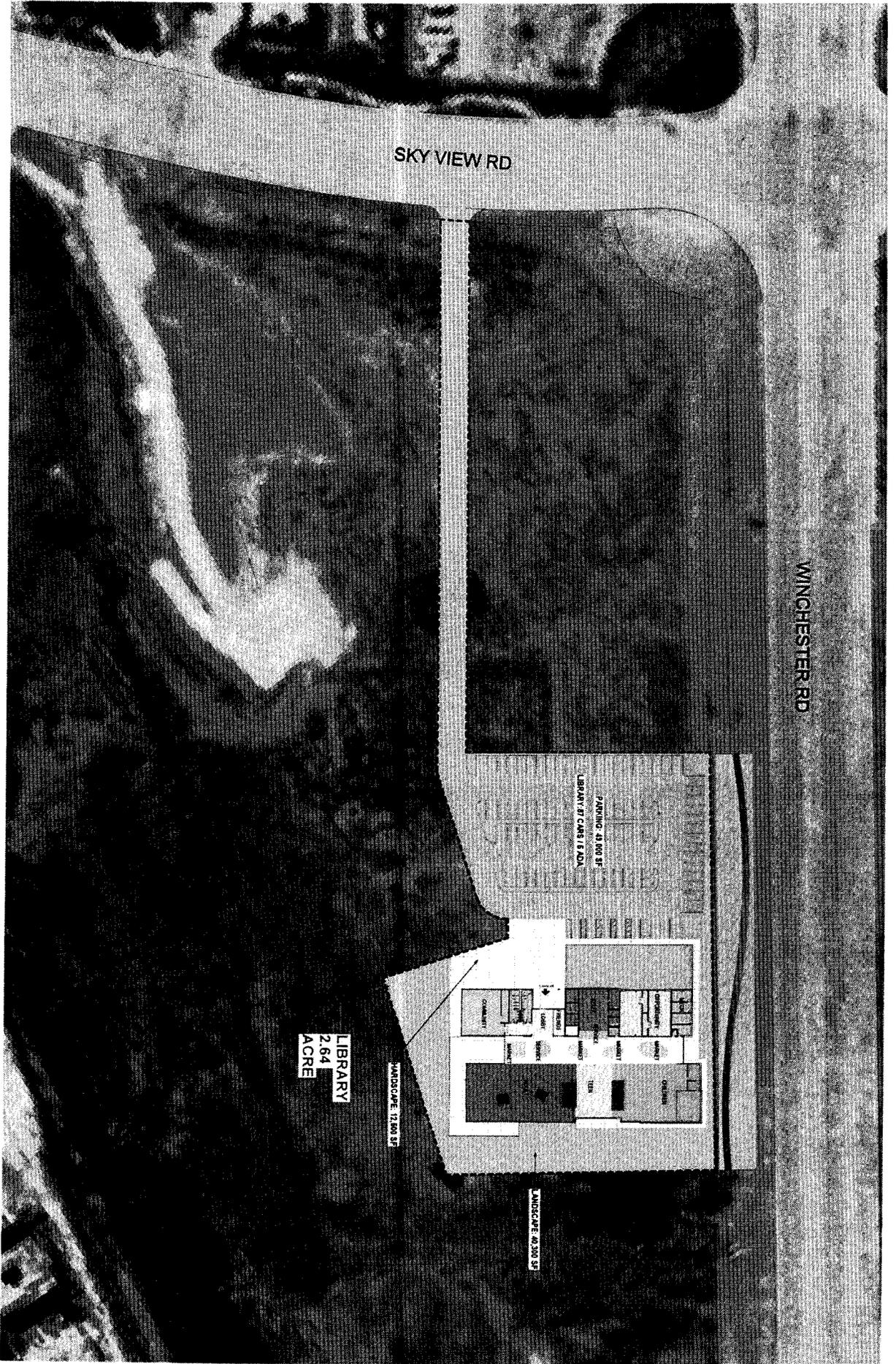
23 Deirdre Joan Cox
24 Special Counsel For The County

25 The foregoing is certified to be a true copy of a resolution duly
26 adopted by said Board of Supervisors on the date therein set forth.

27 Kecia R. Harper, Clerk of said Board

28 By 

4 Deputy



WINCHESTER RD

SKY VIEW RD

PARKING: 21,000 SF
LIBRARY: 21,000 SF

LIBRARY
2,664
ACRES

LANDSCAPE: 12,000 SF

LANDSCAPE: 6,300 SF

⊗ SITE PLAN

SITE PLAN
10/27/14

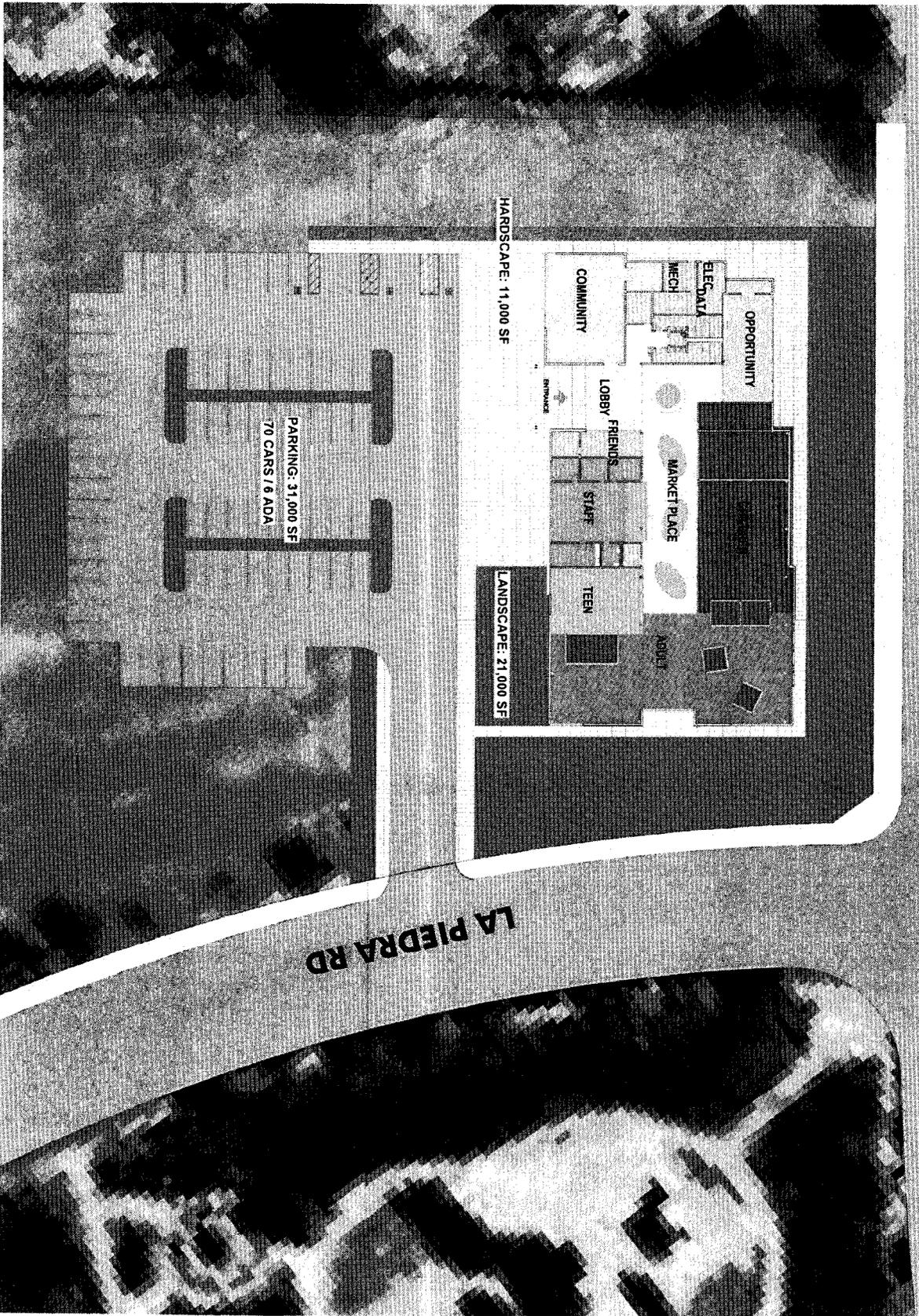
COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
FRENCH VALLEY

DECEMBER 26, 2014

JKWORKS | CANNONDESIGN

2014 JKWORKS | CANNONDESIGN
ALL RIGHTS RESERVED

MENIFEE RD



SITE PLAN

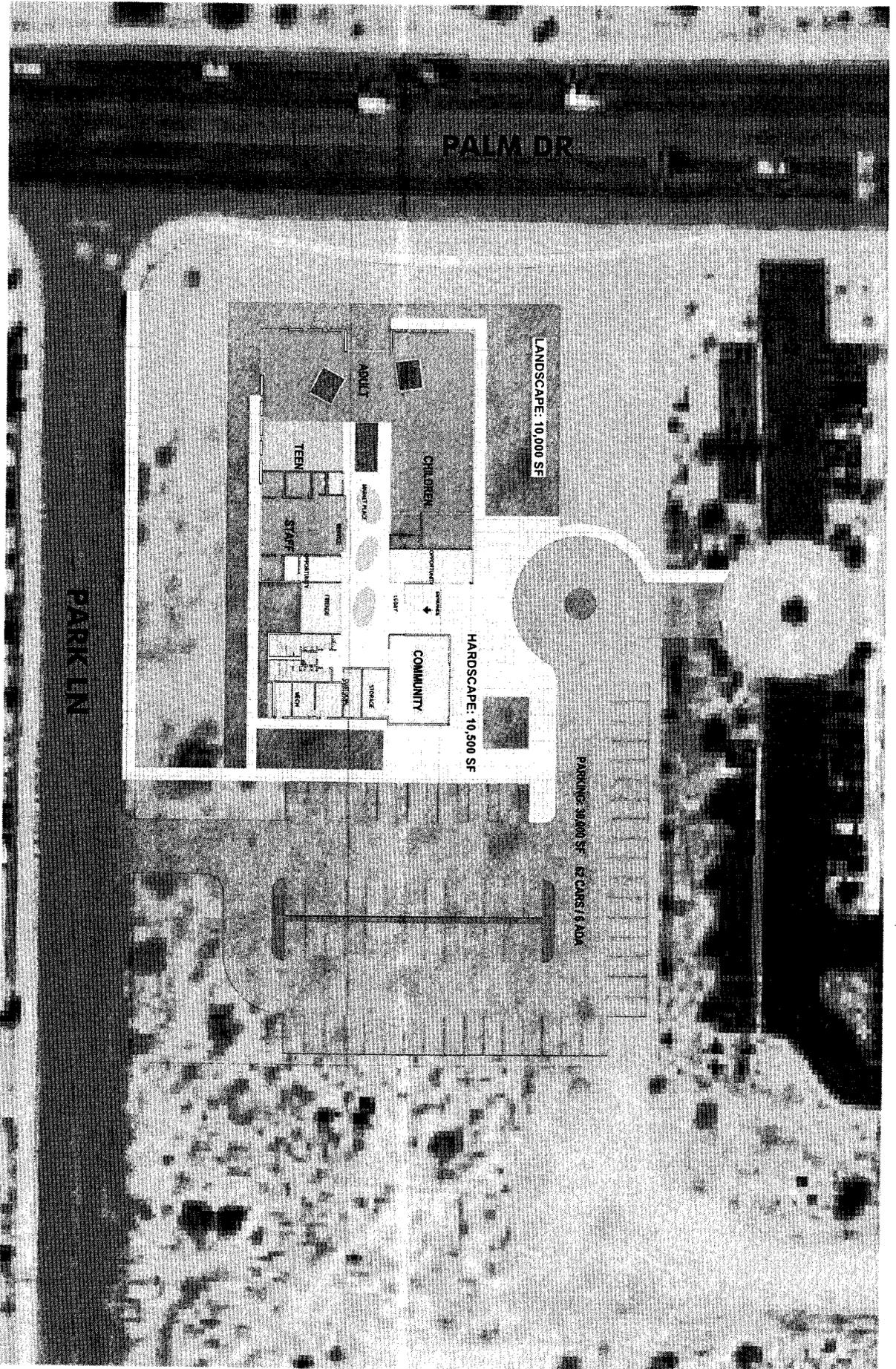
COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM

MENIFEE

LEVEL 1 MENIFEE

JKWORKS | **CANNONDESIGN**

2024 New River Road, Suite 100, Riverside, CA 92504
951.709.1000 | www.jkworks.com



PALM DR

LANDSCAPE: 10,000 SF

HARDSCAPE: 10,500 SF

PARKING: 62 CARS / 6 ADA

PARK LN

SITE PLAN

**COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
DESERT HOT SPRINGS**

1 SITE - DESERT HOT SPRING

3KWORKS | CANNONDESIGN

2023 San Diego State University
March 2023 10:00 AM - 12:00 PM

DECEMBER 2023



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA R. HARPER
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

May 3, 2019

THE DESERT SUN
ATTN: LEGALS
P.O. BOX 2734
PALM SPRINGS, CA 92263

E-MAIL: legals@thedesertsun.com
FAX: (760) 778-4731

RE: ADOPTION OF ORDINANCE NO. 952

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Wednesday, May 8, 2019**.

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Karen Barton

Board Assistant to
KECIA R. HARPER, CLERK OF THE BOARD



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA R. HARPER
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

May 3, 2019

THE PRESS ENTERPRISE
ATTN: LEGALS
P.O. BOX 792
RIVERSIDE, CA 92501

TEL: (951) 368-9225
E-MAIL: legals@pe.com

RE: ADOPTION OF ORDINANCE NO. 952

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Wednesday, May 8, 2019.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office, **WITH TWO CLIPPINGS OF THE PUBLICATION.**

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Karen Barton

Board Assistant to:
KECIA R. HARPER, CLERK OF THE BOARD

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ORDINANCE NO. 952

AN ORDINANCE OF THE COUNTY OF RIVERSIDE
AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF CONSTRUCTION OF LIBRARY
BUILDINGS IN DESERT HOT SPRINGS, MENIFEE, AND FRENCH VALLEY

The Board of Supervisors of the County of Riverside ordains as follows:

- Section 1. FINDINGS. The Board of Supervisors of the County of Riverside finds that:
- a. Internal Revenue Code Section 145 ("Section 145") defines a qualified 501(c)(3) bond as any private activity bond issue if, among other requirements, all the property which is to be provided by the net proceeds of the issue is owned by a 501(c)(3) organization or governmental unit. Bonds issued pursuant to Section 145 may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure.
 - b. CFP Riverside, LLC ("CFP") has been formed as a nonprofit limited liability company for the purpose of designing, permitting, constructing, operating, and maintaining three new library buildings and related facilities in Desert Hot Springs, Menifee, and French Valley, California (the "Project") for use by the County of Riverside (the "County").
 - c. The County as the owner of the land on which the Project will be constructed (the "Land") will enter into a ground lease of the Land with CFP (the "Ground Lease").
 - d. In order to finance the Project, CFP proposes to issue tax-exempt bonds, to be designated as the "501(c)(3), Non-Profit Tax-Exempt, Lease Revenue Bonds (Riverside County Library Facilities Project), CFP Riverside, LLC, Series 2019" in an aggregate principal amount to be determined (the "Bonds").
 - e. CFP proposes to enter into a Facilities Lease Agreement (the "Facilities Lease") under which CFP will undertake the Project and lease the Premises (as such term is defined in the Facilities Lease) to the County.
 - f. Payments by the County of rent under the Facilities Lease will be used to pay debt service on the Bonds, but the Bonds will not in any way constitute an obligation or debt of the County.
 - g. The Revenue Procedure requires that, within one year prior to issuance of the Bonds, the County approve the nonprofit corporation (CFP) and the bonds to be issued (the Bonds) and agree to accept title to the Project when the Bonds are retired.
 - h. The Project is necessary to meet the County's needs for facilities to provide library services to residents of the County.
 - i. The County does not wish to undertake directly the governmental burden associated with development of the Project, and has determined that the proposal by CFP is the most efficient means for managing the financing, construction and operation of the Project.
 - j. The transaction as proposed constitutes a public leaseback that the County wishes to approve in accordance with Section 54241 of the Government Code.
 - k. Environmental review will be completed before any development would occur for the Project.

