

after the later of the final retirement of the Bonds or any obligation issued to refund the Bonds (or such longer period as may be required by the obligation documents).

Section 148(f) of the Code requires the payment to the United States of America of any Rebate Amount. The Regulations require payment of any Yield Reduction Payments to the United States of America in the same manner as Rebate Payments. Except as provided below, the Bond Fund, the Costs of Issuance Fund, the Project Fund, the Capitalized Interest Fund, the Revenue Fund, the Extraordinary Cost Account and the Rebate Fund and any other funds or accounts treated as containing Gross Proceeds of the Bonds are all subject to any Rebate Requirement applicable to the Bonds and may be eligible for Yield Reduction Payments.

The Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must use and maintain the Rebate Fund as follows: (a) on or before 25 days following each Computation Date, the Landlord or the County, if applicable, is to deposit (or cause to be deposited) an amount to the Rebate Fund so that the balance of the Rebate Fund equals the aggregate Rebate Amount and any Yield Reduction Payments as of such determination date; (b) amounts deposited in the Rebate Fund must be invested in accordance with the Instructions; (c) all money at any time deposited in the Rebate Fund must be held for payment to the United States of America of the Rebate Amount and any Yield Reduction Payments; and (d) for purposes of crediting amounts to the Rebate Fund or withdrawing amounts from the Rebate Fund, Nonpurpose Investments must be valued in the manner provided in these Instructions.

To satisfy any Rebate Requirement applicable to the Bonds (and to make any Yield Reduction Payments), the Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must take the following actions:

(a) For each Investment of amounts held with respect to the Bonds in funds and accounts described in the third paragraph of this section above, the Landlord or the County, if applicable, must record the purchase date of such Investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, its Yield, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date. The Rebate Analyst must determine the Fair Market Value for such Investments and the Yield thereon as may be required by the Regulations. The Yield for an Investment must be calculated by using the method set forth in the Regulations.

(b) For each Computation Date specified in (c) below, the Rebate Analyst must compute the Bond Yield as required by the Regulations based on the definition of Issue Price contained in Section 148(h) of the Code and the Regulations and as described in Section 1 above.

(c) Subject to the special rules set forth in (d) and (e) below, the Rebate Analyst must determine the amount of earnings received on all Nonpurpose Investments described in (a) above for each Computation Date. In addition, where Nonpurpose Investments are retained after retirement of the Bonds, any unrealized gains or losses as of the date of retirement of the Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(d) In determining the Rebate Amount, (i) all earnings on any bona fide debt service fund will not be taken into account, (ii) the Universal Cap applicable to the Bonds under Section 1.148-6(b)(2) of the Regulations must be taken into account, (iii) all elections and other choices set forth in the Tax Regulatory Agreement must be taken into account, (iv) any Transferred Proceeds will be taken into account and (v) all applicable spending exceptions to rebate under the Code and the Regulations must be taken into account, including the six-month, eighteen-month and two-year spending exceptions of the Code and Regulations described in the following section.

(e) For each Computation Date, the Rebate Analyst must calculate for each Investment described in (a) and (c) above an amount equal to the earnings that would have been received on such Investment at an interest rate equal to the Bond Yield. The method of calculation must follow that set forth in the Regulations.

(f) For each Computation Date, the Rebate Analyst must determine the amount of earnings received on all Investments held in the Rebate Fund for the Computation Date. The method of calculation must follow that set forth in the Regulations.

(g) For each Computation Date, the Rebate Analyst must calculate the Rebate Amount and any Yield Reduction Payments, by any appropriate method to be described in the Code and Regulations applicable or which becomes applicable to the Bonds. The determination of the Rebate Amount and any Yield Reduction Payments must account for the amount equal to the sum of all amounts determined in (c) above, all amounts determined in (d), (e) and (f) above, and less any amount which has previously been paid to the United States of America.

(h) If the sum of the Rebate Amount and any Yield Reduction Payments exceeds the amount on deposit in the Rebate Fund, the Landlord must immediately deposit an amount equal to such excess into the Rebate Fund.

(i) Certain brokerage fees paid on guaranteed investment contracts may be treated as additional Yield of such guaranteed investment contract.

15. **Spending Exceptions to Rebate.** To the extent that Gross Proceeds of the Bonds are determined to have been allocated to Expenditures in a manner that satisfies any of the following spending exceptions, investment earnings allocable to such Gross Proceeds need not be rebated to the United States of America. Use of the spending exceptions is not mandatory.

(a) Six-Month Exception. The six-month exception requires that Gross Proceeds of the Bonds be allocated to Expenditures for the purposes for which the Bonds are issued within the six-month period beginning on the Date of Issuance of the Bonds, and that the Rebate Requirement be met for amounts not required to be spent within such six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, Gross Proceeds do not include amounts in a bona fide debt service fund, amounts in a reasonably required reserve or replacement fund, amounts that as of the date hereof are not reasonably expected to be Gross Proceeds but

that become Gross Proceeds after the end of the six-month spending period, amounts representing Sale Proceeds or Investment Proceeds derived from Payments under any Purpose Investment financed with Proceeds of the Bonds, and amounts representing repayments of grants financed by the Bonds.

(b) Eighteen-Month Exception. The Bonds are treated as meeting the Rebate Requirement under the eighteen-month exception if the following requirements are satisfied: (i) Gross Proceeds of the Bonds are allocated to Expenditures for the purposes for which the Bonds are issued in accordance with the following schedule measured from the date hereof and none of the issue is treated as complying with the two-year exception: (A) at least 15 percent within six months; (B) at least 60 percent within 12 months; and (C) 100 percent within 18 months, with an exception for reasonable retainage, not in excess of five percent of the Net Sale Proceeds of the obligations which must be allocated to Expenditures within 30 months of the date hereof; (ii) for purposes of determining compliance with the six-month and 12-month spending periods, the amount of Investment Proceeds is determined based on the Authority's, the Landlord's or the County's reasonable expectations on the Date of Issuance of the Bonds; and (iii) all of the Gross Proceeds of the Bonds (excluding amounts in a bona fide debt service fund, amounts in a reasonably required reserve or replacement fund, amounts that, as of the Date of Issuance of the Bonds, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the eighteen-month spending period, amounts representing Sale Proceeds or Investment Proceeds derived from Payments under any Purpose Investment financed with Proceeds of the Bonds, and amounts representing repayments of grants financed by the Bonds) must qualify for the general three-year temporary period for new money projects described in Section 1.148-2(e)(2) of the Regulations. Any failure to satisfy the final spending requirement of the eighteen-month exception may be disregarded if the Landlord or the County, as applicable, exercises due diligence to complete the project for which the Bonds are issued and the amount of the failure does not exceed the lesser of three percent of the Issue Price of the Bonds or \$250,000. Note that the eighteen-month exception is not available for the portion of the Gross Proceeds of the Bonds that is used directly or indirectly to pay debt service on another issue of tax-exempt obligations (*i.e.*, the eighteen-month exception is not available for any refunding portions of the Bonds).

(c) Two-Year Exception. Gross Proceeds of the Bonds (or of a portion of the Bonds) are treated as meeting the Rebate Requirement under the two-year exception if the following requirements are met: (i) the issue of Bonds (or portion thereof) is a qualified "construction issue" because 75 percent of "available construction proceeds" of the issue of Bonds (or portion thereof) is expected by the Authority and the Landlord to be expended on construction expenditures; and (ii) such Gross Proceeds are allocated to Expenditures for the purposes of such issue Bonds (or portion thereof) in accordance with the following two-year expenditure schedule measured from the Date of Issuance of the Bonds: (A) at least 10 percent within six months; (B) at least 45 percent within one year; (C) at least 75 percent within 18 months; and (D) 100 percent within two years, with an exception for reasonable retainage expended within three years. Any failure to satisfy the final spending requirement of the two-year exception may be disregarded if the Landlord or the County, as applicable, exercises due diligence to complete the project for which the

Bonds are issued and the amount of the failure does not exceed the lesser of three percent of the Issue Price of such portion of the Bonds or \$250,000. Note that the two-year exception is not available for the portion of the Gross Proceeds of the Bonds that is used directly or indirectly to pay debt service on another issue of tax-exempt obligations (*i.e.*, the two-year exception is not available for any refunding portions of the Bonds). The two-year exception is further described in Section 1.148-7(e) of the Regulations. The Authority and the Landlord (or the County, as applicable) should seek the advice of Bond Counsel or the Rebate Analyst in determining whether the requirements of the two-year exception have been satisfied.

