

**For Nevada Residents:**

You may be placed on our Internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:**

We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

**Information From Children**

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

**International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

**FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

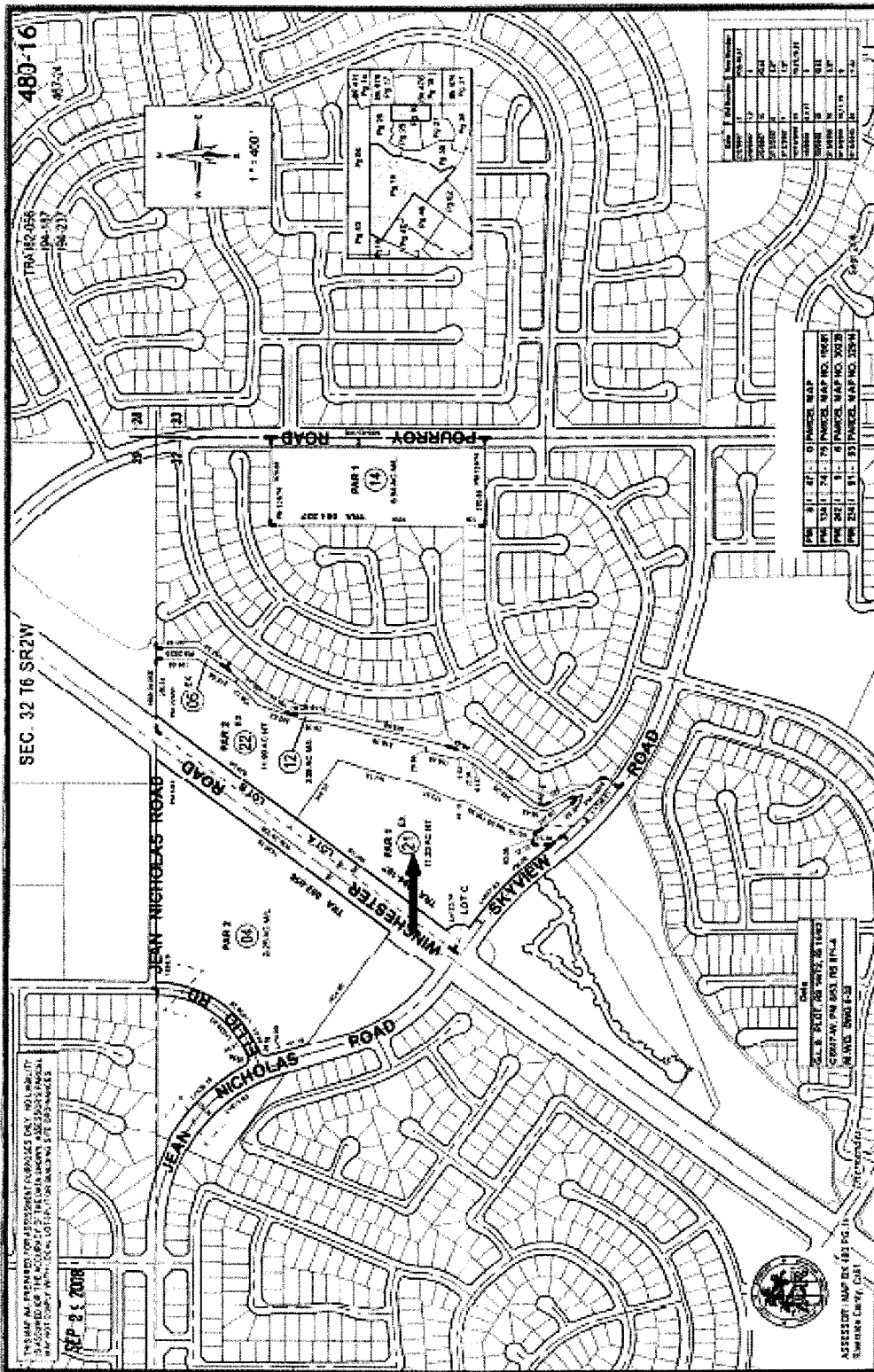
**Your Consent To This Privacy Notice; Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville Florida 32204  
Attn: Chief Privacy Officer



**EXHIBIT A-5**

**FRENCH VALLEY – STAGING AREA**

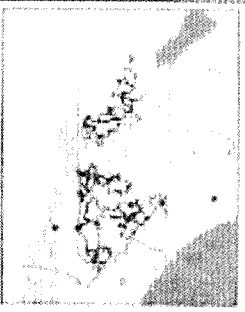
**EXHIBIT B**

**MENIFEE - LOCATION MAP**

***[Attached]***

Menifee 364-152-034

Exhibit B



Legend

Notes

Library Facility will be provided to approximately 20,000 Sq. Ft.

"IMPORTANT: 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 is often third party), 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 this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON: 11/27/2011 9:37:43 AM © Riverside County RCIT GIS



**EXHIBIT B-1**

**MENIFEE - SITE PLAN SHOWING (FINAL) LEASED PREMISES**

*[to be provided before signing]*

**EXHIBIT B-2**

**MENIFEE - LEASED PREMISES (FINAL) ALTA SURVEY**

***[to be attached after signing]***

**EXHIBIT B-3**

**MENIFEE – FINAL LEASED PREMISES LEGAL DESCRIPTION AND PLAT MAP**

*[to be attached after signing]*



**EXHIBIT B-4**

**MENIFEE - 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 Suite 400  
Riverside, CA 92501

Title Officer: Barbara Northrup--So  
email: TU65@LTIC.COM  
Phone No.: (951) 248-0669  
Fax No.:  
File No.: 616670742

Attn: Bonnie Perez

Your Reference No: 364-152-034

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 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

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:

Common Lot 183 of Tract No. 22163, in the County of Riverside, State of California, as per map on file in Book 191, Pages 60 through 70 inclusive of Maps, in the Office of the County Recorder of said County.

Except an undivided  $\frac{1}{2}$  interest in and to all oil, gas, or other hydrocarbon substances and all minerals of every kind and nature in or under produced from below 500.00 feet from the surface of the above described property, as reserved by Hayden Worthington and Betty Worthington, husband and wife and Rancho Menifee, Inc., in deed recorded June 5, 1957 as Instrument No. 41040, of Official Records of Riverside County, California. Said reservation being subject to certain covenants, as particularly set out in said Deed.

Also except all remaining interest in all oil, oil rights, minerals, mineral rights, natural gas rights, and other hydrocarbons by whatsoever name known, geothermal steam, and all products derived from any of the foregoing that may be within or under said land without, the right to drill, mine, store, explore and operate through the surface or the upper 500.00 feet of the subsurface of said land, as reserved by the Lusk Company, a California Corporation in instrument recorded October 28, 1987 as Instrument No. 310333 of Official Records of Riverside County, California and in Deed recorded October 30, 1987 as Instrument No. 314378 of Official Records of Riverside County, California.

Assessor's Parcel No: 364-152-034

## **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. Intentionally deleted
- B. 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
- C. 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.
- D. 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.
- E. 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.
  - 1. Water rights, claims or title to water, whether or not disclosed by the public records.
  - 2. 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: October 28, 1987  
Recording No: as Instrument No. 310333 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.

Among other things, said document provides for: reservation of easement over a portion of said land for public utilities, drainage and encroachments.

- 3. 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: October 30, 1987  
Recording No: as Instrument No. 314376 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.

4. Matters contained in the dedication statement or elsewhere on the tract or parcel map shown below, which among the things provide:

Tract/Parcel Map: Tract No. 22163

Provisions: as follows:

As a condition of dedication of Lot "A" (Menifee Road) the owners of Lot 183 abutting this Highway and during such time will have no rights of access except the general easement of travel. As a condition of dedication of Lot "B" (La Piedra Road). The owners of Lot 183 abutting this highway and during such time will have no rights of access except the general easement of travel.

Environmental constraint sheet affecting this map is on file in the Office of the Riverside County Surveyor. In E.C.S. Book 16, Page 4.

This affects all Lots.

Reference is made to said map for full particulars.

5. 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/plat.

Affects: Lot 183 abutting Menifee Road

6. 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/plat.

Affects: Lot 183 abutting La Piedra Road

7. Matters contained in that certain document

Entitled: Traffic Signalization Mitigation Agreement  
Dated: August 26, 1988  
Executed by: County of Riverside and Ahmanson Developments Inc.  
Recording Date: October 6, 1988  
Recording No: as Instrument No. 290573 of Official Records

Reference is hereby made to said document for full particulars.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: General Telephone Company of California  
Purpose: Public utilities  
Recording Date: November 2, 1988  
Recording No: as Instrument No. 320126 of Official Records  
Affects: said land more particularly described therein

9. Matters contained in that certain document

Entitled: Development Agreement No. 20  
Dated: Not Set Out  
Executed by: County of Riverside and others  
Recording Date: November 7, 1988  
Recording No: as Instrument No. 325500 of Official Records

Reference is hereby made to said document for full particulars.

Said Agreement has been supplemented by Supplemental Agreement recorded November 23, 1988 as Instrument No. 343478 of Official Records.

A first Amendment to Development Agreement No. 20 recorded June 26, 1996 as Instrument No. 236925 of Official Records.

Assignment and Assumption of Development Agreement

Recording Date: June 21, 2004  
Recording No.: as Instrument No. 2004-0473830 of Official Records

10. 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: December 15, 1988  
Recording No.: as Instrument No. 367887 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.

Modification(s) of said covenants, conditions and restrictions

Recording Date: October 12, 1993  
Recording No.: as Instrument No. 398950 of Official Records

Modification(s) of said covenants, conditions and restrictions

Recording Date: July 12, 1999  
Recording No.: as Instrument No. 311108 of Official Records

Among other things, said document provides for: water wells, pipelines, access, maintenance or streets, parkways, pole lines, sewer, drainage and landscaping

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

Granted to: Southern California Edison Company  
Purpose: Public utilities  
Recording Date: January 5, 1989  
Recording No.: as Instrument No. 3781 of Official Records  
Affects: said land more particularly described therein

12. Matters contained in that certain document

Entitled: Traffic Signalization Mitigation Agreement  
Dated: Not Set Out  
Executed by: County of Riverside and Rieflly Homes  
Recording Date: May 10, 1989  
Recording No.: as Instrument No. 1150189 of Official Records

Reference is hereby made to said document for full particulars.

13. 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: January 25, 2006  
Recording No: as Instrument No. 2006-0057468 of Official Records

14. 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.
15. 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.

16. 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.
17. 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:**

NONE

## 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.

Processor: cph/BN  
Date Typed: January 9, 2019

**ATTACHMENT ONE**

4-2-15 CA &amp; NV

**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 relating (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 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

Attachment One (4-2-15) CA &amp; NV

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

**EXCLUSIONS**

- In addition to the Exceptions on Schedule B, You are not insured against loss, costs, attorney's 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.

The Exclusion does not limit the coverage described in Covered Risk 8, 9, 14, 15, 16, 18, 19, 20, 21 or 23.
  - 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, 9, 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 12.
  - 7 The transfer of the Title to You is treated 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 amounts and maximum dollar limits shown on Schedule A are as follows:

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

**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, attorney's 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 created 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 (a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion (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 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 (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 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.
- 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 attaching 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, for 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.)

### 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 improvements created 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 (a) does not modify or limit the coverage provided under Covered Risk 5.

**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) governmental 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 3.
- (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 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 (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) 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.
7. (Variable exceptions such as liens, easements, CC&R's, etc. shown here.)

Attachment One (4-2-15) CA &amp; NV

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (04-02-15)****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 created 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(c), 13(d), 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(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 1 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) attaching 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 26.
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 attaching 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 23(b) of this policy.
10. Contamination, explosives, 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.

Attachment One (4-2-15) CA &amp; NV



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

Order No. 616670742

## 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)

Page 16



## **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.

### **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.

**For Nevada Residents:**

You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3112; email: BCPINFO@ag.state.nv.us.

**For Oregon Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:**

We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

**Information From Children**

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

**International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

**FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

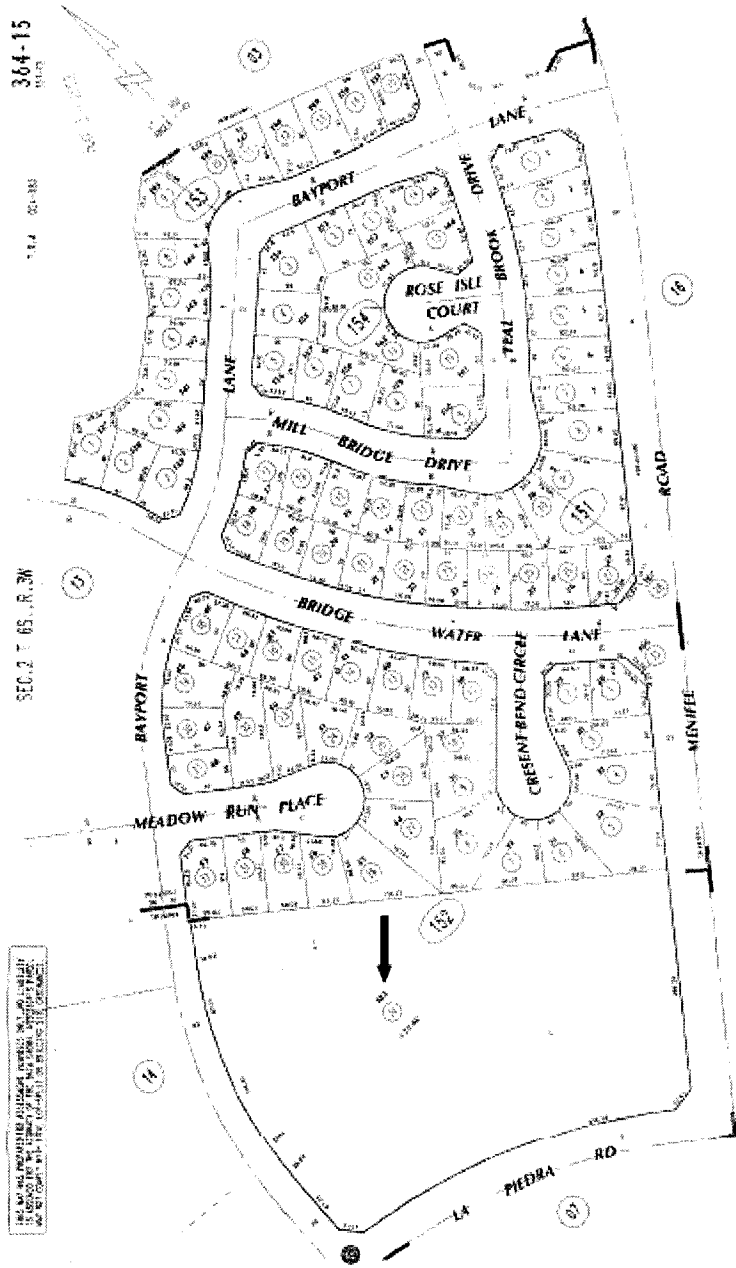
**Your Consent To This Privacy Notice: Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

**Accessing and Correcting Information: Contact Us**

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer



364-15

1.7.7 02-183

SEC. 2 T. 6S. R. 3N

THIS MAP PREPARED BY THE ENGINEER HAS BEEN EXAMINED AND FOUND TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE ENGINEERING PROFESSIONAL ACT AND THE SUBDIVISION MAP ACT.