Section 2. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of construction of the library buildings in the Desert Hot Springs, Menifee and French Valley areas of Riverside County.

Section 3. AUTHORITY. This ordinance is adopted pursuant to California Government Code Section 54241.

Section 4. AUTHORIZATION OF PUBLIC LEASEBACK. The public leaseback as set forth in this ordinance is authorized.

- a. Upon completion of negotiations of the Ground Lease and Facilities Lease, the County shall consider approving and authorizing execution of said leases. The final schedule of monthly rent payments due under the Facilities Lease shall be determined and added as an exhibit to the Facilities Lease upon the issuance and sale of the Bonds.
- b. The County hereby requests that CFP lease the Land pursuant to the anticipated Ground Lease and undertake the Project, and thereby relieve the County of the governmental burden thereof. The County hereby approves CFP solely for the purposes of approving the issuance by it of the Bonds to finance the Project under the Revenue Procedure. The Bonds shall not be an obligation of the County or any other agency or subdivision of the state of California, subject to entering into the Ground Lease and Facilities Lease. The County further agrees to accept title to the Project financed by the Bonds, including any additions to the Premises, when the Bonds are discharged. At such time, title to the Project financed by the Bonds will be transferred to the County at no additional cost.
- c. To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12, as applicable to a participating underwriter or remarketing agent for Bonds, the County is hereby authorized to enter into an undertaking in a form acceptable at the time to the participating underwriter or remarketing agent, as the case may be.
- d. All appropriate officers of the County are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this action. All acts taken and all approvals and agreements previously made pursuant to the authority of this action but prior to the effective date hereof are hereby ratified and confirmed.
- e. This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to California Government Code Section 25124.

Section 5. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

Kevin Jeffries, Chairman of the Board

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on **April 30, 2019**, the foregoing Ordinance consisting of six (6) sections was adopted by said Board by the following vote:

AYES: Jeffries, Spiegel, Washington and Perez

NAYS: None

ABSENT: Hewitt

Kecia R. Harper, Clerk of the Board

By: Karen Barton, Board Assistant



CALL (951) 368-9222
EMAIL legals@pe.com

THE PRESS-ENTERPRISE

DATE	ORDER NUMBER	PO Number	PRODUCT	SIZE	Amount
5/8/19	0011267665		PE Riverside	4 x 127 Li	660.40

Invoice text: Ordinance 952

EDA
4/30/19 19.1

Placed by: Karen Barton

Legal Advertising Memo Invoice

BALANCE DUE
660.40

SALES CONTACT INFORMATION	ADVERTISER INFORMATION			
	BILLING DATE	BILLED ACCOUNT NUMBER	ADVERTISER/CLIENT NUMBER	ADVERTISER/CLIENT NAME
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THE PRESS-ENTERPRISE

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BOARD OF SUPERVISORS		
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BALANCE DUE	ORDER NUMBER	TERMS OF PAYMENT
660.40	0011267665	DUE UPON RECEIPT

BILLING ACCOUNT NAME AND ADDRESS

REMITTANCE ADDRESS

BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
'PO BOX 1147'
RIVERSIDE, CA 92502

CALIFORNIA NEWSPAPER PARTNERSHIP
dba The Press-Enterprise
PO Box 65210
Colorado Springs, CO 80962-5210

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)**

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: Ordinance 952 /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

05/08/2019

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: May 08, 2019
At: Riverside, California


Legal Advertising Representative, The Press-Enterprise

BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE
PO BOX 1147
RIVERSIDE, CA 92502

Ad Number: 0011267665-01

P.O. Number:

Ad Copy:

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
ORDINANCE NO. 952

AN ORDINANCE OF THE COUNTY OF RIVERSIDE
AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF CONSTRUCTION OF
LIBRARY BUILDINGS IN DESERT HOT SPRINGS, MENIFEE, AND FRENCH VALLEY

The Board of Supervisors of the County of Riverside ordains as follows:

- Section 1. FINDINGS. The Board of Supervisors of the County of Riverside finds that:
- Internal Revenue Code Section 145 ("Section 145") defines a qualified 501(c)(3) bond as any private activity bond issue if, among other requirements, all the property which is to be provided by the net proceeds of the issue is owned by a 501(c)(3) organization or governmental unit. Bonds issued pursuant to Section 145 may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure.
 - CFP Riverside, LLC ("CFP") has been formed as a nonprofit limited liability company for the purpose of designing, permitting, constructing, operating, and maintaining three new library buildings and related facilities in Desert Hot Springs, Menifee, and French Valley, California (the "Project") for use by the County of Riverside (the "County").
 - The County as the owner of the land on which the Project will be constructed (the "Land") will enter into a ground lease of the Land with CFP (the "Ground Lease").
 - In order to finance the Project, CFP proposes to issue tax-exempt bonds, to be designated as the "501(c)(3), Non-Profit Tax-Exempt, Lease Revenue Bonds (Riverside County Library Facilities Project), CFP Riverside, LLC, Series 2019" in an aggregate principal amount to be determined (the "Bonds").
 - CFP proposes to enter into a Facilities Lease Agreement (the "Facilities Lease") under which CFP will undertake the Project and lease the Premises (as such term is defined in the Facilities Lease) to the County.
 - Payments by the County of rent under the Facilities Lease will be used to pay debt service on the Bonds, but the Bonds will not in any way constitute an obligation or debt of the County.
 - The Revenue Procedure requires that, within one year prior to issuance of the Bonds, the County approve the nonprofit corporation (CFP) and the bonds to be issued (the Bonds) and agree to accept title to the Project when the Bonds are retired.
 - The Project is necessary to meet the County's needs for facilities to provide library services to residents of the County.
 - The County does not wish to undertake directly the governmental burden associated with development of the Project, and has determined that the proposal by CFP is the most efficient means for managing the financing, construction and operation of the Project.
 - The transaction as proposed constitutes a public leaseback that the County wishes to approve in accordance with Section 54241 of the Government Code.
 - Environmental review will be completed before any development would occur for the Project.

Section 2. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of construction of the library buildings in the Desert Hot Springs, Menifee and French Valley areas of Riverside County.

Section 3. AUTHORITY. This ordinance is adopted pursuant to California Government Code Section 54241.

Section 4. AUTHORIZATION OF PUBLIC LEASEBACK. The public leaseback as set forth in this ordinance is authorized.

- Upon completion of negotiations of the Ground Lease and Facilities Lease, the County shall consider approving and authorizing execution of said leases. The final schedule of monthly rent payments due under the Facilities Lease shall be determined and added as an exhibit to the Facilities Lease upon the issuance and sale of the Bonds.
- The County hereby requests that CFP lease the Land pursuant to the anticipated Ground Lease and undertake the Project, and thereby relieve the County of the governmental burden thereof. The County hereby approves CFP solely for the purposes of approving the issuance of the Bonds to finance the Project under the Revenue Procedure. The Bonds shall not be an obligation of the County or any other agency or subdivision of the state of California, subject to entering into the Ground Lease and Facilities Lease. The County further agrees to accept title to the Project financed by the Bonds, including any additions to the Premises, when the Bonds are discharged. At such time, title to the Project financed by the Bonds will be transferred to the County at no additional cost.
- To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12, as applicable to a participating underwriter or remarketing agent for Bonds, the County is hereby authorized to enter into an undertaking in a form acceptable at the time to the participating underwriter or remarketing agent, as the case may be.
- All appropriate officers of the County are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this action. All acts taken and all approvals and agreements previously made pursuant to the authority of this action but prior to the effective date hereof are hereby ratified and confirmed.
- This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to California Government Code Section 25124.

Section 5. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

Kevin Jeffries, Chairman of the Board

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on April 30, 2019, the foregoing Ordinance consisting of six (6) sections was adopted by said Board by the following vote:

AYES: Jeffries, Spiegel, Washington and Perez
NAYS: None
ABSENT: Hewitt

Kecia R. Harper, Clerk of the Board
By: Karen Barton, Board Assistant

5/08

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.2
(ID # 9650)

MEETING DATE:
Tuesday, April 16, 2019

FROM : SUPERVISOR CHUCK WASHINGTON:

SUBJECT: SUPERVISOR CHUCK WASHINGTON: Introduction of Ordinance No. 952,
Authorizing a Public Leaseback to Finance the Costs of Construction of the
Library Buildings in French Valley, Menifee and Desert Hot Springs

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce, read, and waive further reading of, and adopt on successive weeks, Ordinance No. 952, Authorizing a Public Leaseback to Finance the Costs of Construction of the Library Buildings in French Valley, Menifee and Desert Hot Springs; and
2. Direct the Economic Development Agency to continue to process this transaction, including negotiations of the Ground Lease and Facilities Lease and associated documents, preparing and processing the ordinance, and handling any other associated items.

ACTION:


Supervisor Chuck Washington 4/11/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended and that the above Ordinance is approved as introduced with a waiver of reading.

Ayes: Jeffries, Washington, Perez and Hewitt
Nays: None
Absent: Spiegel
Date: April 16, 2019
xc: Supvr. Washington, EDA, COB

Kecia Harper
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

BACKGROUND:

Summary

BACKGROUND: Libraries are a public investment, transforming lives and communities while advocating for lifelong learning. Riverside County Library System (RCLS) has grown over the past 22 years with 36 library branches, mobile library amenities, literacy services and museum and cultural enrichment programming for over 4-million patrons. RCLS is in full demand and busier than ever. In order to address the County's growing population and community needs, additional library space is needed in the communities of French Valley, Menifee and Desert Hot Springs. Utilizing EDA Real Estate for real estate services to assist in the establishment of a Public Private Partnership (P3), RCLS has engaged with a real estate developer to plan, design, entitle, and construct these new facilities on County owned land and to complete the Riverside County Libraries Project (Project).

Consisting of approximately 25,000 square feet, the new French Valley Library branch will be located on the northeast corner of Winchester Road and Skyview Road in the County unincorporated area. The new Menifee Library branch will consist of approximately 20,000 square feet and will be located at La Piedra Road and Menifee Road in the City of Menifee, and the Desert Hot Springs replacement branch will consist of approximately 15,000 square feet and will be located on the northeast corner of Palm Drive and Park Lane in the City of Desert Hot Springs.

In January 2018, RCLS obtained "In Principle" Board of Supervisors approval to proceed with the Request for Proposals (RFP) process in order to consider and potentially deliver new libraries on County owned property through a public private partnership method. RCLS engaged in analysis of library facilities and developed a comprehensive space program for these new facilities. EDA Real Estate then issued a Request for Proposal in February of 2018 to area developers to partner with the County through a Public Private Partnership (P3) real estate development project, to plan, design, entitle, construct, and provide property management for these new facilities. Responses to the RFP were collected and analyzed and an intent to award was made to Omni West Group, Inc. (Developer).

The purpose of this action is to introduce the public leaseback ordinance in anticipation of returning to the Board on April 30, 2019, with the final Ground Lease and Facilities Lease, along with associated documents.

This introduction of the ordinance has been approved as to form by County Counsel.

Impact on Residents and Businesses

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

The addition of these new library facilities will provide a destination for learning, discovery, and collaboration and will have a positive impact on library patrons in the communities they will serve.

Additional Fiscal Information

Preparation, publication and hearing of the ordinance will cost approximately \$2,500. All costs associated with this ordinance are funded through the County Library Fund. Thus, no additional net county cost will be incurred as a result of the transaction.

ATTACHMENT C. PERSONNEL CHANGE and ORDINANCE 440 REPORT

No change to past requirements.



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1ST FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA R. HARPER
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

April 19, 2019

PRESS ENTERPRISE
ATTN: LEGALS
P.O. BOX 792
RIVERSIDE, CA 92501

TEL : (951) 368-9222
E-MAIL: legals@pe.com

RE: NOTICE OF PUBLIC HEARING: ISSUANCE OF LEASE REVENUE
BONDS

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **one (1) time on Tuesday, April 23, 2019.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Karen Barton

Board Assistant to:
KECIA R. HARPER, CLERK OF THE BOARD

Ord. 952

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF LEASE REVENUE BONDS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY IN AN AGGREGATE AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF FINANCING THE COST OF DESIGN, DEVELOPMENT, CONSTRUCTION, INSTALLATION, EQUIPPING, FURNISHING, OPERATING AND MAINTAINING OF PUBLIC LIBRARY FACILITIES BY CFP RIVERSIDE, LLC FOR THE BENEFIT OF THE COUNTY OF RIVERSIDE

NOTICE IS HEREBY GIVEN that at **9:00 a.m.**, or as soon as possible thereafter as the matter may be heard, on **April 30, 2019** at 4080 Lemon Street, First Floor, Board Chambers, Riverside, California, 92501, the Board of Supervisors of the County of Riverside (the "Board") will conduct a public hearing (the "Public Hearing") at which the Board will hear and consider information concerning the issuance, from time to time, pursuant to a plan of finance, of one or more series of lease revenue bonds by the California Enterprise Development Authority (the "Issuer") in an aggregate principal amount not to exceed \$50,000,000 (the "Bonds"). The proceeds of the Bonds will be applied by CFP Riverside, LLC, a Minnesota non-profit limited liability company ("CFP") for the purpose of (a) designing, developing, constructing, installing, equipping, operating and maintaining (1) an approximately 25,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 93 cars on an approximately 11.33 acre parcel of real property located at the corner of Winchester Road and Sky View Road (APN 480-160-021) in the unincorporated French Valley area of Riverside County (the "French Valley Library"), (2) an approximately 20,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 76 cars on an approximately 4.73 acre parcel of real property located at the corner of Menifee Road and La Piedra Road (APN 364-152-034) in the incorporated City of Menifee, California (the "Menifee Library"), and (3) an approximately 15,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 68 cars on an approximately 13.78 acre parcel of real property located at the corner of Palm Drive and Park Lane (APN 656-040-039-3) in the incorporated City of Desert Hot Springs, California (the "Desert Hot Springs Library" and, together with the French Valley Library and the Menifee Library, the "Library Facilities"); (b) funding a debt service reserve fund for the Bonds; and (c) paying capitalized interest, costs of issuance and other related transaction costs in connection with the issuance of the Bonds. The Library Facilities will be leased by CFP to the County of Riverside (the "County") pursuant to a facilities lease (the "Facilities Lease"). CFP's sole member is Community Facility Partners, a Minnesota non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which was formed for charitable purposes which include, but are not limited to, the acquisition, construction, development, ownership (either by itself or as the single member of limited liability companies), improvement, operation, management, lease, sale, conveyance, mortgaging, financing and refinancing of community public facilities, such as the Library Facilities, to be used by and for the benefit of governmental entities, such as the County.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and the public hearing requirement of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.. Those wishing to comment on the proposed nature and location of the Library Facilities and the financing of the Library Facilities with the proceeds of the Bonds may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing by the County of Riverside.

Please send all written correspondence to: Clerk of the Board, 4080 Lemon Street, 1st Floor, Post Office Box 1147, Riverside, CA 92502-1147 or email cob@rivco.org

Alternative formats available upon request to individuals with disabilities. If you require reasonable accommodation, please contact Clerk of the Board at (951) 955-1063, at least 72 hours prior to the hearing.