**16. Payment of Arbitrage Rebate.** Not later than 60 days after each Installment Computation Date (or such longer period as may be permitted by the Regulations), the Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must pay to the United States of America an amount that, when added to the Future Value as of such Computation Date of previous Rebate Amount payments made for the Bonds, equals at least 90 percent of the Rebate Amount and 100 percent of any Yield Reduction Payments required to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the Final Computation Date, the Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must pay from funds on deposit in the Rebate Fund to the United States of America an amount that, when added to the Future Value as of such Computation Date of previous rebate payments made for the Bonds, equals at least 100 percent of the balance remaining in the Rebate Fund.

The Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must mail each payment of an installment to the Internal Revenue Service at the places and pursuant to such forms as the Internal Revenue Service may require at the time of each such installment payment. Each payment must be accompanied by a statement summarizing the determination of the Rebate Amount and any Yield Reduction Payments. No form needs to be filed if no rebate payment is required.

If on any Computation Date the aggregate amount earned on Nonpurpose Investments in which the Gross Proceeds of the Bonds are invested is less than the amount that would have been earned if the obligations had been invested at a rate equal to the Bond Yield, such deficit may, at the written request of the Landlord (or, if the Landlord is in default under the Facilities Lease, the County), be withdrawn from the Rebate Fund and paid to the County or as the County may direct. The Landlord (or, if the Landlord is in default under the Facilities Lease, the County) may direct that any overpayment of Rebate Amount or Yield Reduction Payments may be recovered from any payments previously paid to the United States of America pursuant to Section 1.148-3(i) of the Regulations.

The Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must also pay any penalty or interest on underpayments of Rebate Amount or any Yield Reduction Payments not paid in a timely manner pursuant to the Code and the Regulations.

**17. Appointment of Rebate Analyst.** To provide for the administration of the matters pertaining to arbitrage rebate calculations set forth herein and in the Tax Regulatory Agreement, the Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must appoint a Rebate Analyst and any successor Rebate Analyst for the Bonds, subject to the

conditions set forth in this section, on or prior to the first Computation Date. The Authority and the Trustee may rely conclusively on and will be fully protected from all liability in relying upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst must be paid by the Landlord or the County, as applicable (which charges and fees are to be paid from funds provided by the County), upon presentation of an invoice for services rendered in connection therewith.

If the Landlord (or, if the Landlord is in default under the Facilities Lease, the County) fails to retain a Rebate Analyst, the Trustee for the Bonds may, upon written notice to the Authority, retain such a Rebate Analyst. The Rebate Analyst and each successor Rebate Analyst must signify its acceptance of the duties imposed upon it under these Instructions by a written instrument of acceptance delivered to the Trustee, the Authority, the Landlord and the County under which such Rebate Analyst will agree to discharge its duties pursuant to these Instructions and the Tax Regulatory Agreement in a manner consistent with prudent industry practice. Each Rebate Analyst must be either a firm of independent accountants or Bond Counsel or another entity experienced in calculating Rebate Amount and Yield Reduction Payments required by Section 148(f) of the Code or the Regulations.

The Rebate Analyst may at any time resign and be discharged of the duties and obligations imposed upon the Rebate Analyst by giving notice to the Authority, the Landlord and the County. The Rebate Analyst may be removed at any time by an instrument signed by the Landlord (or, if the Landlord is in default under the Facilities Lease, the County) and filed with the Authority. The Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must, upon the resignation or removal of the Rebate Analyst, appoint a successor Rebate Analyst, and promptly notify the Authority of such appointment, and if such Rebate Analyst is not so appointed within 90 days, the Trustee for the Bonds may, upon written notice to the Authority and at the expense of the County, appoint such a successor Rebate Analyst and promptly notify the Authority of such appointment.

18. **Recordkeeping.** The Landlord (or, if the Landlord is in default under the Facilities Lease, the County) must maintain the following records for a period of not less than four years following the later of the final retirement of the Bonds or any obligations issued to refund the Bonds: (a) records of amounts paid to the United States of America on account of the Bonds (the Landlord or the County, as applicable, must furnish to the Authority copies of any materials filed with the Internal Revenue Service pertaining thereto and must provide the Authority with all records in its possession that the Authority or the Rebate Analyst may request relating to the calculation of any Rebate Amount); (b) records of all rebate calculations made with respect to the Bonds; (c) documentation pertaining to any Investment of Proceeds of the Bonds, including the purchase and sale of securities, SLGS subscriptions and actual Investment income received from the investment of Proceeds of the Bonds and guaranteed investment contracts; (d) records and documentation pertaining to any private business use of the facilities financed or refinanced with Proceeds of the Bonds; and (e) documentation evidencing all sources of payment or security for the Bonds.

19. **Change in Law.** These Instructions are based on law in effect as of this date, and we undertake no obligation to monitor or update the status of these Instructions. Statutory or

regulatory changes, including but not limited to clarifying Regulations, may affect these Instructions.

Very truly yours,

KUTAK ROCK LLP

**EXHIBIT D**  
**TO TAX REGULATORY AGREEMENT**  
**BOND-FINANCED PROPERTY**

The Landlord and the County have provided the information set forth in this exhibit regarding the Libraries, the Average Economic Lives of the Libraries, the expectations regarding expenditure of the Proceeds of the Bonds and certain other matters relating to the Bonds.

**Libraries**

The Libraries consist of the following three separate public library facilities and related amenities within the County:

- (a) "French Valley Library," consisting of an approximately 25,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 93 cars on an approximately 11.33 acre parcel of real property located at the corner of Winchester Road and Sky View Road (APN 480-160-021) in the unincorporated French Valley area of Riverside County;
- (b) "Menifee Library," consisting of an approximately 20,000 square foot modern and state-of-the-art library and related improvements including a parking lot to accommodate approximately 76 cars on an approximately 4.73 acre parcel of real property located at the corner of Menifee Road and La Piedra Road (APN 364-152-034) in the incorporated City of Menifee, California; and
- (c) "Desert Hot Springs Library," consisting of an approximately 15,000 square foot library on the Desert Hot Springs Leased Premises, together with any necessary appurtenant improvements.

With respect to each Library, the Landlord covenants to prepare a final allocation of Proceeds of the Bonds to Expenditures for such Library not later than 18 months after the later of the date an Expenditure is paid or the date the Library is Placed in Service, and in any case not more than 60 days after the fifth anniversary of the Date of Issuance of the Bonds. In such final allocation with respect to each Library, the Landlord will include, among other things, final costs of Expenditures and the Average Economic Life of each component of such Library.

**Ownership and Operation of Libraries**

The Libraries will be owned by the Landlord and constructed on real property owned by the County. The County will lease the Libraries from the Landlord and will be the sole operator of the Libraries.

**Average Economic Lives**

The County reasonably expects each Library to have an Average Economic Life of at least 40 years from the Placed in Service Date of the Library. The County reasonably expects each Library to be Placed in Service by [February 2021].

**Expenditure of Proceeds**

The Landlord reasonably expects to spend all of the Proceeds of the Bonds on costs of the Project by [February 2021], and in any case substantially in accordance with the following schedule reflecting the Two-Year Exception described in Exhibit C to the Tax Regulatory Agreement. (The following schedule omits Investment Proceeds. Investment Proceeds are expected to be spent at least as quickly as such other Proceeds.)

<u>Date of Expenditure</u>	<u>Amount of Expenditure</u>	<u>Percentage of Proceeds</u>
By 02/__/2020	\$ _____	10%
By 08/__/2020	_____	45%
By 02/__/2021	_____	75%
By 08/__/2021	_____	100%



**EXHIBIT E  
TO TAX REGULATORY AGREEMENT  
CERTAIN IRS FORM 8038-G INFORMATION**

**Information for Internal Revenue Service Form 8038-G**

(a)	County's employer identification number.....	95-600929
(b)	CUSIP number.....	_____
(c)	Final maturity date .....	11/01/20__
(d)	Issue Price.....	\$ _____
(e)	Stated redemption price at maturity.....	\$ _____
(f)	Average Maturity .....	__ . __ years
(g)	Bond Yield.....	__ . __ percent
(h)	Proceeds used for accrued interest.....	\$0.00
(i)	Costs of Issuance .....	\$ _____
(j)	Proceeds used for credit enhancement.....	\$0.00
(k)	Reasonably required reserve fund deposits .....	\$0.00
(l)	Proceeds used to refund prior tax-exempt bonds.....	\$0.00
(m)	Proceeds used to refund prior taxable bonds.....	\$0.00
(n)	Nonrefunding proceeds .....	\$ _____
(o)	Amount of reimbursement from Sale Proceeds.....	\$0.00

**EXHIBIT F  
TO TAX REGULATORY AGREEMENT  
FINAL NUMBERS**

[Attached]

[REDACTED]

August \_\_, 2019

California Enterprise Development Authority  
2150 River Plaza Drive, Suite 275  
Sacramento, CA 95833

Robert W. Baird & Co., Incorporated  
752 Stillwater Road, Suite J  
Mahtomedi, Minnesota, 55115

Community Facility Partners  
18336 Minnetonka Boulevard Center, Suite C  
Deephaven, Minnesota 55391

Kutak Rock LLP  
777 South Figueroa Street, Suite 4550  
Los Angeles, CA 90017

Ladies and Gentlemen:

This opinion is rendered pursuant to Section 6(e)(iv) of the Purchase Contract, dated August \_\_, 2019 (“Purchase Contract”), by and among the California Enterprise Development Authority (the “Authority”), CFP Riverside, LLC. (the “Landlord”) and Robert W. Baird & Co., Incorporated as underwriter relating to the issuance and sale by the Authority of the above-described bonds (the “Bonds”). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Purchase Contract.