15/23-25 TRACT MAP NO. 27123-1  
 15/20-22 TRACT MAP NO. 27123

25250-140-1114-1115  
 BROADWAY, CALIF. 427

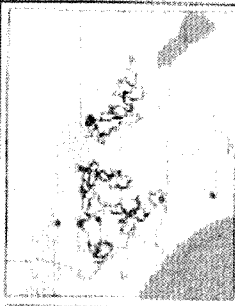
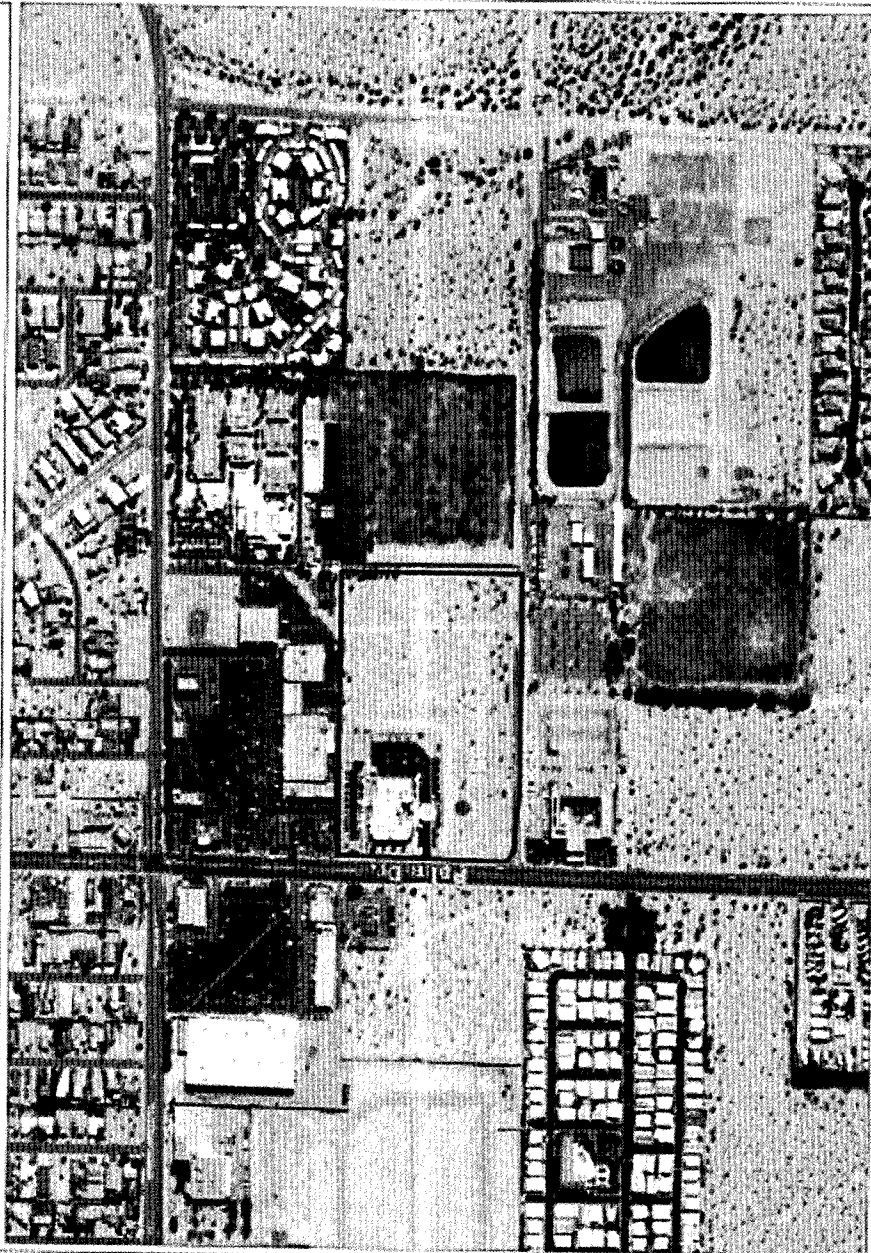
**EXHIBIT B-5**  
**MENIFEE – STAGING AREA**

**EXHIBIT C**

**DESERT HOT SPRINGS - LOCATION MAP**

***[Attached]***

**Desert Hot Springs 656-040-060**  
**Exhibit C**



**Legend**

- ROADWAYS
- TRAILS
- INTERCHANGE
- WATERWAYS
- OFFSHORE
- CONCRETE
- PAVEMENT
- BOUNDARY
- WATER
- HYDROGRAPHY/LINES
- WATER BODIES
- WATER
- WATER

**Notes**  
 Utility study will be prepared on approximately 15,000 sq. ft.

**IMPORTANT:** 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 accuracy of the data or the accuracy of any other third party's accuracy, in compliance of any of the data provided, and shall not be held responsible for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON: 11/27/2017 9:34:34 AM

© Riverside County RCIT GIS

0 624 1,247 Feet

RCIT

**EXHIBIT C-1**

**DESERT HOT SPRINGS - SITE PLAN SHOWING (FINAL) LEASED PREMISES**

*[to be provided before signing]*



**EXHIBIT C-2**

**DESERT HOT SPRINGS - LEASED PREMISES (FINAL) ALTA SURVEY**

***[to be attached after signing]***

**EXHIBIT C-3**

**DESERT HOT SPRINGS – FINAL LEASED PREMISES LEGAL DESCRIPTION AND  
PLAT MAP**

*[to be attached after signing]*

## EXHIBIT C-4

### DESERT HOT SPRINGS - 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

Title Officer: Barbara Northrup--So  
email: TU65@LTIC.COM  
Phone No.: (951) 248-0669  
Fax No.:  
File No.: 618650490

Attn: Bonnie Perez

Your Reference No: 431ED - DHS Library

Property Address: (Vacant Land) Desert Hot Springs, California

---

### **PRELIMINARY REPORT**

---

Dated as of November 16, 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.

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

Page: 1

**SCHEDULE A**

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

CLTA Standard Owners

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

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:

The South half of the North half of the Northeast Quarter of Section 6, Township 3 South, Range 5 East, San Bernardino Base and Meridian, in the City of Desert Hot Springs, County of Riverside, State of California, according to the Official Plat thereof.

Except that portion of said land lying Easterly of the following described line:

Beginning at a point on the North line of said Northeast Quarter, said point being the Northeast Quarter of Parcel "B" of Parcel Map No. 17663, as shown on map filed in Book 102, Pages 9 to 11 inclusive of Parcel Maps, in the Office of the County Recorder of said County; thence along the Easterly line of said Parcel "B" and its prolongation, South 0°07'36" West to the Southerly line of said North half.

Assessor's Parcel Number: 656-040-039-3

### SCHEDULE 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. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2018-2019. Said Land is subject to the possible assessment and collection of property taxes for current and prior years.
  - B. 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.
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. Reservations contained in the Patent

From: The United States of America  
To: Not Set Out  
Recording Date: November 9, 1915  
Recording No: in Book 7, Page 72 of Patents

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts; and also subject to the right of the proprietor of a vein or lode to extract and remove his ore therefrom should the same be found to penetrate or intersect the premises hereby granted, as provided by law; and the reservation from the lands hereby granted of a right of way thereon for ditches or canals constructed by the authority of the United States.

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

Purpose: public highway and public utility purposes  
Recording Date: July 19, 1940  
Recording No: Book 467, Page 521 of Official Records  
Affects: Said land more particularly described therein

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

Purpose: construction, installation and maintenance of facilities for the collection, transmission and disposal of sewage  
Recording Date: March 19, 1973  
Recording No: 34346 of Official Records  
Affects: Said land more particularly described therein

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

Purpose: overhead and underground electrical supply systems and communication systems  
Recording Date: May 2, 1980  
Recording No: 83831 of Official Records  
Affects: Said land more particularly described therein

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

Purpose: drainage  
Recording Date: June 2, 1981  
Recording No: 100973 of Official Records  
Affects: Said land more particularly described therein

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

Purpose: public purpose  
Recording Date: November 28, 1990  
Recording No: 432371 of Official Records  
Affects: Said land more particularly described therein

9. Matters contained in that certain document

Entitled: Agreement to Dedicate Land to the City of Desert Hot Springs  
Dated: Not Set Out  
Executed by: City of Desert Hot Springs and Yu Kuan Lin Hsiac Ling Chang Lin, Yu Lin Yin Wu Lin  
Recording Date: March 18, 1999  
Recording No: 99-110639 of Official Records

Reference is hereby made to said document for full particulars.

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

In favor of: Southern California Edison Company  
Purpose: Public utilities  
Recording Date: December 23, 1999  
Recording No: 99-554596 of Official Records  
Affects: Said land more particularly described therein

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

In favor of: Southern California Edison Company  
Purpose: Public utilities  
Recording Date: October 6, 2011  
Recording No: 2011-0441787 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: City of Desert Hot Springs  
Purpose: road and public utility  
Recording Date: August 28, 2012  
Recording No: 2012-0408403 of Official Records  
Affects: Said land more particularly described therein

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

In favor of: City of Desert Hot Springs  
Purpose: sidewalk and landscape purposes  
Recording Date: August 28, 2012  
Recording No: ~~2012-0408404~~ of Official Records  
Affects: Said land more particularly described therein

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

In favor of: Mission Springs Water District, a County Water District and Public Agency  
Purpose: public sewer and water utilities  
Recording Date: October 10, 2012  
Recording No: ~~2012-0482500~~ of Official Records  
Affects: Said land more particularly described therein

15. A financing statement as follows:

Debtor: County of Riverside, California  
Secured Party: Banc of America Public Capital Corp.  
Recording Date: May 27, 2018  
Recording No: ~~2018-0259160~~ of Official Records

16. 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.
17. 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.
18. 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.
19. 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.
20. 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:**

NONE

## 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: Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note No. 5: Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DDT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note No. 6: Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.
- Note No. 7: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note No. 8: 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: sic  
Date Typed: November 29, 2018

Attachment One (Revised 05-06-16)

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 relating (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 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.

**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 existence 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.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:

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

- 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 amounts and maximum dollar limits shown on Schedule A are as follows:

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

**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.

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

- (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 (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 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.
  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 attaching 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, [for T] 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.}]

**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 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 (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) 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.]
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)**

**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(c), 13(d), 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(c), 13(d), 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) attaching 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 26.
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 vestee 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 attaching 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.

File No: 618650490



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

Order No. 618650490

## 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

## Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened. DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>

## **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.

#### **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.

**For Nevada Residents:**

You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:**

We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

**Information From Children**

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

**International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

**FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

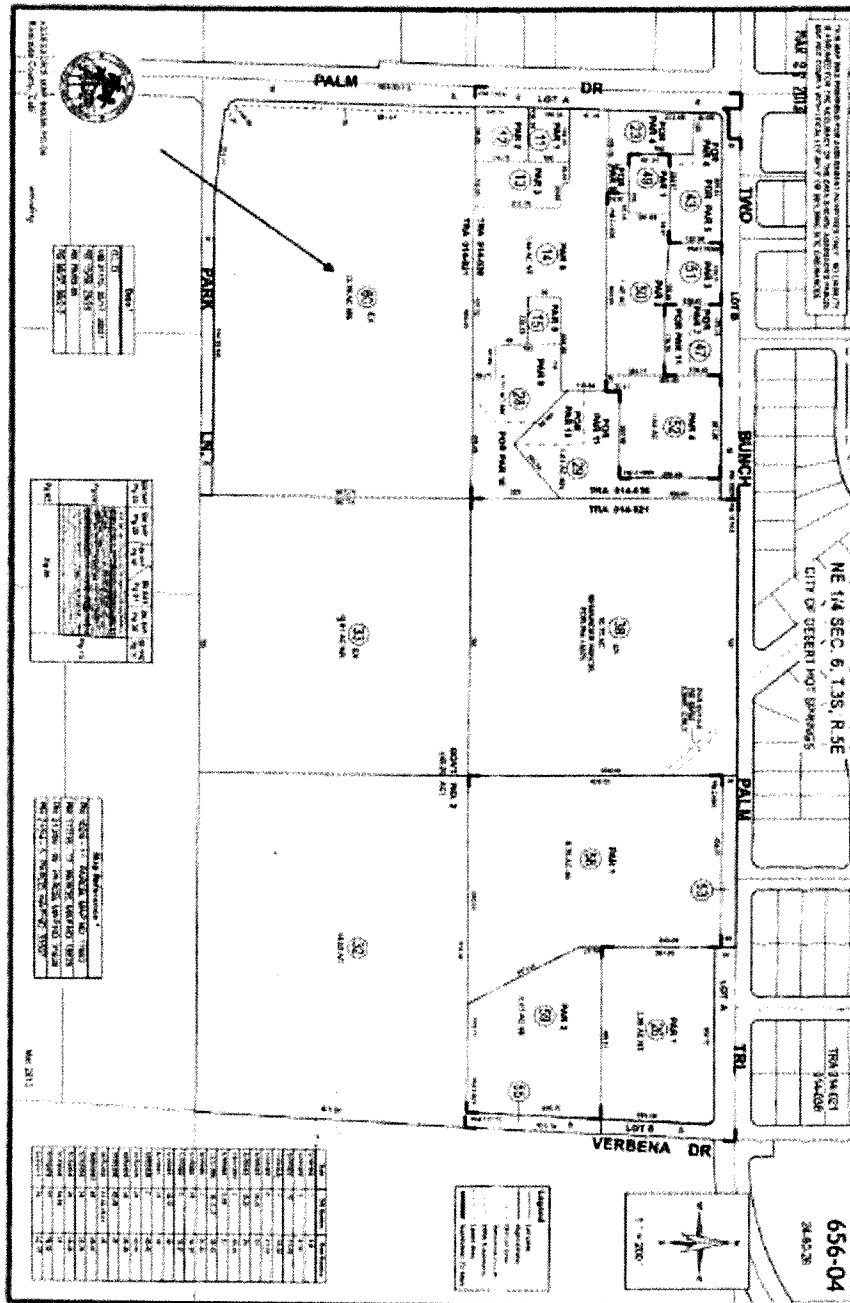
**Your Consent To This Privacy Notice; Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer



Order: QuikView,  
 Doc: 656-A Map AS3E95OR

Page 1 of 1

Requested By: Printed: 1/03/2005 1:28 PM



**EXHIBIT C-5**

**DESERT HOT SPRINGS – STAGING AREA**

**EXHIBIT D**

**EXISTING CONDITIONS INFORMATION**

- A. Geotechnical Studies
- B. Phase I Environmental Studies
- C. French Valley Plant Study [?]
- D. French Valley Endangered Species Study [?]

**Exhibit F**

**PROJECT SCHEDULE**

*[See Facilities Lease Exhibit D]*

Exhibit G

FINAL DRAWINGS AND SPECIFICATIONS APPROVAL FORM

**APPROVAL CONFIRMATION OF  
FINAL DRAWINGS AND SPECIFICATIONS**

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, have entered into that certain Ground Lease dated \_\_\_\_\_, 2019 whereby Ground Lessee is obligated to develop, design and construct the Project, which includes the Library Improvements on the Leased Premises as such terms and conditions are defined therein and pursuant and subject to the terms and conditions of the Facilities Lease.