Date: April 19, 2019

Kecia R. Harper, Clerk of the Board
By: Karen Barton, Board Assistant



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

5/8/19 Date KB Initial

NOTICE OF EXEMPTION

April 9, 2019

Project Name: Riverside County Library System, Riverside County Libraries Project, Ground Lease and Facilities Lease for Build to Suit Facilities, French Valley, Menifee, and Desert Hot Springs, Riverside County

Project Number: FM05190008746

Project Locations:

- French Valley Property-northeast corner of State Highway 79/Skyview Road, Assessor's Parcel Number (APN): 480-160-021
Menifee Property- northwest corner of Menifee Road/La Piedra Road, APN: 354-152-034
Desert Hot Springs Property- northeast corner of Palm Drive and Park Lane, APN: 656-040-060 (See attached exhibits)

Description of Project: The Economic Development Agency (EDA) of the County of Riverside (County) manages the Riverside County Library System. After a review of library operations, it was determined that to meet increased visitor demand and to provide efficient library facilities, additional library facilities are needed in French Valley, Menifee, and Desert Hot Springs. A Public Private Partnership (P3) process was initiated to engage a real estate developer to plan, design, entitle, and construct these new facilities on County owned land.

The new library facilities will be delivered to the County through the P3 Project deal structure, specifically through a Ground Lease and Facilities Lease on all three County-owned parcels in French Valley, Menifee, and Desert Hot Springs. The Developer will plan, design, entitle and construct the facilities and complete all onsite and off-site improvements. The Developer will be responsible for all environmental aspects. The term of the Ground Lease and Facilities Lease will be for a period of 30 years and will provide the County the opportunity to purchase the library facilities and all improvements.

To enable the aforementioned process, the County and CFP Riverside, LLC a Minnesota liability company desire to enter into the attached proposed Ground Lease and Facilities Lease Agreement for the purpose of developing, planning, entitling, designing, building, financing, equipping, operating and maintaining three County Libraries at French Valley, Menifee, and Desert Hot Springs. The execution of the Ground Lease and Facilities Lease is identified as the proposed Project under the California Environmental Quality Act (CEQA). The proposed Project would involve the creation of an agreement to develop a contractual agreement for the development of three libraries on County-owned land. The execution of the Ground Lease and Facilities Lease would not result in direct physical effects or reasonably foreseeable indirect effects on the environment.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency and CFP Riverside, LLC, a Minnesota liability company

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

APR 30 2019 19.1

- Administration, Aviation, Business Intelligence, Cultural Services, Community Services, Custodial, Housing, Housing Authority, Information Technology, Maintenance, Marketing, Economic Development, Edward-Dean Museum, Environmental Planning, Fair & National Date Festival, Foreign Trade, Graffiti Abatement, Parking, Project Management, Purchasing Group, Real Property, Redevelopment Agency, Workforce Development

Exempt Status: CEQA Section 21065 and State CEQA Guidelines Section 15061(b) (3), General Rule or “Common Sense” Exemption, and Section 15378. Codified under Public Resources Code Division 13, Chapter 2.5, Section 21065, and California Code of Regulations Title 14, Articles 5 and 20, Sections 15061, and 15378.

Reasons Why Project is Exempt: The discretionary action to enter into Ground Lease and Facilities Lease Agreement is exempt from the requirements of CEQA as it would not result in direct impacts to the physical environment or reasonably foreseeable indirect effects. The execution of the Ground Lease and Facilities Lease Agreement itself would have no direct physical effect on the environment as the agreement consists only of an assignment of contractual obligations for the development process and does not include any changes to the existing land use or a physical disruption of the property. The future indirect effects of the design and construction of the three new library facilities are not reasonably foreseeable at this time for the reasons described below.

The potential indirect effects from the Ground Lease and Facilities Lease Agreement is the initial discretionary action for a series of discretionary actions that defines a broader project. The broader project represents the whole of the action and can be defined by the following sequence of discretionary approvals: execution of Ground Lease and Facilities Lease, design of project by the developer, and approval of project.

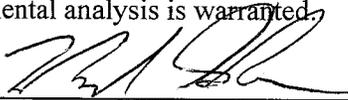
The Agreement between the County and CFP Riverside, LLC is not deemed to be an approval pursuant to CEQA for any specific development or project and does not commit any public agency, including the County, to a definite course of action regarding the project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to full CEQA compliance. CEQA Guidelines 15004(b) identifies the necessity of balance in determining the timing of CEQA compliance, citing the need to enable environmental considerations to have influence on programming and design, while at the same time having enough detailed information for meaningful environmental assessment. The future development of the sites by the developer would provide the appropriate opportunity for environmental considerations to influence design and programming during subsequent discretionary actions and the characterization of effects would be more meaningful as there are more specific associated with the development of the libraries. In addition, Section 15004 (b)(2)(A) allows an exception for agencies to designate a preferred site and enter into an agreement so long as an agency has conditioned the future use of the site on CEQA compliance. The County’s conditioned use on the developer for CEQA compliance is consistent with this exception in CEQA Guidelines 15004(b)(2)(A).

Section 15378 (c) defines a project as the collection of discretionary actions that defines the whole of the action. This process allows for the completion of environmental review when all the conditions and details are known or reasonably foreseeable. At this point in the process, the design of the library facilities is not substantive enough to provide a meaningful analysis of environmental effects. The completion of the level of design required to complete the analysis is not economically viable based on the availability of funding and the County’s project development and fiscal policies. The County EDA process for project development requires multiple discretionary actions through project development, which is beneficial to the CEQA process as it allows for any necessary incorporation of public input to occur at appropriate times. The process allows for the appropriate level of environmental review to occur at the most relevant timeframe during the sequence of County discretionary actions when design, engineering and project information is refined and developed, and public input can be incorporated to address any potential significant impacts or assist in any necessary development of project alternatives or mitigation measures.

- **Section 15061 (b) (3) – “Common Sense” Exemption:** Even if a determination is made that the Ground Lease and Facilities Lease Agreement is defined as a Project under CEQA, the agreement is exempt pursuant to State CEQA Guidelines Section 15061(b)(3). In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or 'it can be seen with certainty that the activity in question will not have a significant effect on the environment', no further agency evaluation is required. With certainty, there is no possibility that the Ground Lease and Facilities Lease Agreement itself may have a significant physical effect on the environment. The Agreement would be limited to a contractual process between parties that establish the process for the development of the three libraries and would not result in any physical direct or reasonably foreseeable indirect impacts to the environment. The potential indirect effects from this Agreement would be analyzed as part of separate discretionary action taken by the County to develop and approve a design for construction of the three libraries. It is at this stage of development, that enough reasonably foreseeable information could be established to define a description and address the potential environmental impacts of these actions. A contractual obligation has been placed on the developer to provide an appropriate level of environmental review under CEQA. The County, acting as the Lead Agency, has the final project approval to ensure that full compliance under CEQA is achieved. Therefore, in no way, would the Project as proposed have the potential to cause a significant environmental impact, and the Project is exempt from further CEQA analysis.

Based upon the identified exemption above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed: _____



Date: _____

4/9/19

Mike Sullivan, Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Riverside County Library System, Ground Lease and Facilities Lease for, Build to Suit Facilities, French Valley, Menifee, and Desert Hot Springs, Riverside County

Accounting String: 528500-10000-7200500000- FM05190008746

DATE: April 9, 2019

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Mike Sullivan, Senior Environmental Planner, Economic Development Agency

Signature:  _____

PRESENTED BY: Maribel Hyer, Senior Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: _____

DATE: _____

RECEIPT # (S) _____



Date: April 9, 2019
To: Kiyomi Moore/Josefina Castillo, Office of the County Clerk
From: Mike Sullivan, Senior Environmental Planner, Project Management Office
Subject: **County of Riverside Economic Development Agency Project # FM05190008746**

Riverside County Library System, Riverside County Libraries Ground Lease and Facilities Lease for Build to Suit Facilities, French Valley, Menifee, and Desert Hot Spring, Riverside County

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to:

Mail Stop #1330

Attention: Mike Sullivan, Senior Environmental Planner,
Economic Development Agency,
3403 10th Street, Suite 400, Riverside, CA 92501

If you have any questions, please contact Mike Sullivan at 955-8009 or email at msullivan@rivco.org.

Attachment

cc: file

*County Revisions
dated April 18, 2019*

GROUND LEASE AGREEMENT

between

**COUNTY OF RIVERSIDE,
a political subdivision of the State of California,**

as Ground Lessor

and

**CFP Riverside, LLC,
a Minnesota non-profit limited liability company,**

as Ground Lessee

_____, 2019

(Riverside County Library Facilities Project)

GROUND LEASE

(Riverside County Library Facilities Project)

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TABLE OF EXHIBITS

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TABLE OF EXHIBITS

The following exhibits are attached hereto and made a part of this Ground Lease:

EXHIBIT A:	French Valley Location Map
EXHIBIT A-1:	French Valley Site Plan
EXHIBIT A-2:	French Valley Leased Premises (Final) ALTA Survey (to be attached after signing)
EXHIBIT A-3:	French Valley Leased Premises (Final) Legal Description and Plat Map (to be attached after signing)
EXHIBIT A-4:	French Valley Preliminary Title Report
EXHIBIT A-5:	French Valley Staging Area
EXHIBIT B:	Menifee Location Map
EXHIBIT B-1:	Menifee Site Plan
EXHIBIT B-2:	Menifee Leased Premises (Final) ALTA Survey (to be attached after signing)
EXHIBIT B-3:	Menifee Leased Premises (Final) Legal Description and Plat Map (to be attached after signing)
EXHIBIT B-4:	Menifee Preliminary Title Report
EXHIBIT B-5:	Menifee Staging Area
EXHIBIT C:	Desert Hot Springs Location Map
EXHIBIT C-1:	Desert Hot Springs Site Plan
EXHIBIT C-2:	Desert Hot Springs Leased Premises (Final) ALTA Survey (to be attached after signing)
EXHIBIT C-3:	Desert Hot Springs Leased Premises (Final) Legal Description and Plat Map (to be attached after signing)
EXHIBIT C-4:	Desert Hot Springs Preliminary Title Report
EXHIBIT C-5:	Desert Hot Springs Staging Area
EXHIBIT D	Existing Conditions Information
EXHIBIT E:	[Omitted]
EXHIBIT F:	Project Schedule
EXHIBIT G:	Final Drawings and Specifications Approval Form

GROUND LEASE AGREEMENT

(Riverside County Library Facilities Project)

THIS GROUND LEASE AGREEMENT (“**Ground Lease**”), is made as of the ____ day of _____, 2019 (the “**Effective Date**”) by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, as Lessor (“**Ground Lessor**” or “**County**”), and CFP RIVERSIDE, LLC, a Minnesota non-profit limited liability company, as Lessee (“**Ground Lessee**” or “**CFP**”). Ground Lessor and Ground Lessee may sometimes collectively be referred to as the “**Parties**” or individually as a “**Party.**”

RECITALS

A. Ground Lessor owns the below-listed three parcels of real property within the County of Riverside, State of California, totaling approximately 29.84 acres (each a “**Property**” and collectively the “**Properties**”):

1. An approximately 11.33 acre parcel of vacant land in unincorporated Riverside County referred to herein as the “**French Valley Property**” (APN 480-160-021), currently zoned as [_____].

2. An approximately 4.73 acre parcel of vacant land in the City of Menifee referred to herein as the “**Menifee Property**” (APN 364-152-034), currently zoned as [_____].

3. An approximately 13.78 acres parcel of vacant land in the City of Desert Hot Springs referred to herein as the “**Desert Hot Springs Property**” (APN 656-040-039-3), currently zoned as [_____].

General location maps of the French Valley Property, Menifee Property and Desert Hot Springs Property are contained in Exhibit A, Exhibit B, and Exhibit C, respectively, attached hereto and incorporated herein by this reference.

B. Ground Lessor, by and through its Riverside County Library System, operates [49] public libraries throughout the County of Riverside (“**Library System**”).

C. In an effort to address the ever-changing needs of the residents of Riverside County (“**County**”), Ground Lessor desires to expand the Library System by having:

1. an approximately 25,000 square foot modern and state-of-the-art library and related improvements developed on a portion of the French Valley Property (“**French Valley Library**”);

2. an approximately 20,000 square foot modern and state-of-the-art library and related improvements developed on a portion of the Menifee Property (“**Menifee Library**”); and

3. an approximately 15,000 square foot modern and state-of-the-art library and related improvements developed on a portion of the Desert Hot Springs Property (“**Desert Hot Springs Library**”).

The foregoing are referred to individually as a “**Library**” and collectively as the “**Libraries.**”

D. The Riverside County Economic Development Agency, Real Estate Division, acting as directed and approved by the Board of Supervisors for the County of Riverside (the “**Board of Supervisors**”), issued a Request For Proposal in February 2018 (the “**RFP**”) to select a developer to develop, plan, entitle, design, build, finance, equip, operate and maintain for a period of thirty years the Libraries on the Properties.

E. In response to the RFP, the County received a proposal from a development and financing team including CFP as borrower/owner/developer/and lessor, Omni West Group, Inc. as project manager and property manager (as hereinafter defined), Robert W. Baird & Co. as underwriter (the “**Underwriter**”) and Certus Financial as transaction advisor.

F. CFP Riverside, LLC is a Minnesota non-profit limited liability company whose sole member is Community Facility Partners, a Minnesota non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which was formed for charitable purposes which include, but are not limited to, the acquisition, construction, development, ownership (either by itself or as the single member of limited liability companies), improvement, operation, management, lease, sale, conveyance, mortgaging, financing and refinancing of community public facilities, such as the Libraries, to be used by and for the benefit of governmental entities, such as the County.

G. CFP has been formed for the sole purpose of assisting the County in the design, development, construction, financing and leasing of the Libraries in accordance with the terms of the RFP.

H. CFP has entered into a Project Manager Agreement, dated as of _____, 2019 (the “**Project Manager Agreement**”) with Omni West Group, Inc. as project manager (in such capacity, the “**Project Manager**”) to provide certain management, development and administrative services to assist CFP and the County in the development, planning, entitlement, designing, building, financing, equipping, operating and maintenance of the Libraries on portions of the Properties.

I. CFP has entered into a Management Agreement for Real Property, dated _____, 2019 (the “**Property Management Agreement**”) with OmniGroup, Inc., as property manager (in such capacity, the “**Property Manager**”) to provide certain property management and administrative services with respect to the operations of the Libraries.

J. The costs of the Project are to be financed through the issuance by the California Enterprise Development Authority (the “**Issuer**”) of its \$ _____ Lease Revenue Bonds (Riverside County Library Facilities Project), Series 2019 (the “**Bonds**”) which will be issued pursuant to the terms of an Indenture of Trust, dated as of _____, 2019 (the “**Indenture**”) between the Issuer and UMB Bank, N.A., as trustee (the “**Trustee**”), and the

proceeds of which will be lent to CFP pursuant to a Loan Agreement, dated as of _____, 2019 (the “**Loan Agreement**”) between the Issuer and CFP, as borrower thereunder.

K. To provide security for the Bonds, all of CFP’s rights, title and interests in and to this Ground Lease and the Facilities Lease will be assigned to the Trustee pursuant to an Assignment of Leases and Rents, dated as of _____, 2019 (the “**Assignment of Leases and Rents**”).

L. To provide for the construction of the Library Improvements, CFP has entered into a Standard Form of Agreement between Owner and Design-Builder – Lump Sum, DBIA Form 525, with McCarthy Building Company Inc. (the “Design-Builder”), together with a Standard Form of General Conditions of Contract between Owner and Design Builder, DBIA Form 535, and a Supplement to Standard Form of Agreement between Owner and Design-Builder – Lump Sum, each dated as of _____, 2019 (collectively, the “**Design-Build Contract**”).

M. To provide security for the Bonds, all of CFP’s rights, title and interests in and to the Design-Build Agreement will be assigned to the Trustee pursuant to an [Assignment of Design-Build Agreement], dated _____, 2019 (the “**Assignment of Design-Build Contract**”).