As counsel to the County of Riverside (the “County”), this office has examined the record of proceedings and such other documents, records and matters of law as we deemed necessary for the purpose of the opinions hereinafter expressed. As to questions of fact material to such opinions, we have, when relevant facts were not independently established by us, relied upon certificates of the County or its officers and other public officials.

Based upon the foregoing and upon such investigation as we have deemed necessary, we are of the opinion that:

1. The County is a political subdivision of the State, validly existing under the Constitution and laws of the State.

2. The County Resolutions were duly adopted at meetings of the Board of Supervisors of the County that were called and held pursuant to law and with all public notices required by law and at which quorums were present and acting throughout, and are in full force and effect and, except as Resolution \_\_ has amended Resolution \_\_, have not been amended or repealed.

3. Except as set forth in the Final Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of this office after reasonable investigation, threatened against or affecting the County, to restrain or enjoin the execution, delivery or sale of the Bonds by the Authority or the collection or payment of Base Rent and Additional Rent (collectively, the "Lease Payments") with respect to the Facilities Lease or in any way contesting or affecting the validity or enforceability of the Bonds or the County's Legal Documents, or in any way contesting or affecting the existence of the County or the title of any official of the County to such person's office, or contesting the power of the County or its authority with respect to the County's Legal Documents, or contesting the exclusion of interest on the Bonds from gross income for Federal income tax purposes or contesting the completeness or accuracy of the information related to the County contained in the Preliminary Official Statement or the Final Official Statement or any supplement or amendment thereto or asserting that the information related to the County in the Preliminary Official Statement or the Final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein related to the County, in the light of the circumstances under which they were made, not misleading.

4. The execution and delivery of the County's Legal Documents, the adoption of the County Resolutions and compliance by the County with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach or default under any agreement or other instrument to which the County is a party (and of which this office is aware after reasonable investigation) or by which it is bound (and of which this office is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the County is subject.

5. The County's Legal Documents have been duly authorized, executed and delivered by the County, and assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the County enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the limitations on legal remedies against public agencies in the State and the application of equitable principles if equitable remedies are sought.

6. No authorization, approval, consent or other order of the United States of America, the State or any other governmental authority or agency within the State having jurisdiction over the County is required for the valid authorization, execution, delivery and performance by the County of the County's Legal Documents or for the adoption of the County Resolutions which has not been obtained.

The opinions expressed in this letter are limited to the matters expressly set-forth above. No opinion is to be inferred or may be implied beyond the opinions expressly so stated and no opinions are provided as to any other matters except as set -forth herein. The foregoing opinions are limited to matters governed by the laws of the State and the United States of America. We do not express any opinion as to laws of other jurisdictions.

We are furnishing this opinion letter solely in our capacity as legal counsel to the County. No attorney-client relationship has existed or exists between this office and the addressees hereto.

Sincerely,

DEIRDRE JOAN COX  
Partner  
Burke, Williams & Sorensen, LLP

*County Revisions  
dated July 2, 2019*

**GROUND LEASE AGREEMENT**

between

**COUNTY OF RIVERSIDE,**

**a political subdivision of the State of California,**

**as Ground Lessor**

and

**CFP Riverside, LLC,**

**a Minnesota non-profit limited liability company,**

**as Ground Lessee**

August \_\_\_\_, 2019

**(Riverside County Library Facilities Project)**

# GROUND LEASE

## (Riverside County Library Facilities Project)

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## **TABLE OF EXHIBITS**

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### **TABLE OF EXHIBITS**

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

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

## GROUND LEASE AGREEMENT

### (Riverside County Library Facilities Project)

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

### RECITALS

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

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

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

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

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

B. Ground Lessor, by and through its Riverside County Library System, operates 36 public libraries throughout the County of Riverside (“**Library System**”).

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

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

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

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

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

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

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

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

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

H. CFP has entered into a Project Manager Agreement, dated as of \_\_\_\_\_, 2019 (the “**Project Manager Agreement**”) with Omni West Group, Inc. as project manager (in such capacity, the “**Project Manager**”) to provide certain development and construction management services to assist CFP in the development, planning, entitlement, designing, building, equipping, operating and maintenance of the Libraries on portions of the Properties, a copy of which is attached to the Facilities Lease as **Exhibit I**.

I. CFP 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 to the Facilities Lease as **Exhibit J**.

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

“Indenture”) by and among the Issuer, CFP and U.S. Bank National Association, as trustee (the “Trustee”).

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

L. To provide security for the Bonds, all of CFP’s rights, title and interests in and to the following agreements will be assigned to the Trustee as follows:

1. This Ground Lease and the Facilities Lease will be assigned to the Trustee pursuant to a Lease Assignment Agreement, dated as of \_\_\_\_\_, 2019 (the “Lease Assignment Agreement”);

2. The Design-Build Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Design-Build Agreement), dated \_\_\_\_\_, 2019 (the “Design-Build Assignment”);

3. The Project Manager Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Project Manager Agreement), dated \_\_\_\_\_, 2019 (the “Project Manager Assignment”); and

4. The Property Management Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Property Manager Agreement), dated \_\_\_\_\_, 2019 (the “Property Management Assignment”).

M. Ground Lessee has identified portions of the Properties, as further described in Recital A and depicted on the Site Plans attached hereto as **Exhibit A-1** (“French Valley Site Plan”), **Exhibit B-1** (“Menifee Site Plan”) and **Exhibit C-1** (“Desert Hot Springs Site Plan”) (collectively, the “Site Plans”), that Ground Lessee desires to have Ground Lessor lease to Ground Lessee in order to develop, plan, entitle, design, build, finance, equip, operate and maintain the Libraries and certain appurtenant improvements consisting of, among other things, utilities, parking areas, driveways, sidewalks and landscape areas (together with the Libraries, the “Library Improvements”). The leased portions of the Properties are referred to individually as the “French Valley Leased Premises,” “Menifee Leased Premises” and “Desert Hot Springs Leased Premises,” respectively, and collectively the “Leased Premises.” All Library Improvements, (except if applicable for certain off-premises utilities and other work, the “Off-Premises Improvements”) will be constructed on the Leased Premises for Ground Lessee to lease back to the County of Riverside as tenant for its use and occupancy pursuant to a separate Facilities Lease described in **Recital N** below. The Library Improvements and Off-Premises Improvements to be developed, planned, entitled, designed, built, financed, and equipped by Ground Lessee pursuant to the Facilities Lease are as depicted in the Site Plans and described in greater detail in the Facilities Lease. The planning, entitling, designing, building, financing,

equipping, operating and maintaining the Library Improvements and Off-Premises Improvements as described herein and in the Facilities Lease is collectively referred to as the “**Project**.” The Leased Premises and other portions of the Properties on which Project activities may be conducted are collectively referred to as the “**Site**” or “**Project Site**.” The specific land areas of the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises will be shown on the ALTA Surveys to be attached hereto at a later date in accordance with Section 2.2 hereto.

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

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

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

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

2. **LEASE OF LEASED PREMISES.**

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

2.2 **Finalization of Leased Premises.** No later than thirty (30) days following the Library Improvements Completion Date (as defined in the Facilities Lease):

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

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

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

2.2.4 See Work Letter Section 7.9 regarding administrative lot splits or new parcel maps of the French Valley Property, Menifee Property and Desert Hot Springs Property.