Pursuant to the terms and conditions of the Ground Lease and Facilities Lease, the Ground Lessee has prepared and submitted to Ground Lessor for approval certain documents for the design and construction of the Project.

Ground Lessee has prepared and submitted to Ground Lessor and Ground Lessor confirms that Ground Lessee has presented to Ground Lessor for Ground Lessor's review and approval of the following documents:

1. Final Drawings and Specifications as set forth in Exhibit H-3 of the Facilities Lease; Collectively, the above referenced documents will hereinafter be referred to as the “**Documents**”.

By submission of the Documents by Ground Lessee to Ground Lessor, Ground Lessee confirms that it has finalized and approved said Documents.

Ground Lessor confirms that Ground Lessor has reviewed the Documents and said Documents have been approved by and through the delegate and administrator of the Ground Lease and Facilities Lease authorized by the Board of Supervisors for the County of Riverside.

*[Signature Provisions on Following Page]*

IN WITNESS WHEREOF, the Parties have executed this Plans approval Form upon the dates indicated below.

**GROUND LESSOR:**

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Chairman  
Board of Supervisors

Dated: \_\_\_\_\_

**GROUND LESSEE:**

CFP RIVERSIDE, LLC

A Minnesota non-profit limited liability company

By: \_\_\_\_\_  
Name: Steve Collins  
Title: President

**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

*County revisions  
dated April 22, 2019*

**FACILITIES LEASE AGREEMENT**

**between**

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

**as Landlord**

**and**

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

**as Tenant**

**\_\_\_\_\_, 2019**

**(Riverside County Library Facilities Project)**

**FACILITIES LEASE**  
**(Riverside County Library Facilities Project)**

**TABLE OF CONTENTS**

		<b>Page</b>
1.	Definitions.....	4
2.	Premises.....	4
	2.1 Letting.....	4
	2.2 Defined.....	4
	2.3 Easements.....	5
	2.4 Preparation of Premises/Acceptance.....	5
	2.5 Condition of Premises; Completion of Project.....	5
	2.6 Permits, Fees, Taxes and Assessments.....	6
	2.7 Compliance.....	6
	2.8 FF&E.....	6
3.	Use.....	6
4.	Term.....	6
	4.1 Commencement and Duration; Lease Year.....	6
	4.2 Termination.....	7
	4.3 Assignment.....	7
5.	Base Rent; Additional Rent.....	8
	5.1 Base Rent.....	8
	5.2 Rent Abatement and Other Damages if Construction Failure.....	8
	5.3 Periodic Rent Adjustments.....	8
	5.4 County Obligation.....	9
	5.5 Additional Rent.....	9
	5.6 Modified Gross Lease.....	9
	5.7 No-Offset.....	9
	5.8 Application of Capitalized Interest; Landlord's Contingency Fund.....	9
	5.9 Defeasance.....	10
	5.10 Application of Unused Project Contingency, Unused Base Rent, etc.....	10
	5.11 Covenant to Budget for Base Rent and Additional Rent (if any).....	11
6.	Options to Purchase Library Improvements; Conveyance of Title.....	11

**FACILITIES LEASE**  
**(Riverside County Library Facilities Project)**

**TABLE OF CONTENTS**

	<b>Page</b>
6.1 Option to Purchase all Library Improvements .....	11
6.2 Option to Purchase all Library Improvements Associated With One or Two Libraries .....	11
6.3 Exercise of Purchase Options .....	12
6.4 Option to Partially Prepay Lease .....	12
6.5 No Requirements to Exercise Options .....	12
6.6 Accounting; Disputed Amounts .....	12
6.7 Conveyance of Premises .....	13
7. Maintenance and Repairs .....	13
7.1 Maintenance and Repairs by Landlord .....	13
7.2 Time for Repairs .....	14
7.3 Tenant’s Right to Make Repairs .....	14
7.4 Emergency Repairs .....	14
7.5 Periodic Services .....	14
8. Management of the Premises; Operating Costs; Custodial Services .....	15
8.1 Standard of Operation .....	15
8.2 Property Management .....	15
8.3 Tenant’s Election to Manage .....	15
8.4 Operating Costs .....	15
8.5 Exclusions from Operating Costs .....	17
8.6 Payment of Operating Costs .....	19
8.7 Right to Review and Audit .....	20
8.8 Custodial Services .....	21
8.9 Tenant’s Right to Provide Custodial Services and Deduct Cost .....	21
9. Security .....	21
10. Utilities .....	21
11. Alterations and Additions .....	22
11.1 Alterations by Landlord .....	22
11.2 Lien Free .....	22



**FACILITIES LEASE**  
**(Riverside County Library Facilities Project)**

**TABLE OF CONTENTS**

	<b>Page</b>
11.3 Prevailing Wage.....	22
11.4 Alterations by Tenant.....	23
11.5 Communications Equipment.....	23
11.6 Prevailing Wages .....	23
12. Indemnification.....	24
12.1 Indemnification and Hold Harmless.....	24
13. Insurance.....	25
13.1 Landlord’s Insurance .....	25
13.2 Tenant’s Insurance .....	26
14. Damage and Destruction. [Subject to provisions of the Bond Financing Documents.].....	28
14.1 Repair of Damage .....	28
14.2 Repair Period Notice.....	28
14.3 Rent Abatement .....	28
14.4 Waiver of Statutory Provisions.....	29
15. Eminent Domain. [Subject to provisions of Bond Documents.] .....	29
15.1 Total Condemnation of all or Portion of Premises .....	29
15.2 Partial Condemnation.....	29
15.3 Award.....	30
15.4 Temporary Condemnation .....	30
15.5 Tenant Covenants.....	30
16. Estoppel Certificates.....	30
16.1 Estoppel Certificates .....	30
16.2 Failure to Execute .....	30
17. Assignment and Subletting.....	31
18. Default. [Subject to the terms of the Bond Financing Documents.].....	31
18.1 Landlord’s Default.....	31
18.2 Tenant’s Default.....	32
19. Representations and Warranties.....	33

**FACILITIES LEASE**  
**(Riverside County Library Facilities Project)**

**TABLE OF CONTENTS**

	<b>Page</b>
20. Ground Lease.....	34
21. Miscellaneous.....	35
21.1 Quiet Enjoyment.....	35
21.2 Non-Waiver.....	35
21.3 Binding on Successors.....	35
21.4 Severability.....	35
21.5 Venue.....	35
21.6 Attorneys' Fees.....	35
21.7 Tenant's Representative.....	35
21.8 Agent for Service of Process.....	35
21.9 Entire Agreement.....	36
21.10 Interpretation.....	36
21.11 Time of Essence.....	36
21.12 Consent.....	36
21.13 Omitted.....	36
21.14 Conveyance by Landlord.....	36
21.15 Mechanic's Liens.....	36
21.16 Force Majeure.....	36
21.17 Notice.....	37
21.18 Authority.....	37
21.19 Approval of Supervisors.....	37
21.20 Limitation on Landlord Liability.....	37
21.21 No Merger of Estates.....	38
21.22 Separate Writing and Exhibits.....	38
21.23 Bond Financing Contingency.....	38

## TABLE OF EXHIBITS

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

EXHIBIT A-1	French Valley Architectural Design Exhibits
EXHIBIT A-2	Menifee Architectural Design Exhibits
EXHIBIT A-3	Desert Hot Springs Architectural Design Exhibits
EXHIBIT B	Premises Legal Descriptions and Plat Maps (to be attached after signing)
EXHIBIT C	Rent Schedule
EXHIBIT C-1	Confirmation of Rent Commencement Date
EXHIBIT C-2	Capital Expenditure Worksheet
EXHIBIT C-3	Early Prepayment Premiums
EXHIBIT C-4	Elect to Purchase Notice
EXHIBIT C-5	Elect to Partially Prepay Notice
EXHIBIT D	Project Schedule
EXHIBIT E	County of Riverside Economic Development Agency Real Estate Division General Construction Specifications For Leased Facilities
EXHIBIT F	Budgeted Operating Costs
EXHIBIT G	[Omitted]
EXHIBIT H	Work Letter Agreement for Development of the Project-Terms and Conditions
EXHIBIT H-1	Project Budget
EXHIBIT H-2	FF&E Budget
EXHIBIT H-3	Final Drawings and Specifications [to be attached upon completion]
EXHIBIT H-4	Final FF&E Items [to be attached upon completion]
EXHIBIT I	Property Management Agreement
EXHIBIT J	[omitted]

## FACILITIES LEASE AGREEMENT

### (Riverside County Library Facilities Project)

This **FACILITIES LEASE AGREEMENT** (“**Facilities Lease**”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2019 (the “**Effective Date**”) by and between **CFP RIVERSIDE, LLC**, a Minnesota non-profit limited liability company, as the Landlord (“**Landlord**” or “**CFP**”), and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, as the Tenant, (“**Tenant**” or “**County**”). Tenant and Landlord are hereinafter collectively referred to as the “**Parties**” or individually as a “**Party**.”

### RECITALS

A. Landlord, as the Ground Lessee, and Tenant, as the Ground Lessor, have entered into that certain Ground Lease dated on the same date as this Facilities Lease (the “**Ground Lease**”), pursuant to which Landlord leases from Tenant the following real properties in the County of Riverside, State of California (collectively, the “**Leased Premises**”):

1. A portion of an approximately 11.33 acre parcel of vacant land in unincorporated Riverside County identified in the Site Plan attached to the Ground Lease as Exhibit A-1 (“**French Valley Site Plan**”) referred to as the “**French Valley Leased Premises**;”

2. A portion of an approximately 4.73 acre parcel of vacant land in the City of Menifee identified in the Site Plan attached to the Ground Lease as Exhibit B-1 (“**Menifee Site Plan**”) referred to as the “**Menifee Leased Premises**;” and

3. A portion of an approximately 13.78 acres parcel of land containing vacant land in the City of Desert Hot Springs identified in the Site Plan attached to the Ground Lease as Exhibit C-1 (“**Desert Hot Springs Plan**”) referred to herein as the “**Desert Hot Springs Leased Premises**.”

Copies of the three foregoing site plans (collectively, “**Site Plans**”) are attached hereto as portions of Exhibit A-1, Exhibit A-2 and Exhibit A-3, respectively, and incorporated herein by this reference.

B. The Ground Lease is for the purpose of developing, planning, entitling, designing, building, financing, equipping, operating and maintaining:

1. an approximately 25,000 square foot modern and state-of-the-art library on the French Valley Leased Premises, consistent with the French Valley Site Plan, and associated Floor Plan, Exterior Elevations and 3d Views Exterior provided to Tenant by email on February 1, 2019 and accompanied by a page titled “Tenant Approval of Architectural Design Lease Exhibits” and indicating “PROJECT: Riverside County Library System – French Valley” (collectively, the “**French Valley Architectural Design Exhibits**”) attached hereto as Exhibit A-1 and incorporated herein by this reference (“**French Valley Library**”);

2. an approximately 20,000 square foot modern and state-of-the-art library on the Menifee Leased Premises consistent with the Menifee Site Plan, and associated Floor Plan, Exterior Elevations and 3d Views Exterior provided to Tenant by email on February 1, 2019 and accompanied by a page titled “Tenant Approval of Architectural Design Lease Exhibits” and indicating “PROJECT: Riverside County Library System – Menifee” (collectively, the “**Menifee Architectural Design Exhibits**”) attached hereto as **Exhibit A-2** and incorporated herein by this reference (“**Menifee Library**”); and

3. an approximately 15,000 square foot modern and state-of-the-art library developed on the Desert Hot Springs Leased Premises consistent with the Desert Hot Springs Site Plan, and associated Floor Plan, Exterior Elevations and 3d Views Exterior provided to Tenant by email on February 1, 2019 and accompanied by a page titled “Tenant Approval of Architectural Design Lease Exhibits” and indicating “PROJECT: Riverside County Library System – Desert Hot Springs” (collectively, the “**Desert Hot Springs Architectural Design Exhibits**,” and together with French Valley Architectural Design Exhibits and Menifee Architectural Design Exhibits, the “**Architectural Design Exhibits**”) attached hereto as **Exhibit A-3** and incorporated herein by this reference (“**Desert Hot Springs Library**”).

C. The French Valley Library, Menifee Library and Desert Hot Springs Library are referred to individually as a “**Library**” and collectively as the “**Libraries.**” The Libraries, together with certain appurtenant improvements (as described in the Ground Lease and the Work Letter Agreement attached hereto as **Exhibit H** and by this reference incorporated herein (the “**Work Letter**”)), are referred to as the “**Library Improvements.**”

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 Leased Premises.

E. In response to the RFP, the Tenant 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. Landlord’s sole member is CFP Riverside, LLC, 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 Tenant.

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

H. Landlord 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 Landlord and the Tenant in the development, planning, entitlement, designing, building, financing, equipping, operating and maintenance of the Libraries on portions of the Leased Premises.

I. Landlord has entered into a Management Agreement for Real Property, dated \_\_\_\_\_, 2019 (the “**Property Management Agreement**”) with Omni West Group, 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, a copy of which is attached hereto as **Exhibit I**.

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 Tenant 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 Landlord pursuant to a Loan Agreement, dated as of \_\_\_\_\_, 2019 (the “**Loan Agreement**”) between the Issuer and Landlord, as borrower thereunder.

K. To provide security for the Bonds, all of Landlord’s rights, title and interests in and to the Ground Lease and this 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, Landlord 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 Agreement**”).

M. To provide security for the Bonds, all of Landlord’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 Agreement**”).

N. The developing, planning, entitling, designing, building, financing, equipping, operating and maintaining the Library Improvements upon the Leased Premises, and the planning, entitling, designing, building and financing of the Off-Premises Improvements on the

Excluded Properties (if any) as more particularly described in the Ground Lease, this Facilities Lease and **Exhibit H** attached hereto is referred to herein and in the Ground Lease as the “**Project.**” The Project will be a part of the Riverside Tenant Library System (“**Library System**”) operated by the Tenant.

O. Tenant, as Ground Lessor under the Ground Lease, is required to prepare final legal descriptions and plat maps of the Leased Premises. See 2.2 below.

P. Landlord and Tenant desire to enter into this Facilities Lease whereby Tenant shall lease, among other things, the real property upon which the Libraries are located and the Library Facilities from Landlord as the “**Premises**” under this Facilities Lease, Landlord shall operate and maintain the Premises as provided herein, and Tenant shall occupy the Premises in exchange for the payment of Base Rent and subject to all of the terms, covenants and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, stipulated and agreed, the Parties hereto agree as follows:

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

2. **Premises.**

2.1 **Letting.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, for the term, at the rental, and upon all terms, covenants and conditions set forth in this Facilities Lease. Tenant shall not be entitled to occupy the Premises until the date of the Substantial Completion of the Project, as set forth in the Project Schedule attached hereto as **Exhibit D** and incorporated herein, as amended from time to time pursuant to the Work Letter.