N. Ground Lessee has identified portions of the Properties, as further described in Recital F and Section 2 below and depicted on the Site Plans attached hereto as **Exhibit A-1** (“**French Valley Site Plan**”), **Exhibit B-1** (“**Menifee Site Plan**”) and **Exhibit C-1** (“**Desert Hot Springs Site Plan**”) (collectively, the “**Site Plans**”), that Ground Lessee desires (i) to have Ground Lessor lease to Ground Lessee and (ii) to have the County lease back from the Ground Lessor in order to develop, plan, entitle, design, build, finance, equip, operate and maintain the Libraries and certain appurtenant improvements consisting of, among other things, utilities, parking areas, driveways, sidewalks and landscape areas (together with the Libraries, the “**Library Improvements**”). The leased portions of the Properties are referred to individually as the “**French Valley Leased Premises**,” “**Menifee Leased Premises**” and “**Desert Hot Springs Leased Premises**,” respectively, and collectively the “**Leased Premises**.” All **Library Improvements**, [(except for certain off-premises utilities and other work, the “**Off-Premises Improvements**”)] will be constructed on the Leased Premises for Ground Lessee to lease back to the County of Riverside as tenant for its use and occupancy pursuant to a separate Facilities Lease described in **Recital O** below. The Library Improvements and Off-Premises Improvements to be developed, planned, entitled, designed, built, financed, and equipped by Ground Lessee pursuant to the Facilities Lease are as depicted in the Site Plans and described in greater detail in the Facilities Lease. The planning, entitling, designing, building, financing, equipping, operating and maintaining the Library Improvements and Off-Premises Improvements as described herein and in the Facilities Lease is collectively referred to as the “**Project**.” The Leased Premises and other portions of the Properties on which Project activities may be conducted are collectively referred to as the “**Site**” or “**Project Site**.” The specific land areas of the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises will also be shown on the ALTA Surveys to be attached hereto at a later date in accordance with Section 2 hereto.

O. Ground Lessor and Ground Lessee are prepared to move forward with the Project, which will benefit the residents of the County and in connection therewith, desire to concurrently

enter into this Ground Lease and that certain Facilities Lease Agreement between the Parties (the “**Facilities Lease**”) to provide the terms and conditions for Ground Lessor to lease the Leased Premises to Ground Lessee and for Ground Lessee to develop, plan, entitle, design, build, finance, and equip the Project on the Leased Premises (other than the Off-Premises Improvements) and lease the developed Leased Premises back to the County as the “**Premises**” as defined in, and pursuant to, the Facilities Lease. The Parties intend that in the absence of any default by the County as Tenant under the Facilities Lease, the Ground Lease and Facilities Lease (collectively sometimes hereinafter referred to as the “**Leases**”) shall be coterminous.

P. Ground Lessor desires to lease to Ground Lessee and Ground Lessee desire to lease from Ground Lessor, the Leased Premises pursuant to this Ground Lease so that Ground Lessee can develop, plan, entitle, design, build, finance, and equip the Project and lease the Leased Premises improved with the Project (other than the Off-Premises Improvements) back to the County in its capacity as tenant under the Facilities Lease.

NOW, THEREFORE, in consideration of the sum of the recitals set forth above (which are incorporated herein), the mutual agreements and foregoing objectives of the Parties set forth in this Ground Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, stipulated and agreed, Ground Lessor and Ground Lessee hereby agree as follows:

1. **Definitions.** All the capitalized terms used in this Ground Lease, but not otherwise defined herein (including the Recitals hereto) shall have the meanings given to such terms set forth in **Exhibit H** of the Facilities Lease.

2. **Lease of Leased Premises.**

2.1 **General.** In consideration of the rents, covenants and agreements contained in this Ground Lease, Ground Lessor hereby leases to Ground Lessee, and Ground Lessee hereby leases from Ground Lessor the Leased Premises, upon and subject to the terms, covenants and conditions set forth in this Ground Lease, and subject to all encumbrances and matters of record as of the date of this Ground Lease and any future encumbrances permitted hereunder or under the Facilities Lease.

2.2 **Confirmation of Leased Premises.** No later than thirty (30) days following the date Substantial Completion of the final Library Improvements has occurred pursuant to the terms of the Facilities Lease (the “**Library Improvements Completion Date**”):

2.2.1 Ground Lessor shall, subject to Ground Lessee’s and Underwriter’s approval (which shall not unreasonably be withheld) through a registered licensed surveyor performing in accordance with customary standards specified by the American Land Title Association (ALTA) and the American Congress of Surveying and Mapping (ACSM), prepare detailed surveys for each of the final as-built French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises, to also include (as applicable) all Off-Premises Improvements, and license and easement rights described in Section 2.3 below which survive the Rent Commencement Date (as defined in the Facilities Lease) (“Continuing Rights”), to be attached hereto as **Exhibit A-2** (“**French Valley ALTA Survey**”), **Exhibit B-2** (“**Menifee**

ALTA Survey”) and **Exhibit C-2** (“Desert Hot Springs ALTA Survey”), respectively, and incorporated herein by this reference. Development of these ALTA surveys is subject to the administrative lot splits described in Work Letter Section 7.9.

2.2.2 Ground Lessor shall, subject to Ground Lessee’s and Underwriter’s approval (which shall not unreasonably be withheld), prepare legal descriptions and plat maps of each of the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises. The legal descriptions will then be initialed by each of Ground Lessor and Ground Lessee and attached hereto as **Exhibit A-3**, **Exhibit B-3** and **Exhibit C-3**, respectively, and by this reference incorporated herein. At such time, (i) all references to the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises herein and in the Facilities Lease shall mean the lands described in **Exhibit A-3**, **Exhibit B-3** and **Exhibit C-3**, attached hereto, respectively, and (ii) all references to the Leased Premises herein and in the Facilities Lease shall mean the lands described in **Exhibit A-3**, **Exhibit B-3** and **Exhibit C-3**, attached hereto, collectively,

2.2.3 Ground Lessee shall quitclaim to Ground Lessor all of Ground Lessee’s right, title and interest (if any) in and to all Off-Premises Improvements, subject only (if applicable) to any Continuing Rights.

2.3 License and Easement Rights. In addition to the lease of the Leased Premises to Ground Lessee, Ground Lessor as owner of the portions of the French Valley Property, Menifee Property and Desert Hot Springs Property *not* included in the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises (the “**Excluded French Valley Property**,” “**Excluded Menifee Property**” and “**Excluded Desert Hot Springs Property**,” respectively, and collectively the “**Excluded Properties**”), hereby grants to Ground Lessee, its agents, successors and assigns, the following easements and rights appurtenant to the leasehold estate in the Leased Premises created by this Ground Lease, all of which shall be reflected in the Memorandum of Ground Lease to be recorded as provided herein:

2.3.1 Temporary licenses, which shall terminate on the Library Improvements Completion Date, (i) for access and construction activities over and across the portions of the Excluded Property identified as _____ on the Site Plans, including for the installation, laying, construction, maintenance, repair and operation of any sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and other utility facilities serving the Libraries which will be located on the Excluded Properties and accepted for maintenance by the utility providers upon completion of the Project, and (ii) for staging of construction materials, supplies and equipment for the Project within the staging areas shown on **Exhibit A-5**, **Exhibit B-5** and **Exhibit C-5**;

2.3.2 Non-exclusive easements for the duration of the Term of this Ground Lease over and across the portions of the _____ Excluded Property identified as _____ on the Site Plans for the installation, use, connection, maintenance, repair and replacement of all underground utility lines serving the Libraries and all above ground utility equipment, if any, such as electrical transformers and water, gas and electrical meters if and to the extent located upon any of the Excluded Properties, including without limitation, for sewer, water, storm drain, cable, fiber, electricity, gas, telecommunications and other utilities and services

required for the operation of the Libraries and for access to and from all such utilities and equipment located within any of the Excluded Properties..

2.4 As Is Condition; Existing Conditions Information.

2.4.1 To the greatest extent permitted by law, Ground Lessor shall not be liable to Ground Lessee, its agents, employees, contractors (including without limitation Design Builder), subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within any of the Leased Premises or Excluded Properties; provided, however, any costs incurred by Ground Lessee to address, mitigate or correct any such hidden, latent or other dangerous conditions in, on, upon or within any of the Leased Premises or Excluded Properties shall (i) be included in Total Project Costs if discovered prior to completion of the Project or (ii) be borne by Ground Lessee as Landlord under the Facilities Lease as part of the Landlord's maintenance and repair obligations thereunder. Ground Lessee shall not be liable to Ground Lessor, its agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the Leased Premises or such Excluded Property except to the extent that Ground Lessee may exacerbate such dangerous condition in more than a de minimis respect or cause any such dangerous condition (mere discovery of any such hidden, latent or other dangerous conditions and acts by Ground Lessee to properly address, mitigate or correct such dangerous condition shall not constitute exacerbation).

2.4.2 Ground Lessor has made available to Ground Lessee existing conditions information, including geotechnical data and information regarding underground facilities if applicable, concerning existing conditions at or contiguous to the Properties, known to Ground Lessor, identified on **Exhibit D** attached hereto ("**Existing Conditions Information**"). For purposes of this Section 2.4.2, "known to Ground Lessor" means the present, actual knowledge of Stephen Gilbert, Ground Lessor's EDA Development Manager, excluding constructive knowledge or duty of inquiry, existing as of the Effective Date. All Existing Conditions Information is provided without representation or warranty, on an As Is basis, and at Ground Lessor's sole risk and responsibility

2.4.3 **County** will obtain at its sole cost and expense Phase 1 reports, Burrowing Owl Studies and Native American Consultation Assistance for each of the French Valley Property, Menifee Property and Desert Hot Springs Property.

2.5 Reservation of Oil, Gas, and Mineral Rights. Ground Lessor reserves to itself the sole and exclusive right to all water rights, coal, oil, gas, and other hydrocarbons, geothermal resources, precious metals ores, base metals ores, industrial-grade silicates and carbonates, fissionable minerals of every kind and character, metallic or otherwise, whether or not presently known to science or industry, now known to exist or hereafter discovered on, within, or underlying the surface of the Leased Premises regardless of the depth below the surface at which any such substance may be found. Ground Lessor or its successors and assigns, however, shall not have the right for any purpose to enter on, into, or through the surface or the first 500 feet of the subsurface of the Leased Premises in connection with this reservation, nor otherwise interfere with any Permitted Use (as defined in Section 6.1 below) of the Libraries.

2.6 Pre-Construction Access to Project Site; Invasive Testing; Communication with Other Authorities Having Jurisdiction; Project Schedule and Other Project Matters

2.6.1 Commencing upon the Effective Date of this Ground Lease, Ground Lessee and Ground Lessee's employees, officers, representatives, agents, contractors (including without limitation Project Manager and Design-Builder), and designees (collectively, "Authorized Representatives") shall have the right at reasonable times to enter the Project Site to commence Ground Lessee's physical inspection thereof and to undertake any pre-construction engineering, environmental, soils, or other tests or studies in connection with the Project, provided Ground Lessee gives Ground Lessor not less than forty-eight (48) hours prior notice of its intended inspection, and Ground Lessee and each participating Authorized Representative provides Ground Lessor with insurance certificates or other reasonable documentation confirming each maintains all insurance described in or required by Section 14.1.

2.6.2 In no event shall Ground Lessee or Ground Lessee's Authorized Representatives be permitted to undertake any invasive testing on the Leased Premises or any other Project areas without the consent of Ground Lessor, which such consent shall not be unreasonably delayed, conditioned or withheld as long they provide evidence of insurance as described in Section 2.6.1.

2.6.3 In addition, Ground Lessor acknowledges and agrees that following execution of this Ground Lease, Ground Lessee shall be entitled to communicate directly with any governmental authorities relating to the proposed development of the Project, provided that Ground Lessor shall have the right to be present during any meetings with governmental authorities and Ground Lessee shall take no actions that will be binding on Ground Lessor without Ground Lessor's consent, which consent may be withheld in Ground Lessor's sole discretion. Ground Lessee shall endeavor to provide Ground Lessor with at least two (2) business days prior notice of any meetings with governmental authorities so as to allow Ground Lessor to be present during any such meetings. Before the exercise of the right of entry, and at all times while Ground Lessee and its Authorized Representatives are present on the Leased Premises, Ground Lessee shall arrange for, keep, and maintain in full force and effect all insurance specified in Section 14.1. Ground Lessee hereby indemnifies, defends, and holds harmless Ground Lessor from and against any and all costs, losses, damages, liabilities, liens, claims, and expenses, including reasonable attorneys' fees and court costs, arising out of or resulting from such entry by Ground Lessee and its Authorized Representatives. Any costs incurred by Ground Lessor or Ground Lessee as part of its due diligence review of the Leased Premises and the other Project areas of the Properties shall be included in Total Project Costs for purposes of the Facilities Lease.

2.6.4 An overall Project Schedule is attached hereto as **Exhibit F** and by this reference incorporated herein.

2.6.5 Ground Lessor's approval of the Final Drawings and Specifications, shall be in the confirmation form attached as **Exhibit G**, and by this reference incorporated herein, to confirm approval thereof. In the event that Ground Lessor disapproves the Final Drawings and Specifications, ***[TBD]***.

2.6.6 Although as publicly owned land the Leased Premises are not subject to liens themselves, Ground Lessee shall give Ground lessor at least ten (10) days advance written notice of the commencement of any construction-related activities on the Leased premises to permit Ground Lessor to post Notices of Nonresponsibility for protection against liens on the Ground Lessee's leasehold interest hereunder.

3. **Term.**

3.1 **Commencement and Duration.** The term of this Ground Lease shall commence on the "Effective Date," which is the date that this Ground Lease is fully executed, acknowledged and delivered by Ground Lessor and Ground Lessee following approval by the Board of Supervisors and, unless sooner terminated pursuant to the terms and conditions provided herein, continue for a period of thirty (30) years measured from the Rent Commencement Date under the Facilities Lease (the "Term"). During the Term, Ground Lessee shall exercise commercially reasonable efforts to satisfy all requirements and conditions to Ground Lessee's planned development, planning, entitlement, designing, building, financing, equipping, operating and maintaining of the Project including, without limitation, the following: obtaining all entitlements and land use approvals from governmental agencies; obtaining design and plan approvals for all Project elements to be constructed; and all other matters related to the development, design and construction of the proposed Project. The cost of such efforts shall be included in the Total Project Costs for purposes of the Facilities Lease.

3.2 **Term Coterminous with Facilities Lease Term Generally.** The Term of this Ground Lease shall be coterminous with the stated term of the Facilities Lease except in the event of any earlier termination of the Facilities Lease (i) by Landlord by reason of an uncured monetary default (i.e., the non-payment of Base Rent or Additional Rent only) by the County as Tenant under the Facilities Lease, or (ii) by the County as Tenant under the Facilities Lease by reason of the filing of bankruptcy by the County and rejection of the Facilities Lease (in either which case this Ground Lease shall continue for the duration of the Term stated herein).

3.3 **Option for Early Termination.** Commencing on the _____ (____) anniversary of the Rent Commencement Date under the Facilities Lease and at any time thereafter until the expiration of the Term, Ground Lessor shall have the right to terminate this Ground Lease, or any portion thereof, prior to the scheduled expiration of the Term at any time, and from time to time, in whole or (as applicable) in part, upon payment of the Purchase Price (as defined in Section 5 of the Facilities Lease) or permitted portion thereof in connection with the election by the Tenant to purchase the Library Improvements located on any or all of the French Valley Leased Premises, Menifee Leased Premises or Desert Hot Springs Leased Premises pursuant to the terms and conditions provided in the Facilities Lease. To exercise any Option for Early Termination, Ground Lessor shall provide Ground Lessee written notice within the time period provided in Section 5 of the Facilities Lease and fulfill all closing obligations under Section 5 of the Facilities Lease.