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

2.3.1 Temporary licenses, which shall terminate on the Library Improvements Completion Date, (i) for access and construction activities over and across the portions of the Excluded Property identified as accessible areas/routes on the Site Plans, including for the installation, laying, construction, maintenance, repair and operation of any sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and



telephone and telegraph power lines and other utility facilities serving the Libraries which will be located on the Excluded Properties and accepted for maintenance by the utility providers upon completion of the Project, and (ii) for staging of construction materials, supplies and equipment for the Project within the staging areas shown on **Exhibit A-5**, **Exhibit B-5** and **Exhibit C-5**;

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

## 2.4 **As Is Condition; Existing Conditions Information.**

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

2.4.2 Ground Lessor has made available to Ground Lessee existing conditions information, including geotechnical data and information regarding underground facilities if applicable, concerning existing conditions at or contiguous to the Properties, known to Ground Lessor, identified on **Exhibit D** attached hereto ("**Existing Conditions Information**"). Ground Lessor will also obtain at its sole cost and expense Phase 1 reports, Burrowing Owl Studies and Native American Consultation Assistance for each of the French Valley Property, Menifee Property and Desert Hot Springs Property, and such items shall be included within the definition of Existing Conditions Information. All Existing Conditions Information is provided without representation or warranty, on an As Is basis, and at Ground Lessor's sole risk and responsibility.

2.5 **Reservation of Oil, Gas, and Mineral Rights.** Ground Lessor reserves to itself the sole and exclusive right to all water rights, coal, oil, gas, and other hydrocarbons,

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

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

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

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

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

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

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

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

### 3. TERM.

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

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

3.3 **Option for Early Termination.** Commencing on November 1, 2025\* and at any time thereafter until the expiration of the Term, Ground Lessor shall have the right to terminate this Ground Lease, or any portion thereof, prior to the scheduled expiration of the Term at any time, and from time to time, in whole or (as applicable) in part, upon payment of the Purchase Price (as defined in Section 6 of the Facilities Lease) or permitted portion thereof in connection with the election by the Tenant to purchase the Library Improvements located on any or all of the French Valley Leased Premises, Menifee Leased Premises or Desert Hot Springs

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\* Preliminary and subject to change.

Leased Premises pursuant to the terms and conditions provided in the Facilities Lease. To exercise any Option for Early Termination, Ground Lessor shall provide Ground Lessee written notice within the time period provided in Section 6 of the Facilities Lease and fulfill all closing obligations under Section 6 of the Facilities Lease.

4. **RENT.** The consideration for (i.e. rent payable under) this Ground Lease shall be one dollar (\$1) a year for the duration of the Term payable in whole in advance on or before the first day of the Term, plus the costs of the Project incurred and paid by Ground Lessor or Ground Lessee. No Ground Lease rent shall be refunded in the event of any early termination (whole or partial) of this Ground Lease.

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

#### 6. **POSSESSION AND USE.**

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

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

County and rejection of the Facilities Lease, Ground Lessor shall not unreasonably withhold, condition or delay its approval to a change in use desired by Ground Lessee.

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

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

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

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

7.3 **Ground Lessor's Reserved Rights.** Notwithstanding any easement and other rights granted to Ground Lessee in this Ground Lease or in the Facilities Lease, Ground Lessor reserves the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil and gas pipelines, and telephone and telegraph power lines and such other facilities and appurtenances necessary or convenient to use in connection therewith, over, in, upon, through, across and along all portions of the Leased Premises outside the footprint of the actual Library buildings, so long as Ground Lessee's ability to satisfy its obligations hereunder or under the Facilities Lease or its utilities

easement rights (if any) are not unreasonably interfered with. In all events, Ground Lessor will cause the surface of any Leased Premises outside the footprint of the actual Library buildings altered by Ground Lessor's rights reserved by this Section 7.3 which is to be used by the Ground Lessee in construction of the Project to be restored to its original condition (as existing prior to the exercise of any such reserved rights) upon the completion of any construction by Ground Lessor or its agents or contractors. Any right of Ground Lessor set forth in this Section 7.3 shall not be exercised unless Ground Lessor shall provide at least thirty (30) days prior written notice to Ground Lessee of the exercise of such right; provided, however, in the event such right must be exercised by reason of emergency, then Ground Lessor shall give Ground Lessee such notice in writing as is reasonable under the existing circumstances. Notwithstanding anything to the contrary contained herein, Ground Lessor and Ground Lessee intend that all sanitary sewers, storm drains, pipelines, manholes, water and gas mains, electric power lines, transformers and conduits, cabling, telephone lines and other communications equipment and facilities utilized in connection with utility services (collectively "**Utility Lines**") to be located at or on the Leased Premises shall be placed underground unless otherwise deemed necessary to be located aboveground. Any easement, license, right-of-way, permit or other agreement entered into by Ground Lessor pursuant to this Section 7.3, including but not limited to the installation, operation, maintenance, repair and replacement of Utility Lines, shall require the easement holder to maintain the easement and equipment located therein at its sole cost. Ground Lessor agrees to use commercially reasonable, good faith and diligent efforts to minimize any interference to Ground Lessee's development of the Leased Premises caused by Ground Lessor's exercise of its rights hereunder.

## **8. TITLE TO LIBRARIES AND LIBRARY IMPROVEMENTS.**

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

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

8.3 [Intentionally Omitted]

**9. OWNERSHIP OF FEE TITLE PROPERTY.** Title and ownership of the fee interest in the real property comprising the Leased Premises shall remain with Ground Lessor.

## **10. MAINTENANCE.**

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

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

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

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

**10.2 No Obligation of Maintenance of Leased Premises by Ground Lessor.** Upon the Effective Date of this Ground Lease, Ground Lessor, in its capacity as ground lessor of the Leased Premises, shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Leased Premises or any buildings or improvements now or hereafter located thereon.

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

**11. COMPLIANCE WITH GOVERNMENT REGULATIONS.** Ground Lessee shall, at Ground Lessee's sole cost and expense, but with Ground Lessor's assistance as lead agency as to completing environmental review to the extent required by applicable law pursuant to CEQA and obtaining any requisite land use permits, and subject to inclusion as part of the Total Project Costs in accordance with the terms of the Facilities Lease, comply with the requirements of all local, state and federal statutes, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the use and development of the Leased Premises. Ground Lessee warrants that as of the Rent Commencement Date under the Facilities Lease it shall have performed all necessary final actions to obtain the final approvals for the development of the Leased Premises. Such final actions and approvals may include, but are not limited to the following: (i) completing requisite activities to comply with CEQA, (ii) all final action and approvals by the local governing body for environmental and land use permits having jurisdiction over the Project, and (iii) resolution or final adjudication of any legal challenges, including such challenges based on CEQA. Ground Lessee expressly acknowledges and agrees that Ground Lessor's occupancy of the completed Library Improvements and payment of Base Rent and Additional Rent as Tenant under the Facilities Lease is expressly conditioned on Ground Lessee

obtaining all required environmental and land use permits, including CEQA compliance with any applicable public agencies.

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

11.2 **California Environmental Quality Act.** Subject to receiving all required governmental approvals and permits, Ground Lessee warrants the Project will be developed in compliance with all pertinent laws, rules, professional standards, regulations and requirements for new construction in the jurisdiction. Ground Lessee shall use commercially reasonable and diligent efforts (with assistance from Ground Lessor) to complete environmental review pursuant to CEQA and obtain any requisite land use permits compliance with any applicable public agencies. Ground Lessee shall complete and obtain all other processing, permitting and entitlements for the Project. Neither this Ground Lease nor the Facilities Lease is deemed to be an approval pursuant to CEQA for any specific development, project or other possible future activities that may or may not be contemplated and does not commit any public agency to a definite course of action regarding the Project that may lead to an adverse effect on the environment or limit any choice of alternatives or mitigation measures prior to full CEQA compliance. Further, in the event of any action challenging the legality of the Project or related to any of the proposed uses of the Leased Premises, Ground Lessee shall indemnify, defend, and hold harmless Ground Lessor, its divisions, and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents, and representatives at its sole cost and expense, including but not limited to, attorneys' fees, cost of investigation, defense and settlements or awards, on behalf of Ground Lessor in any claim or action based upon such liability, at its own cost and expense to the extent any portion of the claims or actions are attributable to the negligence or willful misconduct of Ground Lessee, its agents, representatives or employees, otherwise such defense should be included in the Total Project Costs.

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

11.4 **Asbestos and Lead Based Paint.** Ground Lessee warrants and represents the Project shall be constructed free of hazard from asbestos and lead based paint in violation of



applicable law and Ground Lessee shall cause all tenants and subtenants of the Leased Premises to operate and maintain the Leased Premises free of hazard from asbestos and lead based paint in violation of applicable law.