2.2 **Defined.**

2.2.1 The Premises shall consist of the Leased Premises and the Library Improvements.

2.2.2 Upon preparation by Landlord and approval (as provided in the Ground Lease) of the final legal descriptions and plat maps by Tenant for the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises, they will be initialed by both Landlord and Tenant and attached to this Facilities Lease as **Exhibit B-1**, **Exhibit B-2** and **Exhibit B-3**, respectively, and incorporated herein by this reference. At such time:

(a) all references to the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises herein shall mean the lands described in **Exhibit B-1**, **Exhibit B-2** and **Exhibit B-3**, attached hereto, respectively;

(b) all references to the Leased Premises herein shall mean the lands described in Exhibit B-1, Exhibit B-2 and Exhibit B-3, attached hereto, collectively; and

(c) all references to the Premises herein shall take into account the foregoing final definitions of French Valley Leased Premises, Menifee Leased Premises, Desert Hot Springs Leased Premises, and Leased Premises

2.3 Easements. [if applicable] In addition, to the use of the Premises, throughout the Term of this Facilities Lease, Landlord hereby grants to Tenant, and Tenant shall have (subject to the rights of the Trustee under the Assignment of Leases and Rents), all easement rights of Landlord granted under the Ground Lease (if any) which survive the completion of construction of the Project, at no cost to Tenant pursuant to this Facilities Lease (unless otherwise specified in this Facilities Lease), including without limitation \_\_\_\_\_, all rights subject to such reservation of rights in favor of the Ground Lessor under the Ground Lease as provided therein.

2.4 Preparation of Premises/Acceptance. The rights and obligations of the Parties regarding the planning, design and construction of the Project before the use and occupation of the Premises by Tenant are provided in this Facilities Lease and the Work Letter. Landlord shall develop, design and construct the Project pursuant to the terms herein, the Work Letter and the Ground Lease, and shall operate and maintain the Premises pursuant to the terms herein.

2.5 Condition of Premises; Completion of Project. Landlord shall complete the Project and deliver the Premises to Tenant with the Project Substantially Completed and thereafter complete the Project in accordance with the terms herein, the Work Letter and the Ground Lease, in a fully clean and safe condition, free of hazards and debris, entirely permitted and inspected by local authorities, on or before the date of Substantial Completion as set forth in the Project Schedule, subject to Force Majeure Delays and Tenant-Caused Delays (each as defined in Exhibit H). In the event of a Construction Failure (as defined in Section 5.2 of this Facilities Lease), Tenant shall have the remedies set forth in Section 5.2 of this Facilities Lease. Prior to Substantial Completion of the Project, Landlord shall (i) give notice to Tenant that the Project is Substantially Complete and the Architect, Design-Build Contractor, Landlord and Tenant shall inspect the Library Improvements and Off-Premises Improvements, and (ii) cause the Design-Build Contractor and each prime designer and Contractor to execute and deliver to Landlord and Tenant lien waivers, in a form, content and scope reasonably acceptable to Tenant (which lien waivers may be conditioned upon receipt by the Design-Build Contractor of the final payment). Within sixty (60) days after Substantial Completion, Landlord shall deliver and assign over to Tenant all owner's manuals, record drawings, operations and maintenance manuals, a CD containing all Project as-built drawings and specifications and, on a non-exclusive basis, all warranties provided by any contractor (including the Design-Build Contractor) or supplier relative to any elements of the Project (including all systems and equipment, including, but not limited to, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, security systems, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, that serve the Premises and all other such elements in the Premises (herein defined as the "**Base Building Systems**")) other than those elements installed or constructed by Tenant (if any, the "**Third Party Warranties**"). All Third Party Warranties shall be in the name of



Landlord and Tenant. Tenant shall be entitled to directly make claims on, collect and/or enforce all Third Party Warranties, provided Landlord shall assist Tenant in prosecuting enforcement of any all such Third Party Warranties.

2.6 Permits, Fees, Taxes and Assessments. Prior to Substantial Completion, Landlord shall use commercially reasonable efforts to secure, as part of the Project costs, the Permits and any licenses required for the planning, design and construction of the Project, and Landlord shall pay prior to delinquency all fees, taxes (other than real property or possessory taxes) and penalties levied against the Premises or required by any authorized public entity, all such costs to be included in Total Project Costs to the extent attributable to the period occurring prior to the Rent Commencement Date (as defined in Section 5.1 below), Tenant shall be responsible for establishing any mitigation of or any exemption for (and if not for paying) all real property and possessory taxes, and (if any) assessments under this Facilities Lease to the extent attributable to the period occurring after the Rent Commencement Date (“**Taxes and Assessments**”).

2.7 Compliance. If after Substantial Completion of the Project, the Premises do not comply with the warranty of Landlord as to its duty to comply with all governmental regulations concerning the Project as contained in the Ground Lease, Tenant shall notify Landlord in writing of such non-compliance and Landlord shall, promptly after receipt of written notice from Tenant or any governmental agency having jurisdiction over such matters setting forth the nature and extent of such non-compliance, rectify the same at Landlord’s expense, unless the cost would otherwise qualify as an Extraordinary Operating Costs (as defined in Section 8.6).

2.8 FF&E. Subject to design, selection and payment by Tenant as provided in the Work Letter, Landlord shall cause the procurement and installation of FF&E as defined in and as provided in the Work Letter. Notwithstanding any other provision of this Facilities Lease or the Ground Lease, Landlord acknowledges that all FF&E is and at all times will be the Tenant’s sole property. Tenant may, at any time during the term of this Facility Lease remove, replace or add any additional FF&E, subject to all terms and conditions of this Lease (including without limitation Section 11.5), provided that Tenant will repair any damage caused by any FF&E installation or removal.

3. Use. Tenant shall use and occupy the Premises for the purpose of operating public libraries and any related use, but the Premises may be used for any official business of County government or other County governmental purpose or, subject to obtaining an approving Opinion of Bond Counsel, any other legal use which is reasonably comparable thereto. Tenant may sublease the Premises as provided in Section 17.2 below.

#### 4. Term.

4.1 Commencement and Duration; Lease Year. This term of this Facilities Lease (the “**Term**”) shall commence on the Effective Date, which is the date of its full execution by the Parties hereto and, unless sooner terminated pursuant to the terms and conditions provided herein, shall continue until 11:59 p.m. on the date which is 30 years after the dated date of the Bonds (“**Expiration Date**”). Notwithstanding the foregoing, the Term shall be automatically

extended for a period of time equal in duration as the Premises are unavailable for Tenant's use and occupancy as a result of an abatement with respect to the entire Premises following the expiration of the lease interruption insurance coverage described in Section 13.3.2. All of the other terms and provisions of this Facilities Lease shall be effective from and after the Effective Date (except as otherwise provided herein, such as Tenant's obligation to pay Base Rent and any Additional Rent which shall not commence until the Rent Commencement Date). A "Lease Year" shall be each 365 (or if applicable 366) day period commencing with the Effective Date, and each anniversary thereof.

4.2 Termination. In addition to those termination rights set forth in Section 6 herein, Tenant shall have the right to terminate this Facilities Lease subject to the provisions below:

4.2.1 In the event Landlord fails or refuses to perform, keep or observe any of Landlord's duties or obligations hereunder, other than a Construction Failure, Tenant may pursue all remedies at law or in equity as provided herein; provided, however, that Landlord shall have thirty (30) days in which to correct Landlord's breach or default after written notice thereof has been served on Landlord and the Trustee by Tenant unless the nature of default or breach is such that more than thirty (30) days are required. Landlord shall have an additional ninety (90) days to remedy, provided Landlord has commenced the remedy within the initial thirty (30) day period, and is proceeding diligently to complete within the additional ninety (90) day period. Except with respect to a Construction Failure, if any breach or default is not corrected after the time period set forth herein, Tenant may pursue all remedies at law or in equity; subject to Section 5.7 below. Tenant's sole and exclusive remedies under this Facilities Lease in connection with a Construction Failure are set forth in Section 5.2 below.

4.2.2 Prior to invoking the right to pursue any remedies available to Tenant (other than in connection with a Construction Failure), Tenant shall serve a final notice to Landlord specifying the outstanding default and any supporting documentation Tenant may possess for such default. Landlord shall serve a written response to Tenant setting out its position and any support for its position within ten (10) days following receipt of Tenant's final notice, time being of the essence, and Landlord shall waive any right to further delay Tenant's exercise of remedies if it fails to timely respond to Tenant's final notice. Within ten (10) days following receipt of Landlord'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, Tenant may pursue any such remedies as are available to Tenant as described in this Facilities Lease.

4.3 Assignment. Subject to the rights of the Trustee under the Assignment of Leases and Rents, in the event of termination by Tenant or Landlord of any or all of this Facilities Lease under this Section 4 and concurrent termination of the Ground Lease pursuant to any provisions of this Facilities Lease or the Ground Lease, Landlord 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 Tenant of certain agreements for such services as provided herein below. Following Tenant's satisfaction of its payment obligations set forth in Section 4.2 and (if any) this Section 4.3,

Landlord shall assign to Tenant any agreements entered into by Landlord in connection with the Project prior to such termination to the extent Tenant elects in writing in its sole discretion to assume and such agreements are assignable, together with any rights Landlord may have with respect to any work product or permits generated under the assigned agreements that Tenant elects in its sole discretion to assume. Any agreements which Tenant elects not to assume or which are not assignable shall be terminated by Landlord, as applicable. Any such assignment which includes a transfer of work product or permits generated under the assigned agreement is conditioned upon Tenant payment to Landlord of the amounts paid by Landlord for such specific work product or permits, under the assigned agreement, as evidenced by supporting documentation such as invoices and receipts.

5. **Base Rent; Additional Rent.**

5.1 **Base Rent.** Commencing upon the first day of the calendar month immediately following the earlier to occur of (i) the Outside Completion Date set forth in the Project Schedule (as such date may be extended by Force Majeure Delay or Tenant-Caused Delay), (ii) Substantial Completion Date of the Project by Landlord, or (iii) occupancy of the Libraries by Tenant ("**Rent Commencement Date**"), Tenant shall pay, in advance, to Landlord, or at Landlord's direction to the Trustee, rent for the Premises, in semi-annual installments ("**Base Rent**"), and continuing on the first day of each sixth calendar month after the Rent Commencement Date for the duration of the Term, unless terminated sooner per the terms of this Facilities Lease. Base Rent shall be as set forth in the Rent Schedule attached hereto as **Exhibit C**, and by this reference incorporated herein. Confirmation of the Rent Commencement Date shall be executed by the Parties in a form as set forth in **Exhibit C-1**. Tenant acknowledges that time is of the essence in payment of Base Rent since Landlord intends to use portions of the Base Rent to make principal and interest payments on the Bonds and to pay operation and maintenance expenses and insurance costs for the Leased Premises.

5.2 **Rent Abatement and Other Damages if Construction Failure.** If Landlord shall fail to achieve Substantial Completion of the Project in accordance with the terms of the Work Letter and this Facilities Lease by the Outside Completion Date as set forth in the Project Schedule (as such date may be extended for any Force Majeure Delay or Tenant-Caused Delay) (a "**Construction Failure**"), then commencing on the date which would have been the Rent Commencement Date had Landlord achieved Substantial Completion of the Project on the Outside Completion Date Schedule (as such date may be extended for any Force Majeure Delay or Tenant-Caused Delay), Base Rent and Additional Rent (if any) shall be abated, on a day-for-day basis, until the date that Substantial Completion of the Project has occurred. Tenant shall pay the unabated portions of the Base Rent and (if any) Additional Rent installments for the six-month period during which Landlord achieves Substantial Completion of the Project within thirty (30) days after Substantial Completion of the Project. Additionally, Tenant shall be entitled to receive its own liquidated damages under the Design-Build Contract as provided in Work Letter Section 12.6

5.3 **Periodic Rent Adjustments.** The Base Rent shall increase when and as indicated in the Rent Schedule.

5.4 County Obligation. THE OBLIGATION OF THE TENANT TO MAKE RENTAL PAYMENTS WILL NOT CONSTITUTE A GENERAL OBLIGATION OR DEBT OF THE TENANT OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE TENANT OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE TENANT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATIONS OF THE TENANT UNDER THIS FACILITIES LEASE SHALL BE PAYABLE SOLELY FROM THE TENANT'S GENERAL FUND. NOTWITHSTANDING THE FOREGOING, TENANT MAY, IN ITS SOLE DISCRETION, MAKE PAYMENTS UNDER THIS FACILITIES LEASE FROM ANY LEGALLY AVAILABLE FUNDS.

5.5 Additional Rent. Any amounts payable by Tenant to Landlord pursuant to this Facilities Lease other than Base Rent shall constitute "**Additional Rent.**" Additional Rent shall be limited to and include only Extraordinary Operating Costs and costs of Alterations (as defined in Section 11 below).

5.6 Modified Gross Lease. Tenant acknowledges that this Facilities Lease is a modified gross lease. From and after the Rent Commencement Date, Tenant shall pay directly for all Utility Costs (as defined in Section 10) relative to the Premises, as well as all taxes and assessments (if any) to the extent provided in Section 2.6. above.

5.7 No-Offset. This Lease shall not terminate, nor shall Tenant have any right to terminate this Facilities Lease (except as otherwise expressly provided to the contrary herein), nor (except as otherwise expressly provided to the contrary herein) shall Tenant be entitled to any abatement of Base Rent or Additional Rent (if any). It is the intention of Tenant and Landlord that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Base Rent and Additional Rent (if any) shall continue to be payable in all events, and that the obligations of Tenant hereunder shall continue unaffected in all events, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Facilities Lease. Notwithstanding anything to the contrary contained above in this Section, Tenant retains a separate and independent right to sue Landlord for damages or seek equitable remedies against Landlord with respect to any claim Tenant may have against Landlord or in any way relating to this Facilities Lease or the Premises; provided, however, that in no event shall any judgment, order or injunction or equitable relief granted in favor of Tenant abate, be set-off against, reduce or otherwise affect Tenant's obligation to pay Base Rent and/or Additional Rent (if any) or effectuate a release of Tenant with respect thereto.

5.8 Application of Capitalized Interest; Landlord's Contingency Fund. Landlord and Tenant acknowledge that the Bonds are interest-only for the first thirty (30) months (i.e., through \_\_\_\_\_, 2021, the "**Capitalized Interest Period**"), and that during such time payments on the Bonds and Operating Costs shall be made from capitalized interest received by the Trustee on issuance of the Bonds, not Base Rent. As the Capitalized Interest Period ends after the date by which Landlord is expected to achieve Substantial Completion of the Project, the Parties anticipate Tenant making Base Rent payments before such amounts are required to make payments on the Bonds. The parties agree that, as provided in Section \_\_\_ of the

Indenture, all Base Rent payments made before the end of the Capitalized Interest Period shall be allocated to a separate fund (“**Landlord’s Contingency Fund**”) to cover potential operations and maintenance costs which are over and above the budgeted amounts set forth in Exhibit F attached hereto (“Budgeted Operating Costs”). Use of the Landlord’s Contingency Fund is as set forth in Section \_\_\_ of the Indenture. Additionally, pursuant to Sections \_\_\_ and \_\_\_ of the Indenture, respectively, (i) any unused Base Rent resulting from actual Operating Costs being less than the Budgeted Operating Costs shall be deposited into Landlord’s Contingency Fund and used as provided in this Facilities Lease, and (ii) Tenant may use the balance of unspent funds in the Landlord’s Contingency Fund (regardless of source) to make the final principal and interest payments then due on the Bonds, whether upon expiration of the Term of the Facilities Lease, exercise of the Purchase Option (as provided in Section 6 below), or otherwise.