4. **Rent.** The consideration for (i.e. rent payable under) this Ground Lease shall be one dollar (\$1) a year for the duration of the Term payable in whole in advance on or before the first day of the Term, plus the costs of the Project incurred and paid by Ground Lessor or Ground

Lessee. No Ground Lease rent shall be refunded in the event of any early termination (whole or partial) of this Ground Lease.

5. **Taxes and Assessments.** For purposes of this Ground Lease, Ground Lessee and Ground Lessor agree that the County, as Tenant under the Facilities Lease, shall pay and discharge all taxes and assessments, if any (“**Taxes and Assessments**”) which are incurred and assessed for any reason and levied on the Leased Premises and all Improvements thereon during the Term. Any such Taxes and Assessments (i) will be included as part of Total Project Costs as defined in **Exhibit H** of the Facilities Lease to the extent such Taxes and Assessments relate to the portion of the Term occurring prior to the Rent Commencement Date under the Facilities Lease and (ii) be otherwise payable solely by Tenant as described in the Facilities Lease to the extent such Taxes and Assessments relate to the period occurring from and after the Rent Commencement Date, and Ground Lessee shall have no responsibility for any such Taxes or Assessments in its capacity as Ground Lessee under this Ground Lease. The Parties agree to cooperate and assist each other in obtaining any applicable exemptions regarding Taxes and Assessments.

6. **Possession and Use.**

6.1 **Permitted Use.** Subject to the provisions of this Ground Lease and Applicable Requirements (as defined in the Facilities Lease), Ground Lessee is entitled to possession and use of the Leased Premises for the exclusive purpose of (i) developing, planning, entitling, designing, building, financing, equipping, operating and maintaining the Libraries and Library Improvements as described in the Facilities Lease, and (ii) all permitted uses contemplated by the Facilities Lease and for all uses contemplated by the County in its capacity as tenant of the Premises under and pursuant to the Facilities Lease (collectively, the “**Permitted Use**”). Ground Lessor reserves the right to continue to use and occupy the Leased Premises for its own purposes at no cost until such time as Ground Lessee commences its use and development of the Leased Premises at which time Ground Lessor shall cease use of the Leased Premises until such time the Ground Lessor shall occupy and use the Leased Premises as Tenant under the Facilities Lease.

6.2 **No Other Use.** So long as the Facilities Lease has not been terminated due to an uncured monetary default by Ground Lessor as Tenant under the Facilities Lease, or by reason of the filing of bankruptcy by the County and rejection of the Facilities Lease, the Leased Premises shall not be used for any purpose other than a Permitted Use without first obtaining an approving opinion of Bond Counsel and the written consent of Ground Lessor, which consent shall be at the sole and absolute discretion of Ground Lessor as determined by the Board of Supervisors. In the event of any termination of the Facilities Lease due to an uncured monetary default by Ground Lessor as Tenant under the Facilities Lease, or by reason of the filing of bankruptcy by the County and rejection of the Facilities Lease, Ground Lessor shall not unreasonably withhold, condition or delay its approval to a change in use desired by Ground Lessee.

6.3 **Quiet Enjoyment.** Ground Lessee shall have, hold and quietly enjoy the use of the Leased Premises and related easements upon the Effective Date of this Ground Lease so long as it shall fully and faithfully perform the terms and conditions that it is required to do under this Ground Lease.

7. **Development of the Leased Premises.** Consistent with the use granted to Ground Lessee and purposes of this Ground Lease, Ground Lessee shall be obligated to develop, plan, entitle, design, build, finance, and equip the Library Improvements on the Leased Premises (including with respect to FF&E) pursuant and subject to the terms and conditions of the Facilities Lease, including without limitation, **Exhibit H** attached to the Facilities Lease. Ground Lessee shall not cause any development or construction on the Leased Premises or elsewhere on the Properties except as contemplated by this Ground Lease and the Facilities Lease or as otherwise specifically agreed in writing by Ground Lessor and Ground Lessee.

7.1 **Mutual Cooperation; Liability of Ground Lessor.** Ground Lessee and Ground Lessor shall fully and in good faith cooperate with each other to accomplish each of the activities provided herein. Ground Lessor shall have no liability or responsibility whatsoever with respect to the activities to be performed by Ground Lessee herein, except that the County, as Tenant under the Facilities Lease, shall reasonably consider the proposed designs and plans for the Project as provided in the Facilities Lease and to timely perform all obligations of Ground Lessor set forth in this Ground Lease and of the Tenant under the Facilities Lease pursuant to the terms and conditions contained herein and in the Facilities Lease.

7.2 **Cooperation.** Ground Lessor shall cooperate with Ground Lessee and otherwise exercise its commercially reasonable, good faith and diligent efforts to assist Ground Lessee in expediting the processing of the Project. Notwithstanding anything to the contrary contained herein, nothing in this Ground Lease shall be deemed to constitute a waiver by Ground Lessor of its police powers. Ground Lessee acknowledges and agrees that it must comply with all government laws and regulations affecting development of the Leased Premises, including any zoning and permitting requirements required by the County, through its Economic Development Agency, or any appropriate authorizing agency or jurisdiction. Ground Lessor agrees not to (i) exercise any right of condemnation with respect to the Leased Premises which would interfere with the continued use and enjoyment of the Leased Premises for its intended purposes or any Permitted Use, or (ii) take any action to rezone the Leased Premises for any use not consistent with the intended uses set forth in the Facilities Lease or any Permitted Use.

7.3 **Ground Lessor's Reserved Rights.** Notwithstanding any easement and other rights granted to Ground Lessee in this Ground Lease or in the Facilities Lease, Ground Lessor reserves the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along all portions of the Leased Premises outside the footprint of the actual Library buildings, so long as Ground Lessee's ability to satisfy its obligations hereunder or under the Facilities Lease or its utilities easement rights (if any) are not unreasonably interfered with. In all events, Ground Lessor will cause the surface of any Leased Premises outside the footprint of the actual Library buildings altered by Ground Lessor's rights reserved by this Section 7.3 which is to be used by the Ground Lessee in construction of the Project to be restored to its original condition (as existing prior to the exercise of any such reserved rights) upon the completion of any construction by Ground Lessor or its agents or contractors. Any right of Ground Lessor set forth in this Section 7.3 shall not be exercised unless Ground Lessor shall provide at least thirty (30) days prior written notice to Ground Lessee of the exercise of such right; provided, however, in the event such right must be

exercised by reason of emergency, then Ground Lessor shall give Ground Lessee such notice in writing as is reasonable under the existing circumstances. Notwithstanding anything to the contrary contained herein, Ground Lessor and Ground Lessee intend that all sanitary sewers, storm drains, pipelines, manholes, water and gas mains, electric power lines, transformers and conduits, cabling, telephone lines and other communications equipment and facilities utilized in connection with utility services (collectively “**Utility Lines**”) to be located at or on the Leased Premises shall be placed underground unless otherwise deemed necessary to be located aboveground. Any easement, license, right-of-way, permit or other agreement entered into by Ground Lessor pursuant to this Section 7.3, including but not limited to the installation, operation, maintenance, repair and replacement of Utility Lines, shall require the easement holder to maintain the easement and equipment located therein at its sole cost. Ground Lessor agrees to use commercially reasonable, good faith and diligent efforts to minimize any interference to Ground Lessee’s development of the Leased Premises caused by Ground Lessor’s exercise of its rights hereunder.

8. Title to Libraries and Library Improvements.

8.1 Ground Lessor represents and warrants that the leasehold interests in the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises shall be subject only to those exceptions as set forth in the French Valley Preliminary Title Report, Menifee Preliminary Title Report and Desert Hot Springs Preliminary Title Report provided by the Ground Lessor, subject to the approval of the Ground Lessee and the Underwriter (which shall not be unreasonably withheld) attached hereto as **Exhibit A-4**, **Exhibit B-4** and **Exhibit C-4**, respectively (collectively, the “**Preliminary Title Reports**”) and by this reference incorporated herein.

8.2 Title to the Library Improvements (but not FF&E or any Off-Premises Improvements) shall be and remain vested with Ground Lessee until the termination of this Ground Lease or applicable portion hereof. Upon termination of this Ground Lease (or applicable portion hereof), title to all such property, buildings, structures, improvements, furnishings, fixtures and equipment shall pass to and vest in Ground Lessor without cost or charge to it, except as provided in Section 3.3, Option For Early Termination.

8.3 [Insert to be provided by Underwriter regarding comfort letters to be provided by County with respect to local approvals of entitlements, etc. for each Project Site.]

9. Ownership of Fee Title Property. Title and ownership of the fee interest in the real property comprising the Leased Premises shall remain with Ground Lessor.

10. Maintenance.

10.1 Maintenance of Leased Premises by Ground Lessee. Ground Lessee shall, during the Term prior to the date County takes occupancy of the Library Improvements as Tenant under the Facilities Lease or begins paying rent under the Facilities Lease, as part of Total Project Costs as set forth in the Facilities Lease, but subject to Design-Builder’s :

10.1.1 Before Design-Builder takes possession and control of the Leased Premises under the Design-Build Contract, not commit or permit waste upon or nuisances to exist or be maintained the Leased Premises.

10.1.2 After Design-Builder takes possession and control of the Leased Premises under the Design-Build Contract, cause Design-Builder to comply with its obligations under the Design-Build Contract..

10.1.3 Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Leased Premises, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Leased Premises.

10.2 No Obligation of Maintenance of Leased Premises by Ground Lessor.

Upon the Effective Date of this Ground Lease, Ground Lessor, in its capacity as ground lessor of the Leased Premises, shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Leased Premises or any buildings or improvements now or hereafter located thereon.

10.3 Maintenance under Facilities Lease.

Notwithstanding the duration limitation for the maintenance obligations described in Section 10.1, maintenance of the Libraries and Leased Premises by Ground Lessee, as landlord, under the Facilities Lease, shall be in accordance with the terms and conditions provided in the Facilities Lease.

11. Compliance With Government Regulations. Ground Lessee shall, at Ground Lessee's sole cost and expense, but with Ground Lessor's assistance as lead Party as to completing environmental review pursuant to CEQA and obtaining any requisite land use permits, and subject to inclusion as part of the Total Project Costs in accordance with the terms of the Facilities Lease, comply with the requirements of all local, state and federal statutes, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the use and development of the Leased Premises. Ground Lessee shall perform all necessary final actions to obtain the final approvals for the development of the Leased Premises. Such final actions and approvals may include, but are not limited to the following: (i) completing requisite activities to comply with CEQA, (ii) all final action and approvals by the local governing body for environmental and land use permits having jurisdiction over the Project, and (iii) resolution or final adjudication of any legal challenges, including such challenges based on CEQA.

11.1 Compliance. If prior to completion of the Project, the design or construction of the Project does not comply with said warranty of Ground Lessee's duty to comply with all governmental regulations concerning this Project, Ground Lessor shall notify Ground Lessee in writing of such non-compliance and Ground Lessee shall, promptly after receipt of written notice from Ground Lessor or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Ground Lessee's expense which shall only be included as part of Total Project Costs as provided in the Facilities Lease if the non-compliance event was not due to Ground Lessee's breach of duty to comply with all government regulations.

11.2 California Environmental Quality Act. Subject to receiving all required governmental approvals and permits, Ground Lessee warrants the Project will be developed in compliance with all pertinent laws, rules, professional standards, regulations and requirements for new construction in the jurisdiction. Ground Lessee shall use commercially reasonable and diligent efforts (with assistance from Ground Lessor) to complete environmental review pursuant to CEQA and obtain any requisite land use permits compliance with any applicable public agencies. Ground Lessee shall complete and obtain all other processing, permitting and entitlements for the Project. This Ground Lease between Ground Lessor and Ground Lessee is not deemed to be an approval pursuant to CEQA for any specific development, project or other possible future activities that may or may not be contemplated and does not commit any public agency to a definite course of action regarding the Project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to full CEQA compliance. Further, in the event of any action challenging the legality of the Project related to any of the proposed uses of the Leased Premises, Ground Lessee shall indemnify, defend, and hold harmless Ground Lessor, its divisions, and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents, and representatives at its sole cost and expense, including but not limited to, attorneys' fees, cost of investigation, defense and settlements or awards, on behalf of Ground Lessor in any claim or action based upon such liability to the extent any portion of the claims or actions are attributable to the negligence or willful misconduct of Ground Lessee, its agents, representatives or employees, otherwise such defense should be included in the Total Project Costs.

11.3 Americans with Disabilities. Ground Lessee warrants and represents that the Libraries, once constructed, shall be readily accessible to and usable by individuals with disabilities in compliance with Title III of the Americans with Disabilities Act of 1990 and California Title 24, as amended from time to time and regulations issued pursuant thereto and in effect from time to time. Subject to the terms of the Facilities Lease, any costs incurred to cause the Leased Premises to comply with said Act shall be borne by Ground Lessee. Any such costs shall be (i) included as Total Project Costs to the extent costs are incurred prior to the Rent Commencement Date under the Facilities Lease and (ii) borne by Landlord as described in the Facilities Lease to the extent such costs were incurred from and after the Rent Commencement Date.

11.4 Asbestos and Lead Based Paint. Ground Lessee warrants and represents the Project shall be constructed free of hazard from asbestos and lead based paint in violation of applicable law and Ground Lessee shall cause all tenants and subtenants of the Leased Premises to operate and maintain the Leased Premises free of hazard from asbestos and lead based paint in violation of applicable law.

11.5 Waste Water. Ground Lessee shall be responsible for compliance with all Federal, state or local laws, regulations or permits pertaining to storm water pollution, prevention plans ("SWPPP") and all National Pollution Discharge Elimination System ("NPDES") laws or regulations adopted or to be adopted by the United States Environmental Protection Agency as to development of the Project.

12. Termination by Ground Lessor. In addition to those termination rights set forth in Section 3 above, but subject to the rights of the Trustee under the Indenture, the Loan Agreement, and the Assignment of Leases and Rents, and the Assignment of Design-Build

Contract, Ground Lessor shall have the right to terminate this Ground Lease subject to the provisions below:

12.1 Ground Lessee Cure Rights/Ground Lessor Remedies. In the event Ground Lessee fails or refuses to perform, keep or observe any of Ground Lessee's duties or obligations hereunder, including without limitation, fails to complete the construction of the Project pursuant to the terms and conditions of the Facilities Lease, subject to delays attributable to Force Majeure or Ground Lessor, Ground Lessor may pursue all remedies at law or in equity; provided, however, that Ground Lessee shall have thirty (30) days in which to correct Ground Lessee's breach or default after written notice thereof has been served on Ground Lessee by Ground Lessor unless the nature of default or breach is such that more than thirty (30) days are required, in which case, Ground Lessee shall have an additional ninety (90) days to cure the default, provided Ground Lessee has commenced the remedy within the initial thirty (30) day period, and is proceeding diligently to complete within the one hundred twenty (120) day period. The time it takes the Ground Lessee to cure its default shall not excuse Ground Lessee's obligation to complete the Project nor shall it be an excusable delay in completion of the Project. If any breach or default is not corrected after the time period set forth herein, Ground Lessor may pursue all remedies at law or in equity. Prior to invoking the right to pursue any and all remedies available to Ground Lessor, Ground Lessor shall serve a final notice to Ground Lessee specifying the outstanding default and any supporting documentation Ground Lessor may possess for such default. Ground Lessee shall serve a written response to Ground Lessor setting out its position and any supporting documentation for its position. Within ten (10) days following receipt of Ground Lessee's response, the Parties will meet to discuss resolution of the outstanding default. The written claim notice and response and any documents that may have been produced, but not the subsequent discussion, are admissible in any subsequent proceeding. After such meeting if no resolution has been determined, Ground Lessor may pursue any such remedies available to Ground Lessor. Notwithstanding anything to the contrary contained herein, Ground Lessor acknowledges that if Ground Lessee shall fail to develop or effectuate Substantial Completion of the Project by the Outside Completion Date set forth in the Facilities Lease (once established, as such date may be extended for Force Majeure Delay or Tenant-Caused Delay), Ground Lessor shall not be entitled to terminate this Ground Lease and Ground Lessor's sole and exclusive remedies shall be as set forth in the Facilities Lease to be effectuated by the County as Tenant under the Facilities Lease.