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

12. **TERMINATION BY GROUND LESSOR.** In addition to those termination rights set forth in Section 3 above, but subject to the rights of the Trustee under the Indenture, the Lease Assignment Agreement and the Design-Build Assignment, Ground Lessor shall have the right to terminate this Ground Lease subject to the provisions below:

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

12.2 **Assignment.** In the event of termination by Ground Lessor or Ground Lessee of any or all of this Ground Lease under this Section 12 and concurrent termination of the Facilities Lease pursuant to corresponding Sections of the Facilities Lease, Ground Lessee shall terminate all efforts in connection with the Project as well and shall cause all third party consultants performing services relative to the Project to cease such services, subject to the potential assignment to Ground Lessor of certain agreements for such services as provided herein below. Following Ground Lessor's satisfaction of its payment obligations under this Section 12.2, Ground Lessee shall assign to Ground Lessor any agreements entered into by Ground Lessee in connection with the Project prior to such termination, together with any rights Ground Lessee may have with respect to any work product or permits generated under the assigned agreements, to the extent (i) Ground Lessor elects in writing in its sole discretion to assume an agreement, (ii) such assignment is permissible under such agreement, and (iii) Ground Lessor pays Ground Lessee all amounts previously paid by Ground Lessee under the assigned agreement, as evidenced by supporting documentation such as invoices and receipts. Any agreements which Ground Lessor elects not to assume shall be terminated by, or remain the obligation of, Ground Lessee, as applicable.

### 13. EMINENT DOMAIN.

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

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

### 14. INSURANCE.

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

## **15. INDEMNIFICATION/HOLD HARMLESS.**

**15.1 Ground Lessee's Indemnification.** Ground Lessee shall indemnify, defend and hold harmless Ground Lessor, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "**Indemnitees**") from any liability whatsoever resulting in claims asserted against any Indemnatee (a "**Claim**"), including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever, arising in connection with (i) prior to the completion of the Project on the Leased Premises, any negligence or willful misconduct as to services provided by Ground Lessee, its officers, employees, subcontractors, agents or representatives and (ii) after completion of the Project, the negligence or willful misconduct of Ground Lessee; provided that Ground Lessee shall not be liable to an Indemnatee to the extent any Claim is attributable to the active negligence or willful misconduct of such Indemnatee.

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

**15.2 Ground Lessee to Defend this Ground Lease.** Ground Lessee acknowledges that Ground Lessor is a "public entity" and/or a "public agency" as defined under applicable California law. As a public body, Ground Lessor's action in approving this Ground Lease may be subject to proceedings to invalidate this Ground Lease or mandamus. If, prior to the date of the Bond Closing, a third-party files a legal action regarding Ground Lessor's approval of this Ground Lease or the pursuit of the activities contemplated by this Ground Lease, Ground Lessor may terminate this Ground Lease on thirty (30) days prior written notice to Ground Lessee of Ground Lessor's intent to terminate this Ground Lease, referencing this Section 15.2, without any further obligation to perform the terms of this Ground Lease and without any liability to Ground Lessee resulting from such termination, unless Ground Lessee unconditionally agrees to indemnify and defend Ground Lessor, with legal counsel acceptable to Ground Lessor, against such third-party legal action, as provided hereinafter in this Section 15.2. Within 30 days of receipt of Ground Lessor's notice of intent to terminate this Ground Lease, as provided in the preceding sentence, Ground Lessee may in Ground Lessee's sole and absolute discretion offer to defend

Ground Lessor, with legal counsel acceptable to Ground Lessor, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Ground Lessee is under no obligation to indemnify and defend Ground Lessor unless and until it elects to make the offer required by this Section 15.2. Any such offer from Ground Lessee must be in writing and reasonably acceptable to Ground Lessor in both form and substance. Nothing contained in this Section 15.2 shall be deemed or construed to be an express or implied admission that Ground Lessor is liable to Ground Lessee or any other person or entity for damages alleged from any alleged or established failure of Ground Lessor to comply with any statute, including, without limitation, CEQA. In the event that Ground Lessor elects to terminate the Ground Lease based on this Section 15.2, the notice provided by Ground Lessor to Ground Lessee shall also serve as notice to terminate the Facilities Lease. From and after the date of the Bond Closing, neither Ground Lessor nor Ground Lessee shall have any right to terminate the Ground Lease pursuant to this Section 15.2; provided, however, that no challenge has been filed to set aside any approvals relating to the approval of the leases prior to the Bond Closing.

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

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

## **16. RIGHT TO ENCUMBER/RIGHT TO CURE.**

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

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

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

(a) No Voluntary Termination. There shall be no voluntary cancellation, termination or surrender of this Ground Lease by joint action of Ground Lessor and Ground Lessee without the prior written consent of the Trustee. Any voluntary cancellation,

termination or surrender of this Ground Lease shall not be effective without the prior written consent of the Trustee.

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

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

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

(e) New Lease. If this Ground Lease is terminated prior to or after completion of the Project by Ground Lessee and Trustee has not been fully paid, then Ground Lessor agrees that in the event of termination of this Ground Lease by reason of the bankruptcy of Ground Lessee, any uncured default by Ground Lessee or otherwise due to the default of Ground Lessee, Ground Lessor will, at the request of Trustee, enter into a new lease (“**New Lease**”) covering the Leased Premises with Trustee or its nominee for the remainder of the Term of this Ground Lease. To the extent the termination of this Ground Lease was not caused by an uncured default under this Ground Lease or an uncured monetary default by the County under the Facilities

Lease, or by reason of the filing of bankruptcy by the County and rejection of the Facilities Lease, then (i) Ground Lessor shall provide a New Lease to Trustee or its nominee and (ii) Trustee or its nominee, as applicable, shall enter into a new Facilities Lease (on the same terms and conditions as the Facilities Lease) with the County (“**New Facilities Lease**”). The New Lease upon execution shall be deemed to be effective as of the date of the termination of this Ground Lease. The New Lease shall be on the same terms, provisions, covenants and agreements (including but not limited to the Rent) contained in this Ground Lease, provided, however, such New Lease shall not include Section 7 of this Ground Lease or any other provisions related to the completion of the Project or any warranties of any design-build or general contractor, except that, notwithstanding the foregoing, such New Lease shall provide that the County, as Tenant under the New Facilities Lease, shall have the right, but not the obligation, to assume control of the completion of the Project, either directly, or by replacement of Ground Lessee (as Landlord under the New Facilities Lease) as construction manager for the Project, and if so assumed, to complete the Project with all reasonable dispatch, in which event the County shall send written notice of such assumption to Ground Lessee (as Landlord under the New Facilities Lease) and Trustee and, upon receipt of such notice, Ground Lessee shall forthwith assign to the County all Ground Lessee’s right, title and interest in and to all construction contracts and related agreements, all payment, completion, construction or surety bonds and any and all insurance policies and Trustee shall recognize the County and disburse to the County all remaining proceeds of the Indenture, subject to and in accordance with, the terms of the Indenture, including, without limitation, satisfaction by the County of all conditions to disbursement set forth in the Indenture. If the County assumes control of completion of the Project as contemplated above, the County shall not have any right under the New Facilities Lease to cancel, quit, terminate or surrender the New Facilities Lease or cease or delay the payment of Rent or change the Commencement Date under the New Facilities Lease, or reduce, abate or offset Rent (or any other amounts owed by the County under the New Facilities Lease. In order to obtain the New Lease, Trustee or its nominee, must make written request upon Ground Lessor for the New Lease within thirty (30) business days after Trustee receives written notice from Ground Lessor of the termination of this Ground Lease. The ground lessee under the New Lease shall have no greater right, title or interest in and to the Leased Premises than Ground Lessee had under this Ground Lease.