5.9 Defeasance. In the event that money and/or “**Government Obligations,**” as such obligations are now or may hereafter be defined in the Indenture, maturing at such time or times and bearing interest to be earned thereon are deposited with the Trustee in amounts sufficient to prepayment and defease all Bonds as provided in the Indenture, Section \_\_\_\_, then upon such deposit and compliance with the terms of the Indenture, and provided that Tenant has fulfilled all other obligations under this Facilities Lease, including payment of any Additional Rent then due, Landlord shall (subject to Section 6.7 below) convey its interests to the Premises to Tenant, this Lease shall automatically terminate, no further payments need be made of any Rent under this Facilities Lease and Landlord shall not be entitled to any lien, benefit or security in the Premises, except the right to receive the funds so set aside and pledged, and neither Landlord nor Tenant shall have any further obligation to the other hereunder. Pursuant to Section \_\_\_ of the Indenture, Trustee shall apply such money or Governmental Obligations to the defeasance or redemption of Bonds in accordance with the Indenture. In the event the Premises are conveyed to Tenant pursuant to this Section, the Ground Lease executed between the Parties shall automatically terminate.

5.10 Application of Unused Project Contingency, Unused Base Rent, etc.. If upon completion of the Project Fund (as defined in the Indenture) and/or there are any savings based on actual costs for the developing, planning, entitling, designing, building, financing and equipping of the Project (see Work Letter Sections 4.1 and 4.3), such amounts shall be applied as follows, as determined by the Tenant:

5.10.1 To make a deposit to the Landlord’s Contingency Fund as provided in Indenture Section \_\_\_;

5.10.2 To redeem Bonds as provided in Indenture Section \_\_\_ (and in which case the Parties shall agree to a corresponding reduction of the Rent Schedule);

5.10.3 As a credit against Tenant’s initial Base Rent payments (commencing with the payment due on the Rent Commencement Date); or

5.10.4 To reimburse Tenant for FF&E Costs (as defined in and paid pursuant to the Work Letter).

5.11 Covenant to Budget for Base Rent and Additional Rent (if any). Tenant hereby covenants to take such action as may be necessary to include all Base Rent and Additional Rent (if any) due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rent and Additional Rent (if any) subject only to Section 14.3 and Section 21.23 hereof. The covenants on the part of Tenant herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of Tenant to take such action and do such things as are required by law in the performance of such official duty of such officials to enable Tenant to carry out and perform the covenants and agreements on the part of Tenant contained in this Facilities Lease. The obligation of Tenant to pay Base Rent and Additional Rent (if any) does not constitute an obligation of Tenant for which Tenant is obligated to levy or pledge any form of taxation or for which Tenant has levied or pledged any form of taxation. The obligation of Tenant to pay Base Rent and Additional Rent (if any) does not constitute indebtedness of Tenant, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

## 6. Options to Purchase Library Improvements; Conveyance of Title.

6.1 Option to Purchase all Library Improvements. Subject to the terms of Section \_\_\_ of the Indenture relating to the redemption of the Bonds, commencing on the sixth (6<sup>th</sup>) anniversary of the Rent Commencement Date (“**Optional Prepayment Date**”) and at any time thereafter until the expiration of the Term, Tenant shall have the option (“**Purchase Option**”) to purchase, subject to the provisions of Indenture Section \_\_\_ and (to the extent applicable) **Exhibit C-3**, all Library Improvements and thereby terminate this Facilities Lease and the Ground Lease. The purchase price of all of the Library Improvements shall be the amount required to fully redeem or defease all outstanding Bonds, utilizing the information in the columns on **Exhibit C-3 (“Early Prepayment Premiums”)** titled “Total Maturities Subject to Optional Redemption Provision” (regarding the principal balance of the Bonds as of the dates indicated) and “Redemption Price” (containing the applicable premiums and total redemption prices as of the dates indicated), plus accrued interest, as set forth in Indenture Section \_\_\_ and costs associated with such purchase, taking into account prior payments of Base Rent held by the Trustee which were otherwise intended to be used to pay principal and interest on the Bonds and any remaining amount in the Landlord’s Contingency Fund as provided in Section 5.8.

6.2 Option to Purchase all Library Improvements Associated With One or Two Libraries. Subject to the terms of Section \_\_\_ of the Indenture relating to the redemption of the Bonds, commencing on the Optional Prepayment Date and at any time thereafter until the expiration of the Term, from time to time, Tenant shall have the option (“**Partial Purchase Option**”) to purchase, subject to the provisions of Indenture Section \_\_\_ and (to the extent applicable) **Exhibit C-3**, all Library Improvements associated with any one or two of the Libraries, and thereby terminate this Facilities Lease and the Ground Lease as to the applicable Library Improvements so purchased and terminate the Ground Lease as to the applicable Leased Premises. The purchase price of such Library Improvements shall be the amount required to fully redeem or defease all outstanding Bonds attributable to that Library or Libraries (based on the pro-rata portion of Total Project Budget allocable to the applicable Library or Libraries as described in **Exhibit H-1**), utilizing the information in the columns on **Exhibit C-3 (“Early Prepayment Premiums”)** titled “Total Maturities Subject to Optional Redemption Provision”

(regarding the principal balance of the Bonds as of the dates indicated) and “Redemption Price” (containing the applicable premiums and total redemption prices as of the dates indicated), plus accrued interest, as set forth in Indenture Section \_\_\_ and costs associated with such purchase, taking into account prior payments of Base Rent held by the Trustee which were otherwise intended to be used to pay principal and interest on the applicable Bonds and the pro-rata portion of any remaining amount in the Landlord’s Contingency Reserve as provided in Section 5.8.

6.3 Exercise of Purchase Options. **[Conform to Indenture requirements for Redemption Notices to Bondholders.]** Tenant shall give Landlord and Trustee not less than *[forty-five (45)]* days’ prior written notice of its irrevocable election to exercise either a Purchase Option or Partial Purchase Option in the form set forth on the attached **Exhibit C-4**. The purchase price shall be paid in cash or same-day available funds no later than 12:00 noon Pacific Time on the *[second business day]* prior to the payment date specified in such notice (or such other earlier date as Tenant and Landlord may mutually agree). Upon completion of a Partial Purchase Option, **Exhibit C** attached hereto shall be amended to reflect the reduction in Base Rent resulting from such partial purchase.

6.4 Option to Partially Prepay Lease. **[Conform with Bond Structure]** Commencing on the Optional Prepayment Date and at any time thereafter until the expiration of the Term, from time to time, and in addition to the Purchase Option and Partial Purchase Option, Tenant shall have the option (“**Partial Prepayment Option**”) to partially prepay the principal component of Base Rent, in \$5,000.00 increments for periods to be determined by Tenant (as represented by the principal components of Base Rent due every six (6) months as set forth on the Rent Schedule). Tenant shall give Landlord and Trustee not less than *[forty-five (45)]* days’ prior written notice of its irrevocable election to exercise its Partial Prepayment Option in the form set forth on the attached **Exhibit C-5**. By 12:00 p.m. Pacific Time on the *[second business day]* prior to payment date (or such other earlier date as Tenant and Landlord may mutually agree), Tenant shall pay to Trustee in cash or same-day available funds, an amount equal to the principal component of Base Rent to be prepaid, together with interest thereon to the date of prepayment, with instructions that such funds shall be used to optionally redeem Bonds. Upon such prepayment, **Exhibit C** attached hereto shall be amended to reflect the reduction in Base Rent resulting from such prepayment. Tenant shall be responsible for paying all costs associated with the partial prepayment.

6.5 No Requirements to Exercise Options. Nothing herein shall be construed to require Tenant to exercise any option under this Section 6.

6.6 Accounting; Disputed Amounts. Within fifteen (15) days of its receipt of a notice under Section 6.2 or 6.3, Landlord shall cause Property Manager pursuant to Section \_\_\_ of the Property Management Agreement to provide Tenant with an accounting of all Additional Rent then due and expected to be due on the purchase date set forth in the notice. (If the notice is under Section 6.3, the accounting shall relate only to Additional Rent for the Library or Libraries being purchased.) If Tenant does not dispute such accounting, Tenant shall pay all such Additional Rent and other amounts due and owing on the purchase date. If Tenant disputes the amounts set forth in the accounting provided by Landlord and Property Manager and an agreement cannot be reached within twenty (20) days of receipt of the accounting, then Tenant shall pay all undisputed amounts on the purchase date, and any amounts remaining in dispute

are not waived by Landlord, and, notwithstanding the conveyance of the Premises, Landlord may seek those amounts through any lawful dispute resolution process. Amounts paid by Tenant to prepay Bonds and cause conveyance of some or all of the Premises shall be used only for that purpose and shall not be first applied to Additional Rent. Payment may, to the extent permitted by the Indenture, be partially made by demand to use amounts remaining in any operating, capital, or replacement reserve accounts not already allocated to work actually performed or equipment purchased.

6.7 Conveyance of Premises. In the event of an exercise of the Purchase Option or Partial Purchase Option, Landlord shall convey to Tenant its interests in and to the Premises (or applicable portion thereof) without recourse or warranty (except by assignment of warranties provided by Design-Builder, other Contractors and their equipment suppliers) and in its then condition, upon (i) the termination of this Facilities Lease, as a result of the full payment and retirement or defeasance of all outstanding Bonds (or portion applicable to one or two of the Libraries, if applicable) pursuant to the terms of the Indenture and (ii) discharge of the Indenture (or portion thereof). The deed by which Landlord conveys the Premises (or portion thereof) to Tenant may not list any exceptions other than covenants, conditions and restrictions then recorded against the Premises (or portion thereof), if any which: (i) were approved by Tenant prior to the date of Substantial Completion; (ii) consist of non-delinquent real estate taxes and assessments or (iii) arise by reason of Tenant's activities. Tenant shall pay the cost for any owner's policy of title insurance it elects to obtain in connection with such conveyance. Landlord shall not be required to make any representations regarding the conditions of the Premises (or portion thereof) being transferred, and Tenant agrees to accept the Premises (or portion thereof) in an "as is" condition. Upon conveyance, the Ground Lease (or applicable portion thereof) shall automatically terminate, and, upon request by either Party, the Parties shall execute and record a termination of Ground Lease and this Facilities Lease (or portion thereof) in the real property records of Riverside County. In addition, prior to the conveyance, maintenance records, management records and records of contracts and payments with vendors for the entire Term of this Facilities Lease commencing with the Rent Commencement Date shall be made available to Tenant, or transferred into the Tenant's possession. Complete transfer of records is not required until disputes, if any, are resolved.

## 7. Maintenance and Repairs.

7.1 Maintenance and Repairs by Landlord. Subject to the provisions of Section 8.4, 8.5 and 8.6 of this Facilities Lease and to payment by Tenant of Base Rent and Additional Rent (if any), Landlord shall, in accordance with this Facilities Lease, maintain, repair and replace in an attractive condition, good order and function (ordinary wear and tear excepted) throughout the Term the Premises, including but not limited to the following: (a) all structural portions of the Premises (including without limitation all roofs, foundations and load bearing walls); (b) all non-structural portions of the Premises (including without limitation all roof coverings and membranes, gutters, skylights and downspouts), including without limitation all Library Improvements, Alterations and fixtures, but excluding furnishings, trade fixtures, equipment and personal property (including without limitation FF&E) which will be Tenant's obligation; (c) systems and equipment including, but not limited to Base Building Systems, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, security systems, flooring, ceiling, doorways, windows, hardware, fixtures, lighting, HVAC, and loading



doors and (d) the exterior of the Libraries and exterior hardscape and landscaped areas located on the Leased Premises. Subject to payment by Tenant of Base Rent and Additional Rent (if any), Landlord shall take all action and will perform all interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary, maintenance and repairs required to keep all parts of the Premises in good repair and condition, subject only to ordinary wear and tear. It is the intent of this Section that Landlord agrees to perform all maintenance and make all repairs to the Premises that may become necessary by reason of industry standard for age, wear and tear, deferred maintenance or defects in any construction thereof, all as may be requested by Tenant and borne by Landlord, except for Extraordinary Operating Costs.

7.2 Time for Repairs. Landlord shall make, or cause to be made, repairs promptly when appropriate to keep the applicable portion of the Premises and other items in the condition described in this Section 7. Landlord understands certain response time is required to ensure Tenant's operations continue with minimal interruption and to ensure the safety of employees and visitors and delivery of services. Landlord shall include in any property management contract for the Premises (including without limitation the Property Management Agreement) a requirement that the property manager commence its efforts to address repairs within eight (8) hours from written notice with respect to electrical power, HVAC operations, plumbing and roof leaks, and within ten (10) days for all other repairs and maintenance (unless, due to the nature of the particular repair or maintenance obligation, more than thirty (30) days are reasonably required to complete it, in which case the property manager shall not be in default if it begins the work within this ten (10) day period and diligently pursues it to completion).

7.3 Tenant's Right to Make Repairs. If Tenant provides notice to Landlord of an event or circumstance that requires the action of Landlord with respect to the replacement, repair, or maintenance to the Premises as set forth in Section 7 and Landlord fails to provide such action as required by the terms of this Facilities Lease within the time period specified in Section 7.2, Tenant may (but shall not be obligated to do so) take the required action if: (1) Tenant delivers to Landlord an additional written notice advising Landlord that Tenant intends to take the required action if Landlord does not begin the required repair or maintenance within twenty four (24) hours, after the written notice; and (2) Landlord fails to begin the required work within the twenty four (24) hour period. Tenant shall pay for any costs incurred to perform maintenance or repairs on behalf of Landlord.

7.4 Emergency Repairs. An "Emergency Repair Situation" is defined as the existence of any condition that requires prompt repair, replacement or service to minimize the impact of an event or situation which affects Tenant's ability to conduct business in a neat, clean, safe and functional environment. If Tenant notifies Landlord of an Emergency Repair Situation which occurs in or about the Premises which is the responsibility of Landlord to repair or maintain, then Landlord shall commence appropriate repairs or maintenance immediately after notice of the condition is given by Tenant, which notice may be via telephone, facsimile, email, personal contact or any other means, and Landlord shall thereafter diligently pursue to completion said repairs or maintenance.

7.5 Periodic Services. Landlord shall provide, or cause to be provided, at its sole cost and expense as part of Operating Costs, all non-capitalizable periodic services, including but not limited to, semi-annual pest control services, quarterly HVAC standard

preventative maintenance and changing of air filters; annual fire extinguisher inspections; reset interior and exterior time clocks for time changes; annual roof inspections and maintenance to include roof repairs; cleaning of roof gutters, drains, and down spouts prior to rainy season.

**8. Management of the Premises; Operating Costs; Custodial Services.**

8.1 Standard of Operation. Landlord shall at all times use its commercially reasonable, good faith and diligent efforts to maintain and repair the Premises in an economically reasonable manner and control Operating Costs (as defined in Section 8.4 below) in accordance with reasonable commercial standards prevailing in the market place for comparable premises, and in accordance with the Annual Operating Budget (as defined in Section 8.6 below) for such Operating Costs as provided below and (subject to Section 8.6.4 below) as otherwise as requested by Tenant.