12.2 Assignment. In the event of termination by Ground Lessor or Ground Lessee of any or all of this Ground Lease under this Section 12 and concurrent termination of the Facilities Lease pursuant to corresponding Sections of the Facilities Lease, Ground Lessee shall terminate all efforts in connection with the Project as well and shall cause all third party consultants performing services relative to the Project to cease such services, subject to the potential assignment to Ground Lessor of certain agreements for such services as provided herein below. Following Ground Lessor's satisfaction of its payment obligations under this Section 12.2, Ground Lessee shall assign to Ground Lessor any agreements entered into by Ground Lessee in connection with the Project prior to such termination, together with any rights Ground Lessee may have with respect to any work product or permits generated under the assigned agreements, to the extent (i) Ground Lessor elects in writing in its sole discretion to assume an agreement, (ii) such assignment is permissible under such agreement, and (iii) Ground Lessor pays Ground Lessee all amounts previously paid by Ground Lessee under the assigned agreement, as evidenced by

supporting documentation such as invoices and receipts. Any agreements which Ground Lessor elects not to assume shall be terminated by, or remain the obligation of, Ground Lessee, as applicable.

13. Eminent Domain.

13.1 Condemnation. Should any part of the Leased Premises be taken by eminent domain and the remaining part of the Leased Premises remains usable by Ground Lessor as the tenant under the Facilities Lease for the purposes set forth in the Facilities Lease, this Ground Lease shall terminate, solely as to the part of the Leased Premises taken, as of the date title shall vest in the condemner, or that date prejudgment possession is obtained through a court of competent jurisdiction, whichever is earlier. Should all of the French Valley Leased Premises, Menifee Leased Premises or Desert Hot Springs Leased Premises be taken by eminent domain, or should such part of the French Valley Leased Premises, Menifee Leased Premises or Desert Hot Springs Leased Premises be taken so that the remaining part of the Leased Premises is rendered unusable by Ground Lessor as the tenant under the Facilities Lease for the purposes set forth in the Facilities Lease as reasonably determined and elected by Ground Lessor as tenant under the Facilities Lease, this Ground Lease shall terminate as to such portion. Should all of the Leased Premises be taken by eminent domain, this Ground Leases shall terminate in its entirety.

13.2 Compensation. If a part, portion or all of the Leased Premises be so taken, the compensation awarded upon such taking shall be paid to the Parties hereto in accordance with the values attributable to their respective interests in such eminent domain proceedings as set forth in the Facilities Lease; provided, however, that except as otherwise provided in the Facilities Lease Ground Lessor shall not receive any eminent domain award unless and until Ground Lessee shall be awarded not less than the amount necessary to pay in full any outstanding balance of leasehold financing encumbering the Leased Premises. Notwithstanding anything to the contrary set forth in this Ground Lease, Ground Lessor agrees not to (i) exercise any right of condemnation with respect to the Leased Premises which would interfere with the continued use and enjoyment of the Libraries for their intended purposes or (ii) take any action to rezone the Leased Premises for any use not consistent with the intended uses set forth in this Ground Lease.

14. Insurance.

14.1 General. During the termof this Ground lease, Ground Lessor and Groubd Lessee shall maintain (or cause others to maintain) all insurance required under the Facilities Lease.

15. Indemnification/Hold Harmless.

15.1 Ground Lessee's Indemnification. Ground Lessee shall indemnify, defend and hold harmless Ground Lessor, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "**Indemnitees**") from any liability whatsoever resulting in claims asserted against any Indemnitee (a "**Claim**"), including but not limited to property damage, bodily injury, or death or

any other element of any kind or nature whatsoever, arising in connection with (i) prior to the completion of the Project on the Leased Premises, any negligence or willful misconduct as to services provided by Ground Lessee, its officers, employees, subcontractors, agents or representatives and (ii) after completion of the Project, the negligence or willful misconduct of Ground Lessee; provided that Ground Lessee shall not be liable to an Indemnitee to the extent any Claim is attributable to the active negligence or willful misconduct of such Indemnitee.

With respect to any action or claim subject to indemnification herein by Ground Lessee, Ground Lessee shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of Ground Lessor; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Ground Lessee's indemnification to Indemnitees as set forth herein. Ground Lessee's obligation hereunder shall be satisfied when Ground Lessee has provided to Ground Lessor the appropriate form of dismissal relieving Ground Lessor from any liability for the action or claim involved. The specified insurance limits required in this Ground Lease shall in no way limit or circumscribe Ground Lessee's obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve Ground Lessee from indemnifying the Indemnitees to the fullest extent allowed by law.

15.2 Ground Lessee to Defend this Ground Lease. Ground Lessee acknowledges that Ground Lessor is a "public entity" and/or a "public agency" as defined under applicable California law. As a public body, Ground Lessor's action in approving this Ground Lease may be subject to proceedings to invalidate this Ground Lease or mandamus. If, prior to the date of the Bond Closing, a third-party files a legal action regarding Ground Lessor's approval of this Ground Lease or the pursuit of the activities contemplated by this Ground Lease, Ground Lessor may terminate this Ground Lease on thirty (30) days prior written notice to Ground Lessee of Ground Lessor's intent to terminate this Ground Lease, referencing this Section 15.2, without any further obligation to perform the terms of this Ground Lease and without any liability to Ground Lessee resulting from such termination, unless Ground Lessee unconditionally agrees to indemnify and defend Ground Lessor, with legal counsel acceptable to Ground Lessor, against such third-party legal action, as provided hereinafter in this Section 15.2. Within 30 days of receipt of Ground Lessor's notice of intent to terminate this Ground Lease, as provided in the preceding sentence, Ground Lessee may in Ground Lessee's sole and absolute discretion offer to defend Ground Lessor, with legal counsel acceptable to Ground Lessor, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Ground Lessee is under no obligation to indemnify and defend Ground Lessor unless and until it elects to make the offer required by this Section 15.2. Any such offer from Ground Lessee must be in writing and reasonably acceptable to Ground Lessor in both form and substance. Nothing contained in this Section 15.2 shall be deemed or construed to be an express or implied admission that Ground Lessor is liable to Ground Lessee or any other person or entity for damages alleged from any alleged or established failure of Ground Lessor to comply with any statute, including, without limitation, CEQA. In the event that Ground Lessor elects to terminate the Ground Lease based on this Section 15.2, the notice provided by Ground Lessor to Ground Lessee shall also serve as notice to terminate the Facilities Lease. From

and after the date of the Bond Closing, neither Ground Lessor nor Ground Lessee shall have any right to terminate the Ground Lease pursuant to this Section 15.2; provided, however, that no challenge has been filed to set aside any approvals relating to the approval of the leases prior to the Bond Closing.

15.3 Survival of Indemnity Obligations. All general and specific indemnity and defense obligations of the Parties set forth in this Ground Lease shall survive the expiration or termination of this Ground Lease and the execution or recordation of any Facilities Lease for any portion of the Project.

15.4 No Limitations. The specified insurance limits required herein shall in no way limit or circumscribe Ground Lessee's obligations to indemnify and hold Ground Lessor free and harmless herein.

16. Right to Encumber/Right to Cure.

16.1 Ground Lessee's Right to Encumber. Ground Lessor acknowledges and agrees that Ground Lessee has assigned the leasehold estate under this Ground Lease and the Library Improvements to be constructed by Ground Lessee pursuant to this Ground Lease to the Trustee, pursuant to the Indenture, the Assignment of Leases and Rents, the Assignment of Design-Build Contract or other security-type instruments, and the provisions of this Section 16 shall be subject to the rights of the Trustee under such agreements:

16.1.1 For purposes of this Ground Lease, "**Trustee**" shall mean the Trustee under the Indenture.

16.1.2 Subject to this Section 16.1.2, the Trustee or other transferee who succeeds to Ground Lessee's interest under this Ground Lease shall be liable to perform the obligations and duties of Ground Lessee under this Ground Lease and shall take subject to the terms of the Facilities Lease on a prospective basis.

(a) **No Voluntary Termination.** There shall be no voluntary cancellation, termination or surrender of this Ground Lease by joint action of Ground Lessor and Ground Lessee without the prior written consent of the Trustee. Any voluntary cancellation, termination or surrender of this Ground Lease shall not be effective without the prior written consent of the Trustee.

(b) **No Amendment or Modification.** There shall be no amendment or modification of this Ground Lease by joint action of Ground Lessor and Ground Lessee without the prior written consent of the Trustee, not to be unreasonably delayed, conditioned or withheld. Any such amendment or modification of this Ground Lease shall not be effective without the prior written consent of the Trustee, not to be unreasonably delayed, conditioned or withheld. Ground Lessor, on the request of any Trustee, shall negotiate in good faith only such reasonable modifications or amendments of this Ground Lease as shall be requested by such Trustee, so long as the modifications do not materially increase the liabilities, burdens or obligations or decrease the rights of Ground Lessor, or materially decrease the liabilities, burdens or obligations of Ground Lessee under this Ground Lease.

(c) Notices to Trustee. Ground Lessor shall, upon giving Ground Lessee a notice of default under this Ground Lease, simultaneously give a copy of such notice to Trustee. No notice of a default by Ground Lessor to Ground Lessee under or with respect to this Ground Lease shall be deemed to have been duly given unless and until a copy thereof has been given to Trustee.

(d) Trustee Right to Cure. Trustee shall have the right, but not the obligation, to remedy such default or cause the same to be remedied for a period of ninety (90) days after the expiration of the cure period, if any, provided for under this Ground Lease, for Ground Lessee to remedy same and Ground Lessor shall accept such performance by or at the instance of Trustee as if the same had been made by Ground Lessee. If the default is reasonably susceptible of cure, but cannot reasonably be remedied within ninety (90) days, Ground Lessor shall not terminate this Ground Lease, so long as (i) defaults in the payment of money under this Ground Lease are cured, within ninety (90) days and all rent and all other items required to be paid by Ground Lessee under this Ground Lease are paid as and when the same becomes due and payable, and (ii) the cure for any non-monetary default under this Ground Lease has commenced, and is thereafter diligently and in good faith continuously prosecuted to completion. Such cure period shall include any time required to obtain possession of the Leased Premises by termination of the Ground Lease and/or the Facility Lease or by other appropriate means by reasonable diligence, or until such earlier time as all defaults of Ground Lessee are cured. Nothing in this Section 16.1.5, however, shall be construed to extend this Ground Lease beyond the Term, nor to require a Trustee to continue such termination proceedings after all defaults are cured. Once all defaults are cured, this Ground Lease shall continue in full force and effect as if Ground Lessee had not defaulted.

(e) New Lease. If this Ground Lease is terminated prior to or after completion of the Project by Ground Lessee and Trustee has not been fully paid, then Ground Lessor agrees that in the event of termination of this Ground Lease by reason of the bankruptcy of Ground Lessee, any uncured default by Ground Lessee or otherwise due to the default of Ground Lessee, Ground Lessor will, at the request of Trustee, enter into a new lease ("**New Lease**") covering the Leased Premises with Trustee or its nominee for the remainder of the Term of this Ground Lease. To the extent the termination of this Ground Lease was not caused by an uncured default under this Ground Lease or an uncured monetary default by the County under the Facilities Lease, or by reason of the filing of bankruptcy by the County and rejection of the Facilities Lease, then (i) Ground Lessor shall provide a New Lease to Trustee or its nominee and (ii) Trustee or its nominee, as applicable, shall enter into a new Facilities Lease (on the same terms and conditions as the Facilities Lease) with the County ("**New Facilities Lease**"). The New Lease upon execution shall be deemed to be effective as of the date of the termination of this Ground Lease. The New Lease shall be on the same terms, provisions, covenants and agreements (including but not limited to the Rent) contained in this Ground Lease, provided, however, such New Lease shall not include Section 7 of this Ground Lease or any other provisions related to the completion of the Project or any warranties of any design-build or general contractor, except that, notwithstanding the foregoing, such New Lease shall provide that the County, as Tenant under the New Facilities Lease, shall have the right, but not the obligation, to assume control of the completion of the Project, either directly, or by replacement of Ground Lessee (as Landlord under the New Facilities Lease) as construction manager for the Project, and if so assumed, to complete the Project with all reasonable dispatch, in which event the County shall send written notice of such assumption to

Ground Lessee (as Landlord under the New Facilities Lease) and Trustee and, upon receipt of such notice, Ground Lessee shall forthwith assign to the County all Ground Lessee's right, title and interest in and to all construction contracts and related agreements, all payment, completion, construction or surety bonds and any and all insurance policies and Trustee shall recognize the County and disburse to the County all remaining proceeds of the Indenture, subject to and in accordance with, the terms of the Indenture, including, without limitation, satisfaction by the County of all conditions to disbursement set forth in the Indenture. If the County assumes control of completion of the Project as contemplated above, the County shall not have any right under the New Facilities Lease to cancel, quit, terminate or surrender the New Facilities Lease or cease or delay the payment of Rent or change the Commencement Date under the New Facilities Lease, or reduce, abate or offset Rent (or any other amounts owed by the County under the New Facilities Lease. In order to obtain the New Lease, Trustee or its nominee, must make written request upon Ground Lessor for the New Lease within thirty (30) business days after Trustee receives written notice from Ground Lessor of the termination of this Ground Lease. The ground lessee under the New Lease shall have no greater right, title or interest in and to the Leased Premises than Ground Lessee had under this Ground Lease.

(f) Exercise of Remedies. Notwithstanding anything to the contrary in this Ground Lease, any exercise of rights or remedies under any Indenture shall not be deemed to violate this Ground Lease or require the consent of Ground Lessor. If the Trustee exercises remedies against Ground Lessee under the Indenture, Ground Lessor agrees to forebear from the exercise of any remedies available to Ground Lessor under this Ground Lease for thirty (30) days after the expiration of Ground Lessee's cure period under this Ground Lease. Notwithstanding the foregoing, Trustee shall not be required to institute proceedings against Ground Lessee under the Indenture if it is able to acquire and does acquire Ground Lessee's leasehold interest by any other legal means, including, without limitation, voluntary assignment. Ground Lessor agrees that if by reason of a bankruptcy, insolvency or similar type proceeding, or by reason of any other judicial order or legislative enactment, the Trustee shall be stayed from commencing (or if commenced, from continuing) proceedings against the Ground Lessee under the Indenture or other appropriate steps, then the Trustee shall be deemed to be prosecuting such proceedings with diligence and continuously so long as it is in good faith attempting to obtain relief from any such stay. Immediately upon Trustee instituting proceeding against the Ground Lessee under the Indenture or otherwise exercising remedies to acquire Ground Lessee's leasehold interest under this Ground Lease, Trustee or its nominee shall not: (i) be subject to or responsible for Section 7 of this Ground Lease or any other provisions related to the completion of the Project or any warranties of any general contractor, except that, notwithstanding the foregoing, if Ground Lessor, as Tenant under the Facilities Lease, assumes control of the completion of the Project, either directly, or by replacement of Ground Lessee (as Landlord under the Facilities Lease) as construction manager for the Project, Trustee shall recognize Ground Lessor and disburse to Ground Lessor all remaining proceeds of the Indenture, subject to and in accordance with, the terms of the Indenture, including, without limitation, satisfaction by Ground Lessor of all conditions to disbursement set forth in the Indenture, (ii) have any liability under this Ground Lease prior to the date Trustee or nominee shall succeed to the rights of Ground Lessee under this Ground Lease, or (iii) be subject to, or have any liability for, claims, offsets, defenses which arose (or are based upon events) which Ground Lessor might have had against Ground Lessee or which occur prior to Trustee or its nominee taking possession pursuant to foreclosure or other procedure.