(f) Exercise of Remedies. Notwithstanding anything to the contrary in this Ground Lease, any exercise of rights or remedies under any Indenture shall not be deemed to violate this Ground Lease or require the consent of Ground Lessor. If the Trustee exercises remedies against Ground Lessee under the Indenture, Ground Lessor agrees to forebear from the exercise of any remedies available to Ground Lessor under this Ground Lease for thirty (30) days after the expiration of Ground Lessee’s cure period under this Ground Lease. Notwithstanding the foregoing, Trustee shall not be required to institute proceedings against Ground Lessee under the Indenture if it is able to acquire and does acquire Ground Lessee’s leasehold interest by any other legal means, including, without limitation, voluntary assignment. Ground Lessor agrees that if by reason of a bankruptcy, insolvency or similar type proceeding, or by reason of any other judicial order or legislative enactment, the Trustee shall be stayed from commencing (or if commenced, from continuing) proceedings against the Ground Lessee under the Indenture or other appropriate steps, then the Trustee shall be deemed to be prosecuting such proceedings with diligence and continuously so long as it is in good faith attempting to obtain relief from any such stay. Immediately upon Trustee instituting proceeding against the Ground Lessee under the Indenture or otherwise exercising remedies to acquire Ground Lessee’s leasehold

interest under this Ground Lease, Trustee or its nominee shall not: (i) be subject to or responsible for Section 7 of this Ground Lease or any other provisions related to the completion of the Project or any warranties of any general contractor, except that, notwithstanding the foregoing, if Ground Lessor, as Tenant under the Facilities Lease, assumes control of the completion of the Project, either directly, or by replacement of Ground Lessee (as Landlord under the Facilities Lease) as construction manager for the Project, Trustee shall recognize Ground Lessor and disburse to Ground Lessor all remaining proceeds of the Indenture, subject to and in accordance with, the terms of the Indenture, including, without limitation, satisfaction by Ground Lessor of all conditions to disbursement set forth in the Indenture, (ii) have any liability under this Ground Lease prior to the date Trustee or nominee shall succeed to the rights of Ground Lessee under this Ground Lease, or (iii) be subject to, or have any liability for, claims, offsets, defenses which arose (or are based upon events) which Ground Lessor might have had against Ground Lessee or which occur prior to Trustee or its nominee taking possession pursuant to foreclosure or other procedure.

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

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

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

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

## **18. ESTOPPEL CERTIFICATES.**

18.1 Ground Lessee and Ground Lessor, at any time and from time to time during the term of this Ground Lease, and any extension thereof, and within twenty (20) business days after request, in writing, have been given by the other Party, shall execute, acknowledge and deliver to the requesting Party a statement in writing certifying that this Ground Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is in

full force and effect as modified and stating the modifications). The statement shall also include the dates to which the rent and any other charges have been paid in advance, that there are no defaults existing or that defaults exist and the nature of such defaults. It is intended that such statement as provided in this Section 18.1 may be relied upon by any prospective Trustee as assignee of the Leased Premises or Improvements thereon or both or all or any portion or portions of Ground Lessee's interest under this Section 18.1.

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

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

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

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

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

**23. [INTENTIONALLY OMITTED].**

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



GROUND LESSOR

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

GROUND LESSEE

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

TRUSTEE

U.S. Bank National Association  
633 West Fifth Street, 24th floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust

PROJECT MANAGER

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

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

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

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

**27. GROUND LESSOR'S REPRESENTATIVE.** Ground Lessor hereby appoints the County Executive Officer and Assistant County Executive Officer/ Economic and Community Development, each acting alone, as its authorized representative to administer this Ground Lease.

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

**29. ACKNOWLEDGMENT OF MEMORANDUM OF GROUND LEASE.** Upon execution of this Ground Lease by the Parties hereto, a Memorandum of this Ground Lease in a form acceptable to Ground Lessor and Ground Lessee shall be executed by Ground Lessor and

Ground Lessee in such a manner that it will be acceptable by the County Recorder for recordation purposes, and thereafter, Ground Lessee shall cause such Memorandum of Ground Lease to be recorded in the Office of the County Recorder of Riverside County forthwith and furnish Ground Lessor with a conformed copy thereof. Following completion of the matters described in Section 2.2 of this Ground Lease, the Parties shall either amend the Memorandum of Ground Lease to reflect the actual Leased Premises, or Ground Lessee shall quitclaim to Ground Lessor all lands covered by the original Memorandum which are no longer subject to this Ground Lease, subject to all Continuing Rights.

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

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

## **32. TOXIC MATERIALS**

**32.1 Restrictions on Ground Lessee; Hazardous Substances.** Ground Lessee shall not cause or permit any Hazardous Substance (as defined in the Work Letter) to be used, stored, generated, or disposed of on or in the Leased Premises by Ground Lessee, Ground Lessee's agents, employees, or contractors, in a manner that would be contrary to or in violation of law and without first obtaining Ground Lessor's written consent, which consent may not be unreasonably withheld, conditioned or delayed; provided, however, use, storage, generation or disposal of Hazardous Substances by the County as Tenant under the Facilities Lease or its subtenants, employees, contractors or agents shall not be attributed to Ground Lessee under this Ground Lease

and Ground Lessee shall have no liability for the portion of and to the extent the County or its subtenants, employees, contractors or agents are liable therefor. Materials considered hazardous that are used in the ordinary course of business may be used as regulated by law. If Hazardous Substances are used, stored, generated, or disposed of on or in the Leased Premises by Ground Lessee, Ground Lessee's agents, employees or contractors, or if the Leased Premises becomes contaminated in any manner during the term hereof as a result of the negligence or willful misconduct of Ground Lessee, Ground Lessee's agents, employees or contractors, Ground Lessee shall indemnify, defend, and hold harmless Ground Lessor from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys', consultants', and experts' fees) arising during or after the Term of this Ground Lease and arising as a result of such contamination by Ground Lessee, Ground Lessee's agents, employees, or contractors except not for the portion of and to the extent such contamination has been determined to be attributable to (1) Ground Lessor Contamination, or (2) Pre-Existing Contamination, in a manner that would be contrary to or in violation of law. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision. In addition, if Ground Lessee causes the presence of any Hazardous Substance on the Leased Premises and this results in contamination, Ground Lessee shall promptly, at its sole expense, take any and all necessary actions to return the Leased Premises to the condition existing before the presence of any such Hazardous Substance on the Leased Premises, provided, however, that Ground Lessee shall first obtain Ground Lessor's approval for any such remedial action, such approval not to be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained in this Section 32.1, Ground Lessee shall not be held responsible for any Hazardous Substances existing on, under or at the Leased Premises or anywhere else at the Project Site prior to the commencement of construction of the Project, including (as applicable) as identified in the Existing Conditions information ("**Pre-Existing Contamination**") or which are used, stored, generated, or disposed of on or in the Leased Premises by Ground Lessor (in its capacity as either Ground Lessor under this Ground Lease or Tenant under the Facilities Lease) or any of Ground Lessor's agents, subtenants, employees or contractors, or if the Leased Premises are or become contaminated with Hazardous Substances in a manner that would be contrary to or in violation of law during the Term hereof ("**Ground Lessor Contamination**") unless as a result of contamination by Ground Lessee, Ground Lessee's agents, employees, or contractors.

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

**33. RECITALS AND EXHIBITS INCORPORATED BY REFERENCE; APPROVAL OF BOND FINANCING DOCUMENTS.** All Recitals and defined terms herein,

and all Exhibits attached hereto, are incorporated into and made a part of this Ground Lease by reference to them herein. Ground Lessor acknowledges and agrees that the Indenture, Lease Assignment Agreement, Design-Build Agreement and Design-Build Assignment, Project Manager Agreement and Project Manager Assignment, Property Management Agreement and Property Management Assignment, and \_\_\_\_\_ (collectively, the “**Bond Financing Documents**”), are being entered into in connection with the issuance of the Bonds to finance the Project, and the Ground Lessor hereby consents to and approves the Bond Financing Documents and agrees that the Project shall be subject to the terms thereof.

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

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

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

**37. EXECUTION BY GROUND LESSOR.** This Ground Lease shall not be binding or consummated until its approval and execution by the Board of Supervisors.

**38. Limitation of Ground Lessee’s Liability.** Notwithstanding anything contained in this Ground Lease to the contrary, the obligations of Ground Lessee under this Ground Lease (including as to any actual or alleged breach or default by Ground Lessee) do not constitute personal obligations of the individual members, managers, directors, officers, attorneys, accountants, representatives or agents of Ground Lessee or Ground Lessee’s sole member, and Ground Lessor shall not seek recourse against the individual members, managers, directors, officers, attorneys, accountants, representatives or agents of Ground Lessee or Ground Lessee’s sole member or any other persons or entities having any interest in Ground Lessee, or any of their personal assets for satisfaction of any liability with respect to this Ground Lease. In addition, in consideration of the benefits accruing hereunder to Ground Lessor and notwithstanding anything contained in this Ground Lease to the contrary, Ground Lessor hereby covenants and agrees for itself and all of its successors and assigns that the liability of Ground Lessee for its obligations under this Ground Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Ground Lessee), shall be limited solely to, and Ground Lessor’s and its successors’ and assigns’ sole and exclusive remedy shall be against, Ground Lessee’s interest in the Project, and no other assets of Ground Lessee. The term “**Ground Lessee**” as used in this Ground

Lease, so far as covenants or obligations on the part of Ground Lessee are concerned, shall be limited to mean and include only the owner, at the time in question, of the title to the Library Improvements on, or a lessee's leasehold interest in the Ground Lease of, the Premises. In the event of any transfer or conveyance of any such title or interest (other than a transfer pursuant to the Bond Financing Documents for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Ground Lessee contained in this Ground Lease; provided transferee is fully bound by all covenants and terms of the Ground Lease which shall remain in full force and effect. Subject to the Bond Financing Documents, Ground Lessor and Ground Lessor's transferees and assignees shall have the absolute right to transfer all or any portion of their respective title and interest in the Premises, the Project and/or this Ground Lease.