8.2 Property Management. Following Substantial Completion of the Project, Landlord shall at all times cause the Premises to be operated by a professional property management company selected and managed by Landlord (“**Manager**”) with Tenant’s consent, which consent shall not be unreasonably withheld. The Manager shall initially be the Property Manager. The Manager shall have experience in managing buildings of comparable size and quality to the Premises at a management fee which shall not be in excess of the management fee charged by property management companies managing public buildings of comparable size and quality in Riverside County. The Manager shall at all times operate the Premises in compliance, in all material respects, with the requirements of all laws and in compliance, in all material respects, with the terms and provisions of this Facilities Lease. Subject to Tenant’s consent (which shall not unreasonably be withheld), contracts with the Property, contracts with the Manager shall be terminable upon not less than six (6) months’ notice beginning five (5) years after the Rent Commencement Date. The initial form of Property Management Agreement is attached hereto as **Exhibit I**. Landlord shall provide Tenant with a copy of any amendments to the Property Management Agreement, and any subsequent management agreement for the Premises and amendments thereto, promptly after Landlord’s execution thereof.

8.3 Tenant’s Election to Manage. Beginning five (5) years after the Rent Commencement Date, Tenant may, upon not less than six (6) months’ written notice to Landlord and Property Manager, elect to operate and maintain the Premises itself or by a property manager of its choosing; provided, however, that if Tenant elects to do so, Landlord shall have no further rights or obligations with respect to the operation and maintenance activities specifically set forth in Tenant’s notice as being assumed by Tenant, and Tenant shall operate and maintain the Premises to a standard equal to or better than that of Landlord. If Tenant makes such an election, the Parties shall adjust the Rent Schedule accordingly to take into account the resulting reduction in Landlord obligations and costs; provided, that in no event shall the resulting Base Rent be less than the amount required to continue paying all principal and interest on the Bonds and fees and costs of the Trustee under the Indenture, taking into account all amounts available to the Trustee for such purposes.

8.4 Operating Costs. Landlord shall, at its sole cost and expense, pay all Operating Costs when due, incurred by Landlord or Manager in connection with the management, operation, maintenance and repair of the Premises and all Library Improvements.

As used herein, “**Operating Costs**” means (whether or not specifically included in Exhibit F) any and all costs and expenses directly related to ownership, operation, maintenance, repair and replacement of all elements of the Premises required to keep the Premises and all Library Improvements thereon in good operating condition, Landlord’s insurance costs under this Facilities Lease and the Ground Lease, Landlord’s payments to Property Manager under the Property Management Agreement and Landlord’s fees, taxes (other than real property or possessory taxes) and penalties (if any) as required by the terms of this Facilities Lease. Notwithstanding the foregoing, Operating Costs excludes costs of the capital expenditure items identified in the Capital Expenditures Worksheet included in Exhibit C-2 attached hereto and incorporated herein (“**Capital Expenditure Worksheet**”) and (except as otherwise specifically included within the definition of Operating Costs) other costs which are required to be capitalized under Governmental Accounting Standards Board rules (“**Capital Costs**”). For purposes of this Facilities Lease, Operating Costs include, to the extent such costs are not required to be capitalized under Governmental Accounting Standards Board rules, without limitation:

8.4.1 the repair, replacement, operation, and maintenance of the Premises and all portions thereof, structural and non-structural (excluding FF&E) including, without limitation, all Base Building Systems as set forth in Section 2.5, the Libraries and interior and exterior maintenance of the Libraries, all exterior doors and windows, exterior wall finishes, broken glass in exterior and interior doors and windows, floor coverings, window frames and window coverings, sidewalks and landscaping situated on the Leased Premises, exterior light standards and lighting situated on the Libraries or on the Leased Premises, transformers, interior perimeters and interior partition walls and finishes (including periodic painting thereof), roofs, gutters, skylights and downspouts, HVAC systems, electrical systems, plumbing systems, fire and life safety systems, interior pest control, if any, trash disposal and trash receptacles, landscaping equipment, plant, trees and irrigation systems, FF&E, signage and all other areas and improvements situated on the Leased Premises and used in connection with the Premises;

8.4.2 a commercially reasonable property management fee payable to the Property Manager or any other any third party entity managing the Premises under the Property Management Agreement;

8.4.3 all costs of services provided by third parties (i.e., service providers other than Landlord or the Property Manager) and benefiting the Premises; provided, however, that Landlord or Property Manager shall obtain such services at rates generally competitive in the marketplace. Such services shall include landscaping, roof cleaning and maintenance, HVAC system maintenance and servicing and fire and life safety system servicing and maintenance, together with related costs and expenses, licenses, permits, and inspection fees, the cost of supplies, materials, equipment, and tools used in connection therewith;

8.4.4 costs to repair any damage to the Premises caused by breaking and entering or other criminal act or any other event not covered by insurance;

8.4.5 all costs of compliance with governmental laws or the board of fire underwriters (or similar organizations) now or hereafter constituted as applicable to the Premises;

8.4.6 all insurance premiums for insurance required to be carried by Landlord under the Ground Lease and this Facilities Lease;

8.4.7 the fees and costs of the Issuer and the Trustee in connection with the administration of the Bonds;

8.4.8 the amount of any deductible payable under any insurance policy described herein or under the Ground Lease as a result of repairs or replacements attributable to fire or other casualty;

8.4.9 following Final Acceptance, all attorneys' fees and other costs incurred by Landlord in efforts to enforce the provisions of the Design-Build Contract (as defined in the Work Letter), to enforce product or workmanship warranties given by the Design-Builder (as defined in the Work Letter) or other Contractors (as defined in the Work Letter) or suppliers of equipment or materials (unless Tenant desires that Landlord instead assign such warranties to Tenant), but only to the extent that such costs have not been paid from the Project Contingency (as defined in the Work Letter) or reimbursed by or recovered from Landlord, Design-Builder, any other Contractor or any other party who may be obligated to Landlord;

8.4.10 other costs reasonably incurred by Landlord in connection with the ownership, maintenance, and upkeep of the Premises in order to (i) prevent any dangerous or unsafe condition on the Premises that could result in liability to Landlord, Tenant, Trustee or their respective officers, employees, directors, or other agents or (ii) comply fully with and to avoid or to cure any default under any Legal Requirements, or (iii) to perform Landlord's obligations as Ground Lessee under the Ground Lease;

8.4.11 all costs of compliance with 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 they pertain to the Premises; and

8.4.12 any other costs included in the Annual Operating Budget or for services requested by Ground Lessor or Tenant relative to the Premises and approved by Landlord as Extraordinary Operating Costs payable from Additional Rent and which is not otherwise described herein as an Operating Cost.

8.5 Exclusions from Operating Costs. Operating Costs shall exclude:

8.5.1 Project Costs;

8.5.2 Utility Costs which shall be paid directly by Tenant as provided in this Facilities Lease;

8.5.3 All Taxes and Assessments (if any), which shall be paid directly by Tenant as provided in this Facilities Lease;

8.5.4 Costs to acquire, maintain, repair and replace FF&E, which shall be paid directly by Tenant;

8.5.5 Costs to acquire, maintain, repair and replace Off-Premises Improvements (if any), which shall be paid directly by Tenant;

8.5.6 political or charitable contributions made by Landlord;

8.5.7 fines, penalties and interest penalties incurred as a result of Landlord's negligence or failure to make payments when due or take such other actions as may be required pursuant to the terms herein;

8.5.8 legal fees, accountant's fees and other expenses incurred in connection with disputes with Tenant or associated with the interpretation of the terms of this Facilities Lease (unless Tenant is otherwise required to pay such fees and expenses pursuant to this Facilities Lease or if Landlord is the prevailing party in any such dispute) or legal proceedings arising out of Landlord's violation of the terms of this Facilities Lease or Ground Lease;

8.5.9 costs of any service provided to Tenant for which Landlord is reimbursed, or any other expense for which Landlord is reimbursed by another source or expenses which would be reimbursed if Landlord maintained the insurance coverage required by this Facilities Lease or the Ground Lease;

8.5.10 fees to Landlord or Property Manager for goods or services in excess of the fees that would typically be charged by unrelated, independent persons or entities for similar goods and services;

8.5.11 repairs or replacements necessitated by the gross negligence or willful misconduct of Landlord, Property Manager, or their employees, contractors or agents;

8.5.12 repairs or replacements attributable to fire or other casualty to the extent covered by the proceeds of insurance;

8.5.13 costs of security personnel;

8.5.14 depreciation or amortization;

8.5.15 debt service on liens with respect to the Premises not approved by Tenant;

8.5.16 damages recoverable by Tenant due to violation by Landlord of any of the terms and conditions of this Facilities Lease or Ground Lease;

8.5.17 Landlord's general corporate overhead and general administrative expenses not related to the operation of the Premises and all compensation to executives, officers or partners of Landlord;

8.5.18 costs associated with the operation of the business of Landlord as the same are distinguished from the costs of operation of the Premises, including accounting and legal matters, costs of defending any lawsuits with any lender or any employee or vendor of Landlord that do not properly arise from Landlord's ownership or operation of the Premises; and

8.5.19 costs which are capitalizable under Governmental Accounting Standards Board Rules.

8.6 Payment of Operating Costs. From and after the Rent Commencement Date Landlord shall be solely responsible for paying all Operating Costs:

8.6.1 Annual Operating Budget. Landlord shall develop an annual operating budget ("**Annual Operating Budget**") for the Premises and shall submit a copy of such Annual Operating Budget to Tenant for Tenant's approval (not to be unreasonably withheld, conditioned or delayed) no later than sixty (60) days prior to the anticipated Rent Commencement Date and prior to the commencement of each subsequent Lease Year setting forth the estimated Operating Costs expected to be incurred in connection with the Premises for the upcoming Lease Year. If Tenant shall fail to approve any Annual Operating Budget within thirty (30) business days following submittal by Landlord, the submitted Annual Operating Budget shall be deemed approved by Tenant. Any Landlord failure to identify a specific Operating Cost for which Landlord is responsible under this Facilities Lease on an Annual Operating Budget shall not limit Landlord's obligations as otherwise provided herein.

8.6.2 Payment From Base Rent. Following the Rent Commencement Date, Landlord shall pay Operating Costs (excluding only Extraordinary Operating Costs) from the portion of each Base Rent payment allocated thereto and, subject to Section 8.6.3 below, from Landlord's Contingency Fund. Tenant shall have no liability or responsibility for paying Operating Costs other than Extraordinary Operating Costs (if any) as described in Section 8.6.4 below.

8.6.3 Payment From Landlord's Contingency Fund; Application of Surplus Operating Costs. Following the Rent Commencement Date, Landlord (or Manager under the Property Management Agreement) may, with the Tenant's approval (which shall not unreasonably be withheld), to the extent unspent portions of previously paid Base Rent allocable to Operations Costs are inadequate, pay any Operating Costs which are over and above the Budgeted Operating Costs amounts ("**Excess Operating Costs**") from Landlord's Contingency Fund. In the event the actual aggregate Operations Costs (without regard to costs excluded from Operating Costs as provided in Section 8.5 above, and Extraordinary Operating Costs payable by Tenant) are less than the Budgeted Operating Costs, the difference shall be paid as provided in Section 5.10 above.

8.6.4 Tenant Responsibility for Extraordinary Operating Costs.

Notwithstanding any other provision of this Facilities Lease, Tenant shall pay as Additional Rent the additional costs for operation and repair of the Premises to the extent caused by the following (“**Extraordinary Operating Costs**”):

- (a) Force Majeure Costs (as defined below);
- (b) Capital Costs; and
- (c) Tenant requests any additional service or additional level of service (such as, for example, full-time security guards for the Premises, or maintenance of FF&E) not otherwise required by this Facilities Lease or the Property Management Agreement.

For purposes of this Facilities Lease, “**Force Majeure Costs**” means increases in the costs of performance by any Party or the Property Manager of its obligations caused by strikes, lock-outs, governmental moratorium or other governmental or quasi-governmental agency or utility provider action or inaction (including, without limitation, failure, refusal or delay in issuing permits, approvals and/or authorizations or providing sign off on work), acts of God, riots, insurrection, war, terrorism, bioterrorism, fire, earthquake, inclement weather including unusual rain, flood or other natural disaster or casualty, unavoidable casualties, governmental embargo restrictions, subsurface and environmental conditions not reasonably identified by Landlord prior to the effective date of this Facilities Lease in the exercise of its commercially reasonable due diligence (or which would reasonably have been expected to have been identified by Landlord if Landlord had exercised commercially reasonable due diligence), or other causes beyond the reasonable control of Landlord or Property Manager, which, after the exercise of due diligence to mitigate the effects thereof, increase costs of performing its obligations under this Facilities Lease. Force Majeure Costs are not costs resulting from (a) any Party’s or the Property Manager’s failure to comply with the terms and provisions of the Facilities Lease or the Property Management Agreement, or to exercise commercially reasonable due diligence, (b) increased prices, or (c) unavailability of funds.

8.6.5 Reconciliation. Within one hundred twenty (120) days after the end of each Lease Year occurring during the Term (or, if applicable, the Expiration Date), Landlord shall furnish to Tenant a reconciliation statement of the actual Operating Costs for the preceding Lease Year, including (i) the portions (if any) Landlord believes to be Excess Operating Costs or Extraordinary Operating Costs, and (ii) the amount paid by Tenant toward Operating Costs from Base Rent and (if any) Additional Rent. The reconciliation statement shall contain a reasonable explanation of the bases of any claimed Excess Operating Costs and Extraordinary Operating Costs. The reconciliation statement shall be prepared, signed and certified to be correct by Landlord or Property Manager.

8.7 Right to Review and Audit. Each year, within that period expiring ninety (90) days after Tenant’s receipt of the reconciliation statement provided under Section 8.6.5 above, Tenant shall have the right to review and audit Landlord and Property Manager’s books and records pertaining to the accuracy of the computation of Operating Costs and the determination of any Excess Operating Costs or Extraordinary Operating Costs. Copies of such review shall be delivered to Landlord and Property Manager.

8.8 Custodial Services. The Property Management Agreement also includes, and Landlord shall provide, or cause to be provided, at its sole expense as part of Operating Costs, all custodial services in connection with the Premises. The provider of such custodial services shall be experienced in providing such services for library buildings and will perform background checks through LiveScan or in the manner specified by Tenant, of qualified permanent and temporary employees to determine their suitability for employment. The provider will be bonded in the sum of \$10,000.00 (which cost shall be included in Operating Cost), and proof of such insurance, as supplied by the Landlord, shall be furnished prior to occupancy of Premises by Tenant. In addition to bonding as required herein, Landlord shall also receive proof of statutory workers' compensation insurance, commercial general liability and vehicle liability insurance from the provider of any custodial functions performed at the Premises locations.