(g) Liability of Trustee. Trustee shall not, as a condition to the exercise of its rights hereunder, be required to assume any personal liability for the payment and performance of the obligations of Ground Lessee under this Ground Lease, and any payment or performance or other act by the Trustee under this Ground Lease shall not be construed as an assumption of personal liability by Trustee.

(h) Estoppels. Upon the request of Trustee, at any time, and from time to time, Ground Lessor will execute and deliver to the Trustee, within twenty (20) days after such request, a written estoppel certificate, duly executed in a form reasonably requested by Trustee and acceptable to the Ground Lessor.

16.1.3 Except as described in this Section 16, Ground Lessee shall not permit any other liens or encumbrances on the Leased Premises or its interest therein.

17. Free From Liens. Ground Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Ground Lessee, in, upon, or about the Leased Premises or Ground Lessor's fee interest therein, and which may be secured by a mechanics', materialmen's or other lien against the Leased Premises, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Ground Lessee desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final judgment, and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Ground Lessee shall forthwith pay and discharge said judgment.

18. Estoppel Certificates.

18.1 Ground Lessee and Ground Lessor, at any time and from time to time during the term of this Ground Lease, and any extension thereof, and within twenty (20) business days after request, in writing, have been given by the other Party, shall execute, acknowledge and deliver to the requesting Party a statement in writing certifying that this Ground Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications). The statement shall also include the dates to which the rent and any other charges have been paid in advance, that there are no defaults existing or that defaults exist and the nature of such defaults. It is intended that such statement as provided in this Section 18.1 may be relied upon by any prospective Trustee as assignee of the Leased Premises or Improvements thereon or both or all or any portion or portions of Ground Lessee's interest under this Section 18.1.

18.2 A Party's failure to execute, acknowledge and deliver on request of such statement described in Section 18.1 above within the required time shall constitute acknowledgment by such Party to all persons entitled to rely on such statement that this Ground Lease is unmodified and in full force and effect and that the rent and other charges have been duly and fully paid to and including the respective due dates immediately preceding the date of the notice or request and shall constitute a waiver, with respect to all persons entitled to rely on such statement of any defaults that may exist before the date of such notice.

19. **Assignment; Binding on Successors.** During the term of this Ground Lease, the Libraries and Library Improvements shall not be conveyed, transferred or assigned except for the Indenture for the benefit of the Trustee, as further described in the Indenture, the Assignment of Leases and Rents and the Assignment of Design-Build Contract. At all times, the owner of the leasehold interests of Ground Lessee under this Ground Lease shall also be the owner of the Libraries (excluding the FF&E, which shall at all times be owned by the Countyt). Any attempted conveyance, transfer or assignment, whether voluntarily or by operation of law or otherwise, to any person or entity not in compliance with the preceding sentence shall be void and of no effect whatsoever. Except to the extent Ground Lessor is permitted to construct Alterations as provided in and subject to the Facilities Lease, Ground Lessee shall allow no other party to construct any improvements on the Leased Premises.

20. **Waiver of Performance.** No waiver by Ground Lessor at any time of any of the terms and conditions of this Ground Lease shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

21. **Severability.** The invalidity of any provision in this Ground Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

22. **Venue.** Any action at law or in equity brought by either of the Parties hereto for the purpose of enforcing a right or rights provided for by this Ground Lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

23. **Attorneys' Fees.** In the event of any litigation, mediation or arbitration between Ground Lessee and Ground Lessor, including, without limitation, such an action brought pursuant to Ground Lessee's bankruptcy, to enforce any of the provisions of this Ground Lease or any right of either Party hereto, the unsuccessful Party to such litigation, mediation or arbitration agrees to pay to the successful Party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful Party, all of which shall be included in and as a part of the judgment or ruling rendered in such litigation, mediation or arbitration.

24. **Notices.** Any notices required or desired to be served by either Party or to the Trustee or Project Manager upon the other shall be addressed to the respective Parties as set forth below:

GROUND LESSOR

County of Riverside
Economic Development Agency
3403 Tenth Street, Suite 400
Riverside, CA 92501
Attention: Deputy Director of Real Estate

GROUND LESSEE

CFP Riverside, LLC
18336 Minnetonka Boulevard, Suite C
Deephaven, MN 55391
Attn: President

TRUSTEE

UMB Bank, N.A.
120 South Sixth Street, Suite 1400
Minneapolis, MN 55402

PROJECT MANAGER

Omni West Group, Inc.
3943 Irvine Blvd, Suite 607
Irvine, CA 92602

or to such other addresses as from time to time shall be designated by the respective Parties. Notices must be in writing and will be deemed to have been given when personally delivered, sent by facsimile with receipt acknowledged, deposited with any nationally recognized overnight carrier that routinely issues receipts, or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the Party for whom it is intended at its address set forth above.

25. Permits and Licenses. Subject to the terms and conditions of Section 12, Ground Lessee shall secure, at its expense as part of Total Project Costs, the Permits and any licenses required by the County, through its Economic Development Agency and any authorized public entity with respect to construction of the Project and Ground Lessor as Tenant under the Facilities Lease shall cause its contractors to secure, at its expense, the Permits and any licenses required by any authorized public entity with respect to provision of day-to-day Library services on the Leased Premises.

26. Section Headings. The Section headings herein are for the convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Ground Lease.

27. Ground Lessor's Representative. Ground Lessor hereby appoints the Assistant County Executive Officer/EDA as its authorized representative to administer this Ground Lease.

28. Ground Lessee's Representative. Ground Lessee hereby appoints Steve Collins, President, as its authorized representative to administer this Ground Lease. Ground Lessee or any successor in interest to Ground Lessee shall have the right to designate a replacement authorized representative upon written notice to Ground Lessor.

29. Acknowledgment of Memorandum of Ground Lease. Upon execution of this Ground Lease by the Parties hereto, a Memorandum of this Ground Lease in a form acceptable to Ground Lessor and Ground Lessee shall be executed by Ground Lessor and Ground Lessee in such a manner that it will be acceptable by the County Recorder for recordation purposes, and

thereafter, Ground Lessee shall cause such Memorandum of Ground Lease to be recorded in the Office of the County Recorder of Riverside County forthwith and furnish Ground Lessor with a conformed copy thereof.

30. Agent for Service of Process. For the purpose of designating an Agent for service of process, the following is hereby designated as Agent to accept on behalf of Ground Lessee: _____ . It is expressly understood and agreed that in the event Ground Lessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Ground Lessee shall file with the County's Assistant County Executive Officer/EDA, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Ground Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Ground Lessee. It is further expressly understood and agreed that if for any reason service of such process upon Ground Lessee's General Counsel is not feasible, then in such event Ground Lessee may be personally served with such process and that such service shall constitute valid service upon Ground Lessee. It is further expressly understood and agreed that Ground Lessee is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto.

31. Notification of Taxability of Possessory Interest. The Leased Premises herein granted by Ground Lessor to Ground Lessee may create a possessory interest, subject to property taxation. In the event Ground Lessee's interest in the Leased Premises, including the Libraries and Library Improvements required to be constructed by Ground Lessee, become subject to the payment of property taxes levied on such interest, for purposes of this Ground Lease, Ground Lessee shall be responsible for the payment of such property taxes to the taxing agency, *provided* such property taxes shall be (i) included in Total Project Costs to the extent attributable to the period occurring prior to the Rent Commencement Date and (ii) borne by Tenant under the Facilities Lease to the extent attributable to the period occurring after to the Rent Commencement Date.

32. Toxic Materials

32.1 Restrictions on Ground Lessee; Hazardous Substances. Ground Lessee shall not cause or permit any Hazardous Substance (as defined in the Work Letter) to be used, stored, generated, or disposed of on or in the Leased Premises by Ground Lessee, Ground Lessee's agents, employees, or contractors, in a manner that would be contrary to or in violation of law and without first obtaining Ground Lessor's written consent, which consent may not be unreasonably withheld, conditioned or delayed; provided, however, use, storage, generation or disposal of Hazardous Substances by the County as Tenant under the Facilities Lease or its subtenants, employees, contractors or agents shall not be attributed to Ground Lessee under this Ground Lease and Ground Lessee shall have no liability for the portion of and to the extent the County or its subtenants, employees, contractors or agents are liable therefor. Materials considered hazardous that are used in the ordinary course of business may be used as regulated by law. If Hazardous Substances are used, stored, generated, or disposed of on or in the Leased Premises by Ground Lessee, Ground Lessee's agents, employees or contractors, or if the Leased Premises becomes

contaminated in any manner during the term hereof as a result of the negligence or willful misconduct of Ground Lessee, Ground Lessee's agents, employees or contractors, Ground Lessee shall indemnify, defend, and hold harmless Ground Lessor from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys', consultants', and experts' fees) arising during or after the Term of this Ground Lease and arising as a result of such contamination by Ground Lessee, Ground Lessee's agents, employees, or contractors except not for the portion of and to the extent such contamination has been determined to be attributable to (1) Ground Lessor Contamination, or (2) Pre-Existing Contamination, in a manner that would be contrary to or in violation of law. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision. In addition, if Ground Lessee causes the presence of any Hazardous Substance on the Leased Premises and this results in contamination, Ground Lessee shall promptly, at its sole expense, take any and all necessary actions to return the Leased Premises to the condition existing before the presence of any such Hazardous Substance on the Leased Premises, provided, however, that Ground Lessee shall first obtain Ground Lessor's approval for any such remedial action, such approval not to be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained in this Section 32.1, Ground Lessee shall not be held responsible for any Hazardous Substances existing on, under or at the Leased Premises or anywhere else at the Project Site prior to the commencement of construction of the Project [refer to Phase I Environmental Reviews for each site?] ("**Pre-Existing Contamination**") or which are used, stored, generated, or disposed of on or in the Leased Premises by Ground Lessor (in its capacity as either Ground Lessor under this Ground Lease or Tenant under the Facilities Lease) or any of Ground Lessor's agents, subtenants, employees or contractors, or if the Leased Premises are or become contaminated with Hazardous Substances in a manner that would be contrary to or in violation of law during the Term hereof ("**Ground Lessor Contamination**") unless as a result of contamination by Ground Lessee, Ground Lessee's agents, employees, or contractors.

32.2 Ground Lessor Indemnity. Except as otherwise provided in Section 32.1 above, Ground Lessor shall indemnify and hold Ground Lessee harmless from any Ground Lessor Contamination during the period each particular Ground Lessor entity is the Ground Lessor under this Ground Lease, and any Hazardous Substances which migrate onto the Leased Premises during the Ground Lease; except that Ground Lessor shall not be responsible for nor have the obligation to indemnify Ground Lessee if Ground Lessee's acts, omissions or negligent act or omissions have caused or exacerbated the severity of or caused the spread of the Hazardous Substance; provided, however, mere discovery of any such Hazardous Substance and acts by Ground Lessee to properly address, mitigate or correct such Hazardous Substance condition shall not constitute exacerbation of or causing the spread of any such Hazardous Substance.

33. Recitals and Exhibits Incorporated By Reference; Approval of Bond Financing Documents. All Recitals and defined terms herein, and all Exhibits attached hereto, are incorporated into and made a part of this Ground Lease by reference to them herein. Ground Lessor acknowledges and agrees that the Indenture, Loan Agreement, Assignment of Leases and Rents, Design-Build Contract, Assignment of Design-Build Contract, Project Manager Agreement, Property Management Agreement and _____ (collectively, the "**Bond Financing Documents**"), are being entered into in connection with the issuance of the Bonds to

finance the Project, and the Ground Lessor hereby consents to and approves the Bond Financing Documents and agrees that the Project shall be subject to the terms thereof.

34. **Force Majeure.** If either Party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of any Force Majeure Delays (as defined in the Work Letter), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such Force Majeure Delay.

35. **Entire Agreement.** This Ground Lease, together with the Facilities Lease, is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith, subject to the terms and conditions of the Facilities Lease. This Ground Lease may be changed or modified only in writing and approved by the Parties hereto.

36. **No Merger of Estates.** The interest of Ground Lessor, Ground Lessee and Trustee in the Property shall at all times be separate and apart. No merger of any estate shall occur by operation of law or otherwise, unless all parties then having any interest in the Property execute a written document affecting the merger of estates.

37. **Execution by Ground Lessor.** This Ground Lease shall not be binding or consummated until its approval and execution by the Board of Supervisors.

38. **Limitation of Ground Lessee's Liability.** Notwithstanding anything contained in this Ground Lease to the contrary, the obligations of Ground Lessee under this Ground Lease (including as to any actual or alleged breach or default by Ground Lessee) do not constitute personal obligations of the individual members, managers, directors, officers, attorneys, accountants, representatives or agents of Ground Lessee or Ground Lessee's sole member, and Ground Lessor shall not seek recourse against the individual members, managers, directors, officers, attorneys, accountants, representatives or agents of Ground Lessee or Ground Lessee's sole member or any other persons or entities having any interest in Ground Lessee, or any of their personal assets for satisfaction of any liability with respect to this Ground Lease. In addition, in consideration of the benefits accruing hereunder to Ground Lessor and notwithstanding anything contained in this Ground Lease to the contrary, Ground Lessor hereby covenants and agrees for itself and all of its successors and assigns that the liability of Ground Lessee for its obligations under this Ground Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Ground Lessee), shall be limited solely to, and Ground Lessor's and its successors' and assigns' sole and exclusive remedy shall be against, Ground Lessee's interest in the Project, and no other assets of Ground Lessee. The term "**Ground Lessee**" as used in this Ground Lease, so far as covenants or obligations on the part of Ground Lessee are concerned, shall be limited to mean and include only the owner, at the time in question, of the title to the Library Improvements on, or a lessee's leasehold interest in the Ground Lease of, the Premises. In the event of any transfer or conveyance of any such title or interest (other than a transfer pursuant to the Bond Financing Documents for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Ground Lessee contained in this Ground Lease;

provided transferee is fully bound by all covenants and terms of the Ground Lease which shall remain in full force and effect. Subject to the Bond Financing Documents, Ground Lessor and Ground Lessor's transferees and assignees shall have the absolute right to transfer all or any portion of their respective title and interest in the Premises, the Project and/or this Ground Lease.

39. Bond Financing Contingency. Notwithstanding any other provisions of this Ground Lease to the contrary, all obligations and agreements of the Ground Lessor and Ground Lessee hereunder shall be of no force or effect until the issuance of the Bonds on terms which are acceptable to each of the Ground Lessor and the Ground Lessee in their sole and absolute discretion as evidenced by Ground Lessee's execution of a Bond Purchase Agreement..

[Signature Provisions on the Following Page]

IN WITNESS WHEREOF, the Parties have executed this Facilities Lease upon the dates indicated below.

GROUND LESSOR:

COUNTY OF RIVERSIDE

By: _____
Chairman
Board of Supervisors

Dated: _____

ATTEST:

Kecia R. Harper
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Dierdre Joan Cox
Special Counsel for the County of Riverside

By: _____
Dierdre Joan Cox

GROUND LESSEE:

CFP RIVERSIDE, LLC

A Minnesota non-profit limited liability
company

By: _____
Name: Steve Collins
Title: President

EXHIBIT A

FRENCH VALLEY - LOCATION MAP

[Attached]

French Valley 480-160-021

Exhibit A



Legend

"ACIT" Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content, the source, or the third party's accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of the product with respect to accuracy and performance shall be the sole responsibility of the user.

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Notes

Library Facility will be proposed at approximately 25,000 sq. ft.