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

**[Signature Provisions on the Following Page]**

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

**GROUND LESSOR:**

COUNTY OF RIVERSIDE

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

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

**GROUND LESSEE:**

CFP RIVERSIDE, LLC

A Minnesota non-profit limited liability company

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

**ATTEST:**

Kecia Harper-Ihem  
Clerk of the Board

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

Gregory P. Priamos  
County Counsel

By: \_\_\_\_\_  
Deputy General Counsel

**EXHIBIT A**

**FRENCH VALLEY - LOCATION MAP**

***[Attached]***

**French Valley 480-160-021**  
**Exhibit A**



**Legend**



0 1:177 2,355 Feet



**IMPORTANT:** Maps and data are to be used for information purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content, the source, or the accuracy, completeness, or timeliness 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 PREPARED ON: 11/27/2017 9:28:32 AM

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**Notes**

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



**EXHIBIT A-1**

**FRENCH VALLEY - SITE PLAN**

See Facilities Lease Exhibit A-1

**EXHIBIT A-2**

**FRENCH VALLEY - LEASED PREMISES ALTA SURVEY**

***[to be attached following completion]***

**EXHIBIT A-3**

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

***[to be attached following completion]***

EXHIBIT A-4

FRENCH VALLEY - PRELIMINARY TITLE REPORT



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

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

Attn: **CRAIG OLSEN**

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

Your Reference No: 480-160-021

Property Address: Riverside, California

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**UPDATED AND AMENDED PRELIMINARY REPORT**

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

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

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

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

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

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

## **SCHEDULE A**

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

A Preliminary Report Only OR  
CLTA Standard Owners Policy

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

**A FEE**

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

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

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

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

## EXHIBIT "A"

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

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

Assessor's Parcel No: 480-160-021

## **SCHEDULE B – Section A**

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

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

### SCHEDULE B – Section B

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

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

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

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

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

- 4. Land Conservation Contract

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



Notice of Non-Renewal of said Contract

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Matters contained in that certain document

Entitled: Agreement for Mitigation of School Facility Impacts Between Temecula Valley Unified School District, Dutch Investors, Inc., and The Batavia Land Company  
Dated: August 28, 1995  
Executed by: Temecula Valley Unified School District, Dutch Investors, Inc., a Nevada corporation and The Batavia Land Company, a California Limited Partnership  
Recording Date: August 31, 1995  
Recording No: as Instrument No. 1995-287611 of Official Records

Reference is hereby made to said document for full particulars.

8. Matters contained in that certain document

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

Reference is hereby made to said document for full particulars.

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

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

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

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

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

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

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

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

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

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

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

By and between: Barratt American Inc. (Landowner) and Eastern Municipal Water District, a public agency  
Recording Date: August 22, 2007  
Recording No.: as Instrument No. 2007-541498 of Official Records

Reference is hereby made to said document for full particulars.

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

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

Reference is hereby made to said document for full particulars.

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

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

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

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

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

In favor of: County of Riverside, California  
Purpose: right of way, appurtenant to the French Valley Airport herein called Dominant Tenement, an Avigation easement  
Recording Date: May 5, 2010  
Recording No: as Instrument No. 2010-206588 of Official Records  
Affects: said land more particularly described therein

18. Matters contained in that certain document

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

Reference is hereby made to said document for full particulars.

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

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

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

22. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
23. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

**END OF SCHEDULE B EXCEPTIONS**

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

## REQUIREMENTS SECTION:

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

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

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

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

## INFORMATIONAL NOTES SECTION

Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

Note No. 2: California Insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

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

Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.

Note No. 4: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
- b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
- c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

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

CLTA Preliminary Report Form - Modified (11-17-05)

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or restricting (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) arising 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 of 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 (6-5-14)

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

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, cost, attorney's 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. improvement on the Land;
  - e. land division; and
  - f. environmental protection.

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

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

**LIMITATIONS ON COVERED RISKS**

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

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

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

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

Attachment One (6-5-14)

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

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not known to the Company, not recorded in the Public Records as of Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 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 15(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, 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 liens, 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) Unpermitted mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the 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:

**Attachment One (6-5-14)**

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

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not known to the Company, not recorded in the Public Records as Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) arising or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 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 arising 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) Unapportioned 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.

**Attachment One (6-5-14)**

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

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning), restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 15(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), 15(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 time 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 Entry exercising a right to extract or develop minerals, water, or any other substances.

**Attachment One (6-5-14)**

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File No: 615674763



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

Order No. 615674763

## Notice of Available Discounts

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

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

**FNF Underwritten Title Company**  
LTC - Lawyers Title Company

**FNF Underwriter**  
CLTIC - Commonwealth Land Title Insurance Co.

### **Available Discounts**

#### **DISASTER LOANS (CLTIC)**

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

#### **EMPLOYEE RATE (LTC and CLTIC)**

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

Notice of Available Discount

Mod. 10/21/2011

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

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Ground Lease Exhibit A-4 - Page 17

OAK #4821-1655-6186 v2

## **FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE**

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

### **Types of Information Collected**

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

#### **Personal Information.**

FNF may collect the following categories of Personal Information:

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

#### **Browsing Information.**

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

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

#### **How Personal Information is Collected**

We may collect Personal Information about you from:

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

#### **How Browsing Information is Collected**

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

#### **Other Online Specifics**

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

#### **Web Beacons.**

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

#### **Do Not Track.**

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

Revised May 3, 2018

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### **Links to Other Sites.**

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

### **Use of Personal Information**

FNF uses Personal Information for three main purposes:

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

### **When Information Is Disclosed**

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

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

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

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

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

### **Security of Your Information**

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

### **Choices With Your Information**

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

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

### **For California Residents:**

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

**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.

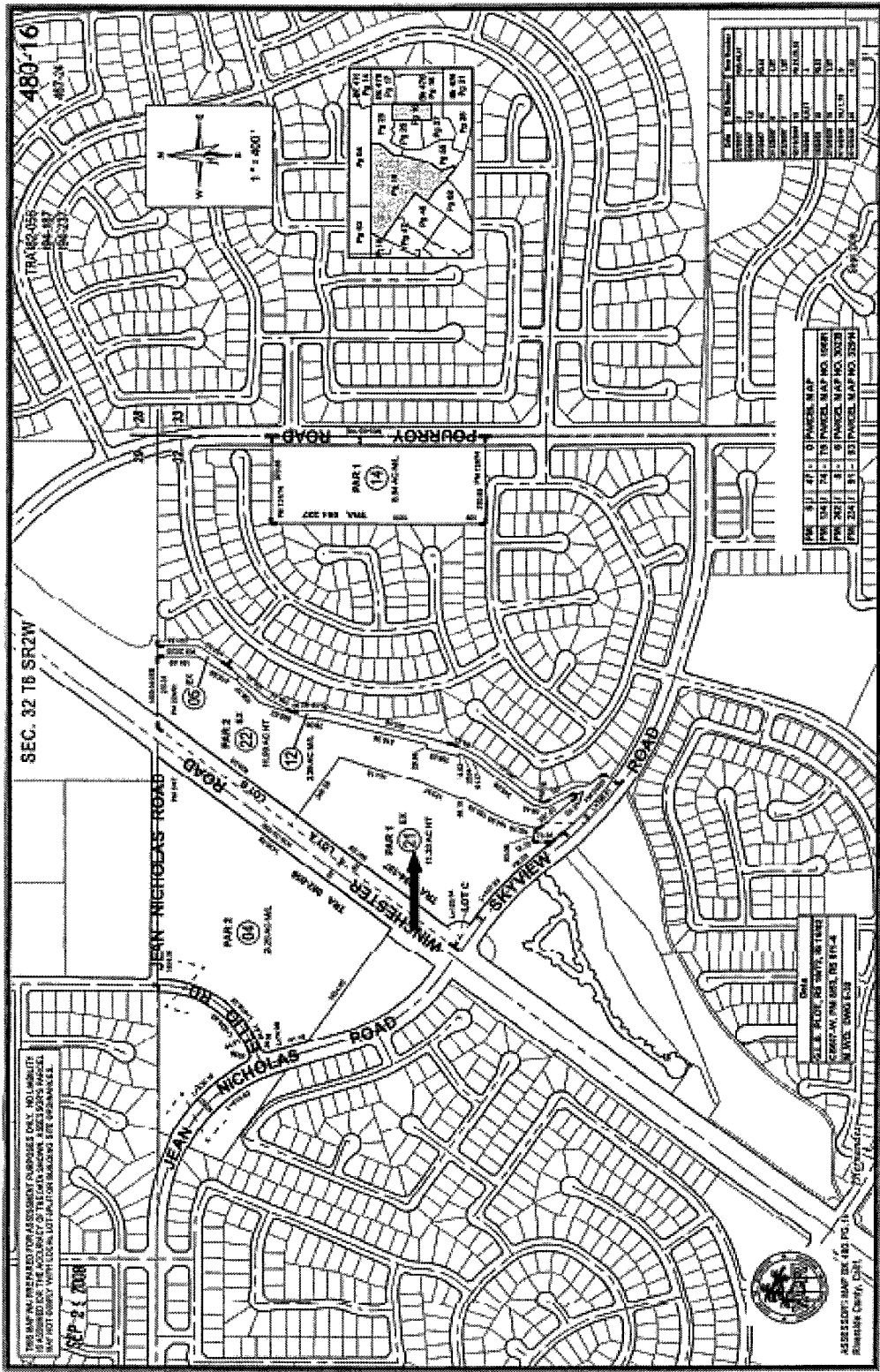
**Your Consent To This Privacy Notice; Notice Changes**