8.9 Tenant's Right to Provide Custodial Services and Deduct Cost.

8.9.1 If Tenant provides written notice to Landlord of an event or circumstance that requires the action of Landlord with respect to the custodial services as set forth in Section 8.8, and Landlord fails to provide such action as required by the terms of this Facilities Lease within three (3) days of Tenant's notice, Tenant may take the required action to provide custodial services by its staff or those of a custodial contractor, at Landlord's sole cost and expense, if: (1) Tenant delivers to Landlord an additional written notice advising Landlord that Tenant intends to take the required action if Landlord does not begin the required action within forty-eight (48) hours after the written notice; and (2) Landlord fails to begin the required work within this forty-eight (48) hour period. For purposes of this Section, notice given by fax or e-mail shall be deemed sufficient.

8.9.2 Additionally, Tenant reserves the right to perform (directly or through a third-party provider) itself all custodial services on any or all of the French Valley Premises, Menifee Premises or Desert Hot Springs Premises, at its sole cost and expense, and deduct the Landlord's resulting cost savings from all subsequent Base Rent payments. Tenant may exercise this right at any time, with at least 90 days written notice to Landlord. Landlord will cooperate with Tenant in determining the required adjustment to Base Rent payments. If Tenant elects to perform (or caused to be perform) custodial services as provided by this Section, all such services shall performed at least to the levels required by the last applicable Property Management Agreement.

9. Security. Except to the extent included in Project elements to be designed and constructed pursuant to the Work Letter, Tenant shall be responsible for providing any required security for the Premises at its sole cost and expense.

10. Utilities. Except as otherwise provided in Section 5, Tenant shall contract for and pay separately and directly for all utilities serving the Premises from and after the Rent Commencement Date including without limitation, telephone, electricity, natural gas, water and sewer services and refuse collection services (together, "**Utility Costs**") utilized at the Premises.



## **11. Alterations and Additions.**

11.1 Alterations by Landlord. From and after the Rent Commencement Date, Tenant may require or request Landlord to manage the completion of alterations, additions, improvements or modifications to the Premises (“**Alterations**”) which shall be subject to the prior written approval of Landlord, such approval shall not be unreasonably conditioned, delayed or withheld, and (to the extent required by the Indenture) to the prior written approval of the Trustee, which shall be provided as provided in the Indenture. Landlord shall provide a written cost estimate of the requested Alterations with complete line item breakdown for each component of the requested Alterations (including a construction supervision fee to Landlord of three percent 3% of estimated costs) for Tenant’s review and approval. If Tenant approves a written cost estimate for an Alteration, Tenant shall pay Landlord for the costs of such Alteration prior to the commencement of performance of the Alteration by Landlord’s contractor or property manager, and Landlord shall proceed to cause the contractor to complete the requested Alterations. All such Alterations shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable local, state, and federal building codes and laws as from time to time amended, including, but not limited to, the requirements of the ADA (as defined in the work Letter) (collectively, “**Applicable Requirements**” and the requirements of all insurance policies required under this Lease. Any Alterations completed by Landlord pursuant to this Section shall be maintained by Landlord during the Term of and in accordance with this Facilities Lease.

11.2 Lien Free. Landlord shall pay, when due, all sums of money that become due for any labor, services, material, supplies, and equipment, that have been or are to be furnished for any Alterations, and which may be secured by a mechanics’, materialman’s or other lien against the Premises or Tenant’s interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligations secured by such lien matures or becomes due. Subject to Tenant making all required payments in a timely manner, Landlord shall cause all Alterations to be lien free, completed in a workmanlike manner and in compliance with all applicable Laws.

11.3 Prevailing Wage. Landlord shall require that Design-Builder and its subcontractors comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts and any Alterations made during the term of the of this Facilities Lease. Landlord shall require that the Design-Builder furnish all subcontractors a copy of the Department of Industrial Relations prevailing wage rates which Landlord will post at the job site. All prevailing wages shall be obtained by Landlord/Contractor from:

Department of Industrial Relations  
Division of Labor Statistics and Research  
455 Golden Gate Avenue, 8th Floor  
San Francisco, CA 94102

Landlord shall require that Design-Builder comply with the payroll record keeping and availability requirement of Section 1776 of the Labor Code. In addition, Landlord shall require

that Design-Builder make travel and subsistence payments to workers needed for performance of work in accordance with Section 1773.8 of the Labor Code. Prior to commencement of work, Landlord shall require that Design-Builder contact the Division of Apprenticeship Standards and comply with Sections 1777.5, 1777.6 and 1777.7 of the Labor Code and applicable regulations.

Additionally, Landlord shall require that all contractors and subcontractors performing Alterations to the Premises comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts and any Alterations made during the term of the of this Facilities Lease.

Landlord shall indemnify, hold harmless, and defend Tenant and shall be responsible for any fine, penalty or fee levied against the Premises arising out of any violations by Landlord of this Section.

11.4 Alterations by Tenant. Any Alterations to be undertaken by Tenant shall require the prior written consent of Landlord and (to the extent required by the Indenture) the prior written consent of the Trustee. Such consent shall not be unreasonably withheld, conditioned or delayed so long as such Alterations do not diminish the fair market value of the Premises. Any Alterations made by Tenant shall remain Tenant property and may be removed by Tenant at or prior to the expiration of this Facilities Lease; provided, however, that such removal does not cause injury or damage to the Premises or result in the diminution of the value of the Premises. Landlord shall, upon reasonable notice, have access to all plans and specifications relating to Alterations made by Tenant to Premises.

11.5 Communications Equipment. Tenant may, from time to time, install, maintain, replace and/or remove any satellite dishes, links, duct bank or antennas on the grounds, roof and/or exterior walls or parapet of the Premises as Tenant deems reasonably necessary or desirable, provided Tenant shall first obtain Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Upon the removal by Tenant of any such satellite dishes, links, or antennas, Tenant shall repair any damage incurred in connection with such removal. Any work by Tenant pursuant to this Section shall be subject to compliance with the Landlord's reasonable requirements, including, without limitation, the requirement that any work affecting the roof of the Library be undertaken in a manner so as not to affect any roof warranty then in effect.

11.6 Prevailing Wages. Tenant shall require that all contractors and subcontractors performing Alterations to the Premises comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts and any Alterations made during the term of the of this Facilities Lease.

## 12. Indemnification.

### 12.1 Indemnification and Hold Harmless.

12.1.1 Landlord shall indemnify and hold harmless Tenant, and its directors, officers, the Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "**Tenant Indemnitees**"), from any liability, including, but not limited to, property damage, bodily damage, bodily injury, or death ("**Losses**") but excluding Acts of God, arising out of any negligence or willful misconduct of Landlord or any Landlord Parties in, on, or about the Premises arising out of, from, or in any way relating to, this Facilities Lease except to the extent such Losses are attributable to the negligence or willful misconduct of such Tenant Indemnitee. When indemnifying Tenant Indemnitees, Landlord shall defend at its sole cost and expense, including but not limited to, reasonable attorneys' fees, cost of investigation, defense and settlements or awards, on behalf of Tenant in any claim or action based upon such liability.

12.1.2 Except to the extent such matter is attributable to the negligence or willful misconduct of Landlord or Landlord's agents, contractors or employees, Landlord shall not be liable to Tenant, or any of Tenant's Parties, or any other parties for: (i) any damage to property of Tenant, or of others, located in, on or about the Premises, (ii) the loss of or damage to any property of Tenant or of others by theft or otherwise, (iii) any injury or damage to persons or property resulting from fire, explosion, power failure, falling ceiling tiles or masonry, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance of plumbing works or from the roof, street or subsurface or from any other places or by dampness or by any other cause of whatsoever nature, (iv) any such damage caused by other tenants or persons in the Premises, occupants of any other portions of the Premises, or the public, or caused by operations in construction of any private, public or quasi-public work, or (v) any interruption of utilities and services. Landlord shall in no event be liable to Tenant or any other parties for any consequential, special or punitive damages or for loss of business, revenue, income or profits and Tenant hereby waives any and all claims for any such damages. Tenant shall indemnify and hold harmless Landlord, its members, officers, agents, employees, and lenders and if applicable, ground lessor (the "**Landlord Parties**") from any liability, including, but not limited to, property damage, bodily injury, or death, based or asserted on any negligent act or omission of Tenant or any of Tenant's Parties; except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Parties. When indemnifying Landlord Parties, Tenant shall defend at its sole cost and expense, including, but not limited to, reasonable attorneys' fees, cost of investigation, defense and settlements or awards, on behalf of the Landlord Parties in any claim or action based upon such liability.

12.1.3 With respect to any action or claim subject to indemnification herein, the indemnifying party shall, at its sole cost, have the right to use counsel of its choice reasonably acceptable to the indemnified party and shall not have the right to adjust, settle, or compromise any such action or claim without the prior consent of the indemnified party, which consent shall not be unreasonably withheld, conditioned or delayed.

12.1.4 The indemnifying party's obligation hereunder shall be satisfied when it has provided the indemnified party the appropriate form of dismissal relieving the indemnified party from any liability for the action or claim involved.

12.1.5 The specified insurance limits required in this Facilities Lease shall in no way limit or circumscribe the indemnifying party's obligation to indemnify as set forth herein.

12.1.6 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 the indemnifying party's obligation to provide indemnification to the fullest extent allowed by law.

12.1.7 Survival of Indemnification. The paragraphs of this Section 12 shall survive the expiration or earlier termination of this Facilities Lease until all claims involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

### **13. Insurance.**

*[All insurance provisions subject to review and approval by County Risk Manager] [All insurance provisions subject to terms of Bond Financing Documents.]*

13.1 Landlord's Insurance. Without limiting or diminishing any indemnification contained within this Facilities Lease, Landlord and/or its authorized representatives, including Property Manager, shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage during the term of this Facilities Lease:

13.1.1 Workers' Compensation. Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Said policy shall (i) include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident and (ii) endorsed to waive subrogation in favor of Tenant.

13.1.2 Commercial General Liability. Commercial General Liability Insurance coverage, including, but not limited to, premises liability, contractual liability, products/completed operations, personal and advertising injury, cross liability coverage and employment practices liability covering bodily injury, property damage, and personal injury arising out of or relating, directly or indirectly, to the design, construction, maintenance, repair, alteration and ownership of the Premises and all areas appurtenant thereto including claims which may arise from or out of Landlord's operations, use, and management of the Premises, or the performance of its obligations hereunder. Said policy shall (i) name the County, its elected and appointed officials, employees, agents, independent contractors or representatives as an Additional Insured for Landlord's indemnity obligations herein and (ii) shall have limits not less than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Facilities Lease or be no less than two (2) times the occurrence limit.

13.1.3 Vehicle Liability. If vehicles or licensed mobile equipment are used on the Premises, Landlord shall maintain auto liability insurance for all owned, non-owned or hired automobiles in an amount not less than \$1,000,000 per occurrence combined single limit. Said policy shall name Tenant, its elected and appointed officials, employees, agents, independent contractors or representatives as Additional Insured for Landlord's indemnity obligations herein.

13.1.4 Property (Physical Damage) (Builder's Risk). Prior to Substantial Completion of the Project, Landlord shall keep or require Design-Builder to keep in full force and effect, a builder's risk policy of insurance covering loss or damage to the Premises for the full replacement value of such work. The Named Insured shall include Landlord, Tenant, Design-Builder and subcontractors as their interests appear. Landlord, Design-Builder or the subcontractors shall be responsible for any deductible payments that result from a loss at the Premises under this coverage.

13.2 Tenant's Insurance. Without limiting or diminishing any indemnification contained within this Facilities Lease, Tenant and/or its authorized representatives, shall procure and maintain or cause to be maintained, from Landlord's reimbursement as an Operating Cost, the following insurance coverage from and after the Rent Commencement Date (or, if later, Substantial Completion of the Project):

13.2.1 Property (Physical Damage). Casualty insurance coverage, for the greater of the outstanding principal balance of the Bonds then outstanding or full replacement cost value of buildings, structures, fixtures, all improvements therein, and building systems as the same exists at each early anniversary of the term. Said policy shall (i) insure the Library Improvements against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood), and may be subject to a [TBD] loss deductible provision(ii) shall name Trustee as Loss Payee. Tenant may satisfy this insurance obligation by participation in CSAC Excess Insurance Authority, a Joint Powers Authority pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.) (the "**Insurance Authority**").

13.2.2 Commercial General Liability. Commercial General Liability Insurance coverage, including, but not limited to, premises liability, contractual liability, products/completed operations, personal and advertising injury, cross liability coverage and employment practices liability covering bodily injury, property damage, and personal injury arising out of or relating, directly or indirectly, to Tenant's use and occupancy of the Premises, or the performance of its obligations hereunder. Said policy shall (i) name the Landlord, Trustee, and their employees, agents, independent contractors or representatives as an Additional Insured for Tenant's indemnity obligations herein and (ii) shall have limits not less than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Facilities Lease or be no less than two (2) times the occurrence limit. Tenant may satisfy this insurance obligation by participation in the Insurance Authority.

13.2.3 Lease Interruption (Business Interruption). Lease interruption (business interruption) insurance caused by perils covered by the foregoing Commercial General Liability Insurance coverage, in an amount not less than two times the maximum remaining

scheduled annual Base Rent payments. Tenant may not satisfy this insurance obligation with self-insurance.

#### 13.2.4 General Insurance Provisions — All Lines.

(a) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and (other than Workers' Compensation) have an A.M. BEST rating of not less than an A: VIII (A:8) unless such requirements are waived, in writing, by the other Party, and except that the County may obtain any or all of its required insurance from the CSAC Excess Insurance Authority, a Joint Powers Authority pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.), or successor thereto. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

(b) Landlord or Landlord's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed \$500,000.00 per occurrence such deductibles and/or retentions shall have the prior written consent of the County's Risk Manager before the commencement of this Facilities Lease term. Upon notification of deductibles or self-insured retentions which are deemed unacceptable to Tenant, at the election of the County's Risk Manager, Landlord's carriers shall either: 1) reduce or eliminate such deductibles or self-insured retentions as respects this Facilities Lease with Tenant, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

(c) At the inception of this Facilities Lease and annually at the Landlord's insurance policy renewal date(s), Landlord shall cause its insurance carrier(s) to furnish Tenant and Trustee with certificate(s) of insurance and copies of endorsements effecting coverage as required herein. Further, Landlord shall provide no less than thirty (30) days' written notice to Tenant prior to any material modification or cancellation of such insurance. In the event of a cancellation, expiration or material reduction in coverage, Landlord shall deliver to Tenant prior to the effective date of such change in coverage, another certificate of insurance and copies of endorsements evidencing the coverages set forth herein and that the insurance required herein is in full force and effect. If Landlord shall fail to timely provide Tenant with such replacement certificate for the required insurance, then, following an additional written demand by Tenant and Landlord's failure to obtain such replacement insurance within five (5) days of such second written demand, Tenant shall be entitled to obtain such insurance at Tenant's sole cost and expense, which insurance obtained by Tenant in lieu of Landlord shall satisfy the requirements for Landlord's insurance under this Facilities Lease. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the endorsements for each policy and the Certificate of Insurance. The Facilities Lease term shall not commence until Tenant has been furnished certificate(s) of Insurance and copies of endorsements as required in this Section, which shall be provided upon execution and delivery of this Facilities Lease.

(d) It is understood and agreed by the Parties hereto and the Landlord's insurance company(s) that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and Tenant's insurance and/or deductibles

and/or self-insured retentions or self-insured programs shall not be construed as contributory for Landlord's indemnity obligations herein.