1:177
2,500 Feet

0



REPORT PRINTED ON: 11/07/2017 9:28:52 AM

EXHIBIT A-1

FRENCH VALLEY - SITE PLAN SHOWING (FINAL) LEASED PREMISES

[to be provided before signing]

EXHIBIT A-2

FRENCH VALLEY - LEASED PREMISES (FINAL) ALTA SURVEY

[to be attached after signing]

EXHIBIT A-3

**FRENCH VALLEY – FINAL LEASED PREMISES LEGAL DESCRIPTION AND PLAT
MAP**

[to be attached after signing]

EXHIBIT A-4

FRENCH VALLEY - PRELIMINARY TITLE REPORT



Lawyers Title Company
3480 Vine Street Suite 300
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

County of Riverside EDA
3403 10th Street, Ste. 400
Riverside, CA 92501

Attn: **CRAIG OLSEN**

Title Officer: Barbara Northrup--So
email: TU65@LTIC.COM
Phone No.: (951) 248-0669
Fax No.:
File No.: 615674763

Your Reference No: 480-160-021

Property Address: Riverside, California

UPDATED AND AMENDED PRELIMINARY REPORT

Dated as of December 31, 2018 at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, Lawyers Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

A Preliminary Report Only OR
CLTA Standard Owners Policy

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

Title to said estate or interest at the date hereof is vested in:

COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

The land referred to herein is situated in the County of Riverside, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

Parcel 1 of Parcel Map No. 32914, in the County of Riverside, State of California, as shown by map on file in Book 224, Pages 91 through 93 of Parcel Maps, in the Office of the County Recorder of said County.

Assessor's Parcel No: 480-160-021

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

SCHEDULE B - Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2019-2020.
- B. Intentionally deleted
- C. Intentionally deleted
- D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.
- E. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
- F. There were no taxes levied for the fiscal year 2018-2019 as the property was vested in a public entity.

Assessor's Parcel No.: 364-152-034-0

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Easement(s) in favor of the public over any existing roads lying within said Land.
- 3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Recording No: In Book 16, Page 72 of Record of Surveys

- 4. Land Conservation Contract

Recording Date: April 24, 1970
Recording No.: as Instrument No. 38515 of Official Records

Notice of Non-Renewal of said Contract

Recording Date: August 10, 1977
Recording No.: as Instrument No. 1977-154340 of Official Records

Resolution No. 84-64 Certificate of Tentative Cancellation of a Portion of Land Conservation Contract and Diminishment of Agricultural Preserve

Recording Date: My 2, 1983
Recording No.: as Instrument No. 1983-083700 of Official Records

Note: At the date of said instrument and the recordation thereof the grantor had no record interest in said land nor has he since acquired any.

Resolution No. 83-411 Extension of Time for Certificate of Tentative Cancellation of a Portion of a Land Conservation Contract and Diminishment for Agricultural Preserve

Recording Date: November 29, 1984
Recording No.: as Instrument No. 1984-243731 of Official Records

Note: At the dated of said instrument and the recordation thereof the grantor had no record interest in said land nor has he since acquired any.

A Resolution No. 87-512 Disestablishment of Agricultural Preserve Pursuant to Notice of Non-Renewal of Land Conservation Contract

Recording Date: December 29, 1987
Recording No.: as Instrument No. 1987-364841 of Official Records

Note: At the date of said instrument and the recordation thereof the Grantor had no record interest in said land nor has he since acquired any.

- 5. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: March 5, 1987
Recording No.: as Instrument No. 1987-061757 of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Said instrument provides or establishes: That assessments will not be assessed to public agencies

- 6. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: April 21, 1987
Recording No.: as Instrument No. 1987-109408 of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Said instrument provides or establishes: That assessments will not be assessed to public agencies

7. Matters contained in that certain document

Entitled: Agreement for Mitigation of School Facility Impacts Between Temecula Valley Unified School District, Dutch Investors, Inc., and The Batavia Land Company
Dated: August 28, 1995
Executed by: Temecula Valley Unified School District, Dutch Investors, Inc., a Nevada corporation and The Batavia Land Company, a California Limited Partnership
Recording Date: August 31, 1995
Recording No: as Instrument No. 1995-287511 of Official Records

Reference is hereby made to said document for full particulars.

8. Matters contained in that certain document

Entitled: Resolution No. 2002-238 Approving an Amendment to the Boundaries of Zone D of the Southwest Area Road and Bridge Benefit District, Identifying Additional Facilities Whose Cost of Construction area To Be Funded by said Zone D, and Approving the Related Environmental Documents and Findings (Amendment No. 1)
Dated: March 25, 2002
Executed by: County of Riverside
Recording Date: July 12, 2002
Recording No: as Instrument No. 2002-382638 of Official Records

Reference is hereby made to said document for full particulars.

9. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: County of Riverside, a political subdivision
Purpose: public road and drainage purposes
Recording Date: January 4, 2006
Recording No: as Instrument No. 2006-004929 of Official Records
Affects: said land more particularly described therein

10. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: County of Riverside
Purpose: construction use and repair of a training levee
Recording Date: February 9, 2006
Recording No: as Instrument No. 2006-099616 of Official Records
Affects: as shown on Parcel Map No. 32914

A Quitclaim Deed recorded on October 17, 2018 as Instrument No. 2018-0410713 of Official Records

Grantor: County of Riverside
Grantee: Riverside County Flood Control and Water Conservation District, a body politic

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: public road and drainage purposes including public utility and public service purposes
Recording Date: July 18, 2006
Recording No: as Instrument No. 2006-524630 of Official Records
Affects: said land more particularly described therein

12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: The County of Riverside
Purpose: public road, drainage purposes, public utility
Recording Date: July 13, 2007
Recording No: as Instrument No. 2007-456582 of Official Records
Affects: said land more particularly described therein

13. The terms and conditions of a "Hold Harmless Agreement for Sewer"

By and between: Barratt American Inc. (Landowner) and Eastern Municipal Water District, a public agency
Recording Date: August 22, 2007
Recording No.: as Instrument No. 2007-541496 of Official Records

Reference is hereby made to said document for full particulars.

14. The terms and conditions of a "Hold Harmless Agreement for Water"

By and between: Barratt American Inc. (Landowner) and Eastern Municipal Water District, a public agency
Recording Date: August 22, 2007
Recording No.: as Instrument No. 2007-541501 of Official Records

Reference is hereby made to said document for full particulars.

15. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: June 27, 2008
Recording No: as Instrument No. 2008-351116 of Official Records

16. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by said map/plot.

Affects: Winchester Road; will have not rights of access except the general easement of travel

17. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: County of Riverside, California
Purpose: right of way, appurtenant to the French Valley Airport herein called Dominant Tenement, an Avigation easement
Recording Date: May 5, 2010
Recording No: as Instrument No. 2010-206585 of Official Records
Affects: said land more particularly described therein

18. Matters contained in that certain document

Entitled: Statement of Assessment Information for Dutch Village Master Association Pursuant to CIVIL Code 4210
Dated: March 20, 2014
Executed by: Dutch Village Master Association, a California nonprofit mutual benefit corporation
Recording Date: June 6, 2014
Recording No: as Instrument No. 2014-208719 of Official Records

Reference is hereby made to said document for full particulars.

19. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
20. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
21. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.
22. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
23. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

END OF SCHEDULE B EXCEPTIONS

PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION

REQUIREMENTS SECTION:

- Req. No. 1: Intentionally deleted
- Req. No. 2: The Company requires a Statement of Information from the parties named below in order to complete this report, based on the effect of documents, proceedings, liens, decrees, or other matters which do not specifically describe said Land, but which, if any do exist, may affect the title or impose liens or encumbrances thereon. After review of the requested Statement(s) of Information, the Company may have additional requirements before the issuance of any policy of title insurance.

No names were furnished with the application. Please have the buyers furnish the Statement of Information as soon as possible.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

INFORMATIONAL NOTES SECTION

- Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

For wiring instructions please contact your Title Officer or Title Company Escrow officer.

- Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
- Note No. 4: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
 - b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
 - c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Processor: cph / SAH / SAH / EN
Date Typed: January 9, 2019

Attachment One (Revised 06-05-14)
CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or limiting (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge;
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE-SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records;
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof;
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records;
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records;
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters encroved under (a), (b) or (c) are shown by the public records;
6. Any lien or right to a lien for services, labor or material not shown by the public records.

Attachment One (6-5-14)

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**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the enactment or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.a., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amount and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
	1.00% of Policy Amount Shown in Schedule A or \$2,500.00	
Covered Risk 16:	(whichever is less)	\$ 10,000.00
	1.00% of Policy Amount Shown in Schedule A or \$5,000.00	
Covered Risk 18:	(whichever is less)	\$25,000.00
	1.00% of Policy Amount Shown in Schedule A or \$5,000.00	
Covered Risk 19:	(whichever is less)	\$25,000.00
	1.00% of Policy Amount Shown in Schedule A or \$2,500.00	
Covered Risk 21:	(whichever is less)	\$5,000.00

Attachment One (6-5-14)

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**2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records as Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) arising or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable debt-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or arising between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

Except as provided in Schedule B - Part II, this policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

PART I

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:

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2006 ALTA OWNER'S POLICY (06-17-06)**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records as of Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpermitted mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matter excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. Variable exceptions such as taxes, easements, CC&R's, etc. shown here.

Attachment One (6-5-14)

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ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(e), 13(f), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(e), 13(f), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) arising or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 25.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has knowledge that the vendor shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or arising subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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File No: 615674763



Lawyers Title Company
3480 Vine Street Suite 300
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

Order No. 615674763

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
LTC - Lawyers Title Company

FNF Underwriter
CLTIC - Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

EMPLOYEE RATE (LTC and CLTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

Notice of Available Discount

Mod. 10/21/2011

CLTA Preliminary Report Form - Modified (11-17-06)

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FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information.

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

Browsing Information.

FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

How Personal Information is Collected

We may collect Personal Information about you from:

- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected

If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons.

We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track.

Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Revised May 1, 2018

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Links to Other Sites.

FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and third parties' products and services, jointly or independently.

When Information Is Disclosed

We may make disclosures of your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see "Choices With Your Information" to learn the disclosures you can restrict.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information

If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents:

We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law.



PROOF OF PUBLICATION

STATE OF CALIFORNIA SS.
COUNTY OF RIVERSIDE

RIVERSIDE COUNTY-BOARD OF SUP.
4080 LEMON ST
RIVERSIDE CA 92501

I am over the age of 18 years old, a citizen of the United States and not a party to, or have interest in this matter. I hereby certify that the attached advertisement appeared in said newspaper (set in type not smaller than non pariel) in each and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

05/08/19

I acknowledge that I am a principal clerk of the printer of The Desert Sun, printed and published weekly in the City of Palm Springs, County of Riverside, State of California. The Desert Sun was adjudicated a Newspaper of general circulation on March 24, 1988 by the Superior Court of the County of Riverside, State of California Case No. 191236.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.. Executed on this 8th of May 2019 in Green Bay, WI, County of Brown.

[Handwritten signature]
DECLARANT

Ad#:0003548042
P O : Ord NO. 152
of Affidavits : 1

EDA
4/30/19 19.1

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ORDINANCE NO. 952

AN ORDINANCE OF THE COUNTY OF RIVERSIDE AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF CONSTRUCTION OF LIBRARY BUILDINGS IN DESERT HOT SPRINGS AND FRENCH VALLEY

The Board of Super County of Riverside o lws:

Section 1. FINDINGS. Supervisors of the Co side finds that:

a. Internal Revenue Co ("Section 145") defining

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ORDINANCE NO. 952

AN ORDINANCE OF THE COUNTY OF RIVERSIDE AUTHORIZING A PUBLIC LEASEBACK TO FINANCE THE COSTS OF CONSTRUCTION OF LIBRARY BUILDINGS IN DESERT HOT SPRINGS, MENIFEE, AND FRENCH VALLEY

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. FINDINGS. The Board of Supervisors of the County of Riverside finds that:

a. Internal Revenue Code Section 145 ("Section 145") defines a qualified 501(c)(3) bond as any private activity bond issue if, among other requirements, all the property which is to be provided by the net proceeds of the issue is owned by a 501(c)(3) organization or governmental unit. Bonds issued pursuant to Section 145 may qualify as tax-exempt obligations upon compliance with the requirements set forth in the Revenue Procedure.

b. CFP Riverside, LLC ("CFP") has been formed as a nonprofit limited liability company for the purpose of designing, permitting, constructing, operating, and maintaining three new library buildings and related facilities in Desert Hot Springs, Menifee, and French Valley, California (the "Project") for use by the County of Riverside (the "County").

c. The County as the owner of the land on which the Project will be constructed (the "Land") will enter into a ground lease of the Land with CFP (the "Ground Lease").

d. In order to finance the Project, CFP proposes to issue tax-exempt bonds, to be designated as the "501(c)(3), Non-Profit Tax-Exempt, Lease Revenue Bonds (Riverside County Library Facilities Project), CFP Riverside, LLC, Series 2019" in an aggregate principal amount to be determined (the "Bonds").

e. CFP proposes to enter into a Facilities Lease Agreement (the "Facilities Lease") under which CFP will undertake the Project and lease the Premises (as such term is defined in the Facilities Lease) to the County.

f. Payments by the County of rent under the Facilities Lease will be used to pay debt service on the Bonds, but the Bonds will not in any way constitute an obligation or debt of the County.

g. The Revenue Procedure requires that, within one year prior to issuance of the Bonds, the County approve the nonprofit corporation (CFP) and the bonds to be issued (the Bonds) and agree to accept title to the Project when the Bonds are retired.

h. The Project is necessary to meet the County's needs for facilities to provide library services to residents of the County.

i. The County does not wish to undertake directly the governmental

burden associated with development of the Project, and has determined that the proposal by CFP is the most efficient means for managing the financing, construction and operation of the Project.

j. The transaction as proposed constitutes a public leaseback that the County wishes to approve in accordance with Section 54241 of the Government Code.

k. Environmental review will be completed before any development would occur for the Project.

Section 2. PURPOSE. The purpose of this ordinance is to authorize a public leaseback to finance the costs of construction of the library buildings in the Desert Hot Springs, Menifee and French Valley areas of Riverside County.

Section 3. AUTHORITY. This ordinance is adopted pursuant to California Government Code Section 54241.

Section 4. AUTHORIZATION OF PUBLIC LEASEBACK. The public leaseback as set forth in this ordinance is authorized.

a. Upon completion of negotiations of the Ground Lease and Facilities Lease, the County shall consider approving and authorizing execution of said leases. The final schedule of monthly rent payments due under the Facilities Lease shall be determined and added as an exhibit to the Facilities Lease upon the issuance and sale of the Bonds.

b. The County hereby requests that CFP lease the Land pursuant to the anticipated Ground Lease and undertake the Project, and thereby relieve the County of the governmental burden thereof. The County hereby approves CFP solely for the purposes of approving the issuance by it of the Bonds to finance the Project under the Revenue Procedure. The Bonds shall not be an obligation of the County or any other agency or subdivision of the state of California, subject to entering into the Ground Lease and Facilities Lease. The County further agrees to accept title to the Project financed by the Bonds, including any additions to the Premises, when the Bonds are discharged. At such time, title to the Project financed by the Bonds will be transferred to the County at no additional cost.

c. To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12, as applicable to a participating underwriter or remarketing agent for Bonds, the County is hereby authorized to enter into an undertaking in a form acceptable at the time to the participating underwriter or remarketing agent, as the case may be.

d. All appropriate officers of the County are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this action. All acts taken and all approvals and agreements previously made pursuant to the authority of this action but prior to the effective date hereof are hereby ratified and confirmed.

e. This ordinance shall be published before the expiration of fifteen (15) days after its passage and adoption pursuant to California Government Code Section 25124.

Section 5. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalid-

ity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 6. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

Kevin Jeffries, Chairman of the Board I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on April 30, 2019, the foregoing Ordinance consisting of six (6) sections was adopted by said Board by the following vote:

AYES: Jeffries, Spiegel, Washington and Perez

NAYS: None

ABSENT: Hewitt

By: Karen Barton, Board Assistant

Published: 5/8/2019

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Government Code.

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by said board by the following vote:
AYES: Jeffries, Spiegel,
Washington and Perez
NAYS: None
ABSENT: Hewitt
Kecia R. Harper, Clerk of the Board
By: Karen Barton, Board Assistant
Published: 5/8/2019

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