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

**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 paid data), 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.

**Notes**  
Library Facility will be proposed on approximately 20,000 Sq. Ft.

0 500 1,173 Feet

REPORT DATED ON: 11/27/2017 8:32:43 AM

© Riverside County RCT 018

**EXHIBIT B-1**

**MENIFEE - SITE PLAN SHOWING LEASED PREMISES**

See Facilities Lease Exhibit B-1

**EXHIBIT B-2**

**MENIFEE - LEASED PREMISES ALTA SURVEY**

***[to be attached following completion]***

**EXHIBIT B-3**

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

***[to be attached following completion]***

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

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**UPDATED AND AMENDED PRELIMINARY REPORT**

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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 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.

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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 Rielly 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**

4-2-13 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 a 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 (4-2-13) 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 in Schedule B, You are not insured against loss, costs, attorney's 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, 21 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 condemnation. This Exclusion does not limit the coverage described in Covered Risk 17.
  - 4 Riots:
    - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
    - b. that are known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
    - c. that result in no loss to You; or
    - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8 a., 25, 26, 27 or 28.
  - 5 Failure to pay value for Your Title
  - 6 Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 1 of Schedule A, and
    - b. to 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:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
	100% % of Policy Amount Shown in Schedule A	
Covered Risk 16:	\$2,500.00 (whichever is less) or % of Policy Amount Shown in Schedule A	\$ 10,000.00
Covered Risk 18:	\$5,000.00 (whichever is less) or 1.00% of Policy Amount Shown in Schedule A or	\$ 25,000.00
Covered Risk 19:	\$5,000.00 (whichever is less) or 1.00% of Policy Amount Shown in Schedule A or	\$ 25,000.00
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:

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

- 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 located 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 as of Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in 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 state-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, (c) of this policy does not insure against loss or damage, and the Company will not pay costs, attorney's 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 notions 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) easements 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, 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 located 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) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion (1a) does not modify or limit the coverage provided under Covered Risk 3.
- (b) Any governmental police power. This Exclusion (1b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of mineral domains. 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, asserted, 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.)

Attachment One (4-2-15) CA # 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 3, 6, 13(c), 11(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 3, 6, 13(c), 11(d), 14 or 16.
2. Rights of mineral interests. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 9.
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 (or any reason not stated in Covered Risk 23(h)) of this policy.
10. Contamination, explosion, fire, flooding, vibration, frost/dusting, earthquakes, 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 Forms - Modified (11-17-06)

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## FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

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

### **Types of Information Collected**

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

#### **Personal Information.**

FNF may collect the following categories of Personal Information:

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

#### **Browsing Information.**

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

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

#### **How Personal Information is Collected**

We may collect Personal Information about you from:

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

#### **How Browsing Information is Collected**

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

#### **Other Online Specifics**

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

#### **Web Beacons.**

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

#### **Do Not Track.**

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

### **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.

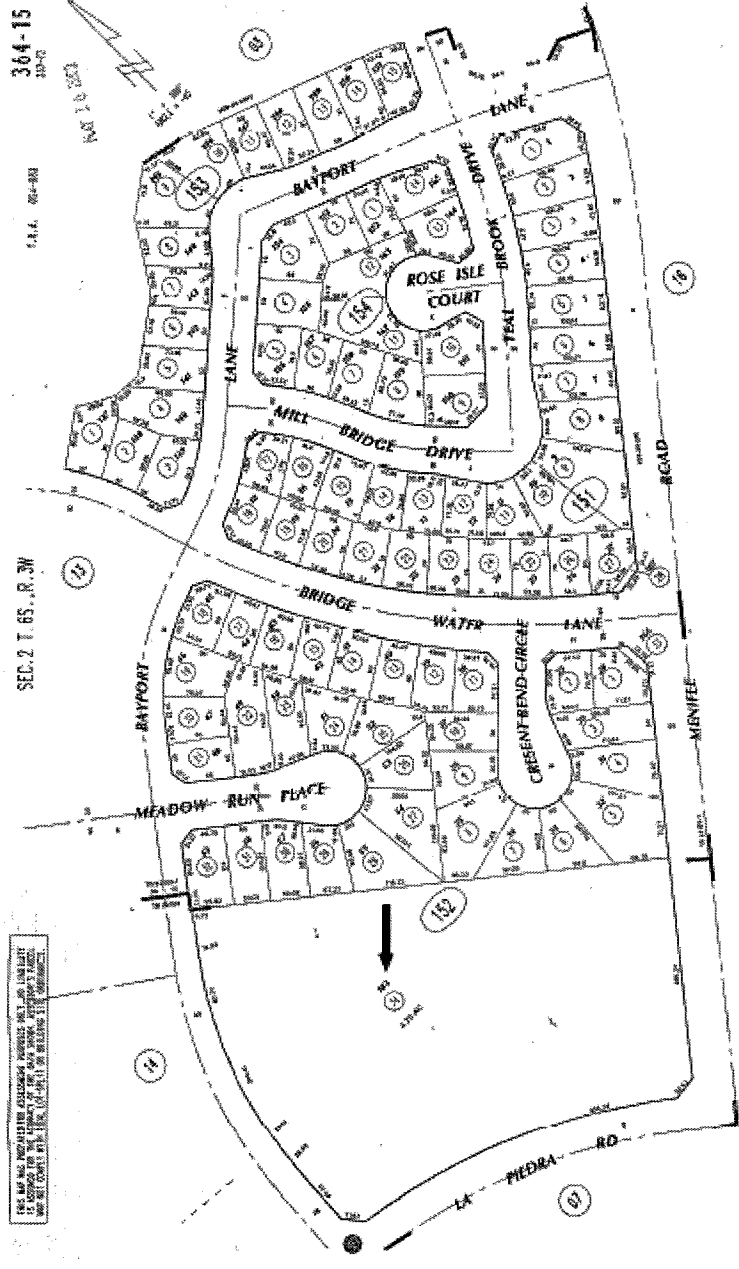
**Your Consent To This Privacy Notice: Notice Changes**

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



364-15  
20-70

3.1.1. 06-881

SEC. 2 T. 65. R. 3W

THIS MAP INDICATES EXISTING AND PROPOSED LOTS AND LOTS ARE NOT TO BE USED FOR ANY OTHER PURPOSES THAN THOSE SPECIFIED HEREIN.

NO 15/15-58 TRACT MAP NO. 22182-1  
NO 15/16-70 TRACT MAP NO. 22183

RESUBDIVISION MAP NO. 15  
ELECTRONIC MAP, 01/15

**EXHIBIT B-5**

**MENIFEE – STAGING AREA**

**EXHIBIT C**

**DESERT HOT SPRINGS - LOCATION MAP**

***[Attached]***