**14. Damage and Destruction. [Subject to provisions of the Bond Financing Documents.]**

14.1 Repair of Damage. Tenant agrees to notify Landlord in writing promptly of any damage to the Premises resulting from fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature ("**Casualty**"). If the Premises are damaged by a Casualty, or a Casualty results in the Premises not being provided with Base Building Systems per Section 2.5, Landlord shall, to the extent of insurance proceeds and funds in excess of insurance proceeds, if required, as provided by Tenant, promptly and diligently restore the Premises, including all tenant improvements originally constructed by Landlord, all Base Building Systems, all to substantially the same condition as existed before the Casualty, subject to modifications required by building codes and other laws. If Tenant requests that Landlord make any modifications to the tenant improvements in connection with the rebuilding, Landlord may condition its consent to those modifications on: (a) confirmation by Landlord's contractor that the modifications shall not increase the time needed to complete the tenant improvements; or (b) an agreement by Tenant that the additional construction period shall not extend the rent abatement period, and (c) payment by Tenant for any and all additional costs to complete such modifications.

14.2 Repair Period Notice. Landlord shall, within thirty (30) days after the date of the Casualty or such later date as Landlord and Tenant may agree, provide written notice to Tenant indicating the anticipated period for repairing the Casualty ("**Repair Period Notice**"). The Repair Period Notice shall be accompanied by a certified statement executed by the Contractor retained by Landlord to complete the repairs or, if Landlord has not retained a Contractor, a licensed Contractor not affiliated with Landlord, certifying the Contractor's opinion about the anticipated period for repairing the Casualty. The Repair Period Notice shall also state, if applicable, Landlord's election either to repair or to terminate this Facilities Lease under this Section 14.2. The Repair Period Notice shall also state, if applicable, Landlord's election either to repair or to terminate this Facilities Lease under this Section 14.2. Neither Landlord nor Tenant shall have the right to terminate this Facilities Lease as a result of any Casualty unless such Casualty materially and adversely affects Tenant's use and enjoyment of the Premises and either (i) the Casualty is an event which is not covered by insurance carried by Landlord (and Tenant is not willing to pay for all costs of restoration not covered by insurance), or (ii) Tenant's possession and use of the Premises cannot be restored by Landlord within *[24 months][two hundred seventy (270) days]* for reasons other than delays caused by Tenant, or (iii) the Casualty occurs during the last 12 months of the Term and Tenant's use and possession of the damaged portion of the Premises cannot be restored within 90 days. In the event of any termination of this Facilities Lease by reason of any Casualty as provided herein, Landlord shall be entitled to all proceeds of insurance as necessary to satisfy all outstanding obligations of the Indenture and Tenant shall accept the Premises in its as-is condition following such termination.

14.3 Rent Abatement. [**Underwriter to confirm**] During any period in which, by reason of a material Casualty, there is substantial interference with the use and occupancy by Tenant of the French Valley Premises, Menifee Premises or Desert Hot Springs Premises (other

than one which results in a Construction Failure), Base Rent due hereunder with respect to the applicable portion of the Premises shall be abated to the extent that the annual fair rental value of the portion of the Premises in respect of which there is no substantial interference is less than the annual amount of Base Rent, in which case Base Rent shall be abated only by an amount equal to such difference for the period commencing with the date of such Casualty, and ending with the substantial completion of the work of repair or replacement of the portions of the Premises so damaged or destroyed. For purposes of this paragraph, “substantial interference” shall mean damage to greater than [25]% of the Library Improvements located on any portion of the Premises such that the Library Improvements located on such portion of the Premises damaged cannot be utilized by Tenant. Any abatement of rental payments pursuant to this Section shall not be considered an Event of Default as defined in Section 18.2. Landlord shall procure or cause to be procured insurance coverage for any loss of rent and use such insurance proceeds for the duration of the abatement period which is included as an Operating Cost. In no event shall Rent abate for any period longer than the period covered by rental abatement insurance.

14.4 Waiver of Statutory Provisions. The provisions of this Facilities Lease, including those in this Section 14 constitute an express agreement between Landlord and Tenant that applies in the event of any Casualty to the Premises. Landlord and Tenant, therefore, fully waive the benefits of California Civil Code Sections 1932(2) and 1933(4) by virtue of any such substantial interference and this Facilities Lease shall continue in full force and effect.

**15. Eminent Domain. [Subject to provisions of Bond Documents.]**

15.1 Total Condemnation of all or Portion of Premises. If all of the Premises are condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose, this Facilities Lease will terminate as of the date of title vesting in that proceeding and the Rent will be abated from the date of termination. If all of the French Valley Premises, Menifee Premises or Desert Hot Springs Premises is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose, the portion of this Facilities Lease attributable thereto will terminate as of the date of title vesting in that proceeding and the Rent will be proportionately abated from the date of termination as provided in Rent Schedule.

15.2 Partial Condemnation. If a portion of the French Valley Premises, Menifee Premises or Desert Hot Springs Premises is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose and the partial condemnation renders the remaining portion thereof unusable for Tenant’s business and purposes as reasonably determined by Tenant, the entire portion of this Facilities Lease attributable to the affected Premises will terminate as of the date of title vesting or order of immediate possession in that proceeding and the Rent will be abated to the date of termination as provided in the Rent Schedule. If the partial condemnation does not render the affected portion of the Premises unusable for the purposes of Tenant permitted by this Lease as reasonably determined by Tenant and less than a substantial portion of the French Valley Premises, Menifee Premises or Desert Hot Premises is condemned, Landlord and Tenant must use commercially reasonable efforts to replace the affected portion of the Premises to the extent of any condemnation proceeds recovered by Landlord, excluding the portion lost in the condemnation,



and this Facilities Lease will continue in full force, except that after the date of the title vesting, the Base Rent will be adjusted, as reasonably determined by Landlord and Tenant.

15.3 Award. If the Premises are wholly or partially condemned, Landlord will be entitled to the entire award paid for the condemnation as it relates to Landlord's interest in the Premises, to the extent the amount required to prepay or defease the Bonds and to pay the costs associated with such prepayment or defeasance, and Tenant waives any claim to any part of the award from Landlord or the condemning authority. Tenant, however, will have the right to recover from the condemning authority any compensation that may be separately awarded to Tenant in connection with costs in removing Tenant's merchandise, furniture, fixtures, leasehold improvements, and equipment to a new location and for Tenant's fee title interest in the Premises as Ground Lessor under the Ground Lease.

15.4 Temporary Condemnation. In the event of a temporary condemnation, this Facilities Lease will remain in effect, Tenant will continue to pay Base Rent and Operating Costs, and Tenant will receive any award made for the condemnation. If a temporary condemnation remains in effect at the expiration or earlier termination of this Facilities Lease, Tenant will pay Landlord the reasonable cost of performing any obligations required of Tenant with respect to the surrender of the Premises. If a temporary condemnation is for a period that extends beyond the Term, this Facilities Lease will terminate as of the date of occupancy by the condemning authority and any award will be distributed in accordance with Section 15.3.

15.5 Tenant Covenants. Notwithstanding anything to the contrary set forth in this Facilities Lease, Tenant agrees not to (i) exercise any right of condemnation with respect to the Premises which would interfere with the continued use and enjoyment of the Premises for its intended purposes under this Facilities Lease, or (ii) take any action to rezone the Premises for any use not consistent with the intended uses set forth in this Facilities Lease.

## **16. Estoppel Certificates.**

16.1 Estoppel Certificates. 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 16.1 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 Landlord's interest under this Section 16.1.

16.2 Failure to Execute. A Party's failure to execute, acknowledge and deliver on request of such statement described in Section 16.1 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.

**17. Assignment and Subletting.**

17.1 During the term of this Facilities Lease, the Libraries and Library Improvements shall not be conveyed, transferred or assigned except pursuant to the terms of the Indenture and the Assignment of Leases and Rents for the benefit of the Trustee, as further described in the Indenture. At all times, the owner of the leasehold interests of Landlord under this Facilities Lease shall also be the owner of the Libraries. 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.

17.2 Notwithstanding the foregoing, Tenant, subject to obtaining a prior approving opinion of Bond Counsel, may enter into subleases without the prior consent of Landlord, provided that any and all such subleases shall be subject and subordinate to the terms of this Facilities Lease and Tenant shall not be released of any liability under this Facilities Lease by reason of any assignment or any subletting. Additionally, allowing a de minimis portion of any of the French Valley Premises, Menifee Premises or Desert Hot Springs Premises, i.e. 500 square feet or less, to be used by a third party vendor in connection with the installation of related services, including but not limited to a vending machine, ATM machine or payphone shall not constitute an assignment or subletting.

**18. Default. [Subject to the terms of the Bond Financing Documents.]**

**18.1 Landlord's Default.**

18.1.1 Failure to Perform. Except as provided to the contrary in this Facilities Lease, Landlord's failure to perform any of its obligations under this Facilities Lease shall constitute a default by Landlord under this Facilities Lease if the failure continues for thirty (30) days after written notice of the failure from Tenant to Landlord. If the required performance to cure cannot be completed within thirty (30) days, Landlord's failure to perform shall constitute a default under this Facilities Lease unless Landlord undertakes to cure the failure within thirty (30) days and diligently and continuously attempts to complete this cure as soon as reasonably possible but no later than ninety (90) days thereafter.

18.1.2 Tenant's Right to Cure Landlord's Default. Except as provided to the contrary in this Facilities Lease, if Tenant provides notice to Landlord of Landlord's failure to perform any of its obligations under this Facilities Lease and Landlord fails to provide such action as required by the terms of this Facilities Lease within the period specified, Tenant may take the required action if: (a) Tenant delivers to Landlord an additional written notice advising Landlord that Tenant intends to take the required action if Landlord does not begin the required action within ten (10) days after the written notice; and (b) Landlord fails to begin the required action within this ten (10) day period. Tenant may pursue any remedies at law or in equity to recover costs and damages resulting from Landlord's failure to perform. Any election by Tenant to cure a Landlord default shall not impact the Landlord's cure period set forth in Section 18.1.1 with respect to such default.

## 18.2 Tenant's Default.

18.2.1 Non-Monetary Default. Except as provided to the contrary in this Facilities Lease, Tenant's failure to perform any non-monetary obligations under this Facilities Lease, or (i) the making by Tenant or any guarantor hereof of any general assignment for the benefit of creditors, (ii) the filing by or against Tenant or any guarantor hereof of a petition to have Tenant or any guarantor hereof adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant or any guarantor hereof, the same is dismissed within sixty (60) days), (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease or of substantially all of guarantor's assets, where possession is not restored to Tenant or guarantor within sixty (60) days, or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of substantially all of guarantor's assets or of Tenant's interest in this Lease where such seizure is not discharged within sixty (60) days, shall constitute a default by Tenant under this Facilities Lease if the failure or condition continues for thirty (30) business days after written notice of the failure or condition from Landlord to Tenant. If the required performance to cure cannot be completed within thirty (30) business days, Tenant's failure to perform or continuation of such default condition shall constitute a default under this Facilities Lease unless Tenant undertakes to cure the failure within thirty (30) days and diligently and continuously attempts to complete this cure as soon as reasonably possible but no later than one hundred twenty (120) days thereafter. If Landlord provides notice to Tenant of Tenant's failure to perform any of its non-monetary obligations under this Facilities Lease and Tenant fails to provide such action as required by the terms of this Facilities Lease within the periods specified above, Landlord may take the required action if: (a) Landlord delivers to Tenant an additional written notice advising Tenant that Landlord intends to take the required action if Tenant does not begin the required action within ten (10) days after the written notice; and (b) Tenant fails to begin the required action within this ten (10) day period. Landlord may pursue any remedies at law or in equity to recover costs and damages resulting from Tenant's failure to perform.

18.2.2 Monetary Default. In the event of default by Tenant in the payment of Base Rent, Additional Rent or any other monetary obligations of Tenant, Landlord shall have the additional remedies to terminate the Lease, provided Landlord delivers written notice to Tenant of Tenant's failure to pay any Base Rent, Additional Rent or other monetary obligation of Tenant and Tenant fails to provide such action as required by the terms of this Facilities Lease within ten (10) business days of receipt of said notice and Tenant has not delivered written notice advising Landlord that Tenant has (i) sublet, assigned or transferred the leasehold interest to another department or agency of the County or to a third party (subject to the terms of Section 18.2.3 below) and Tenant or such transferee fails to cures all delinquent payments and Tenant actually sublets, assigns or transfers any or all of Tenant's interest within ninety (90) days of delivering notice to Landlord, or (ii) irrevocably elects to exercise its right to purchase the Premises as provided in Section 6 and Tenant actually closes the purchase of the Premises.

18.2.3 Tenant's Options to Cure Defaults. Notwithstanding any other provisions to the contrary, to cure a noticed default by Tenant, whether monetary or non-monetary, Tenant shall have the right, without Landlord's prior consent, to (A) assign, transfer, sublet any or all of its leasehold interest in this Facilities

Lease to (i) another department or agency of the County, (ii) to a third party with credit determined to be sufficient by Landlord in the event that Tenant assigns, transfers, sublets all of the leasehold interest; provided that Tenant shall not be released of any liability under this Facilities Lease by reason of any assignment or subletting, or (B) to exercise its right to purchase the Premises as provided in Section 6 and Tenant actually closes the purchase of the Premises even if Tenant is in default of this Facilities Lease or Ground Lease, provided Tenant cures all monetary defaults as a condition to the closing of Tenant's purchase of the Premises.

18.2.4 Consequences of Abatement. Notwithstanding any provision of this Section 18, neither the Landlord nor Trustee may terminate this Facilities Lease or exercise any default remedy as a consequence of any rental abatement under this Facilities Lease. Abatement of rental payments will neither be an event of default under this Facilities Lease nor permit either the Landlord or Trustee to take any action (except as provided in the applicable abatement provisions herein and (if any) in the Ground Lease) or avail themselves of any remedy against the Tenant.

## **19. Representations and Warranties.**

19.1 By Landlord. Landlord represents and warrants to Tenant that:

19.1.1 Certificate of Authority. Landlord covenants that it is duly constituted under the laws of the state of its organization, and that the person(s) who is acting as its signatory in this Facilities Lease is duly authorized and empowered to act for and on behalf of the Landlord. Landlord shall furnish Tenant prior to the execution hereof with evidence of the authority of the signatory to bind the entity or trust as contemplated herein.

19.1.2 No Litigation. There are no judicial, quasi-judicial, administrative or other orders, injunctions, moratoria or pending proceedings against Landlord or the Premises which preclude or interfere with, or would preclude or interfere with, the construction contemplated herein or the occupancy and use of the Premises by Tenant for the purposes herein contemplated.

19.1.3 Enforceable. This Facilities Lease has been duly authorized, executed and delivered by the Landlord and constitutes the legal, valid and binding obligation of Landlord enforceable in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

19.2 By Tenant. Tenant represents and warrants to Landlord that:

19.2.1 Evidence of Authority. Tenant covenants that it is a duly constituted under the laws of the state of California, and that the person(s) who is acting as its signatory in this Facilities Lease is duly authorized and empowered to act for and on behalf of Tenant and has been authorized to do so by the Board of Supervisors. Tenant shall furnish