

[Additional discussion of Property Manager’s roles to come]

See “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Property Management Agreement” for additional information.

Status of Project Approvals

[to come]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the Series 2019 Bonds are as follows:

SOURCES

Principal Amount of Series 2019 Bonds	\$
Plus: Net Original Issue Premium	
Total	\$

USES

Deposit to Project Fund ⁽¹⁾	\$
Deposit to Capitalized Interest Fund ⁽²⁾	
Costs of Delivery ⁽³⁾	
Total	\$

⁽¹⁾ Includes deposits to the various accounts within the Project Fund.

⁽²⁾ Capitalized interest through approximately May 1, 2022.

⁽³⁾ Includes costs of issuance, such as legal fees, Underwriter’s discount, printing costs, rating agency fees and other miscellaneous expenses.

BOND PAYMENT SCHEDULE

The following is the annual payment schedule for the Series 2019 Bonds, assuming no optional redemptions:

<u>Maturity Date (November 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Totals:	\$	\$	\$

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS

General

In order to secure the payment of the principal of and interest on the Series 2019 Bonds, and subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, the Landlord and the Authority have pledged to the Trustee all of their interest in the Revenues and any other amounts held in any fund or account established pursuant

to the Indenture and the Facilities Lease, excepting only moneys on deposit in the Rebate Fund, the Trustee and Issuer Administrative Fees Account, the Extraordinary Costs Account, the FF&E Account, the Operating Expenses Account, the Capital Expenses Account and the Operating Contingency Fund established under the Indenture. Amounts in the Rebate Fund, the Trustee and Issuer Administrative Fees Account, the Extraordinary Costs Account, the FF&E Account, the Operating Expenses Account, the Capital Expenses Account and the Operating Contingency Fund do not secure the payment of the principal of and interest on the Series 2019 Bonds and are not otherwise available for the payment of the principal of and interest on the Series 2019 Bonds.

As further security for the payment of the Series 2019 Bonds, the Authority and the Landlord have granted a security interest in, and assigned to the Trustee, (a) all of their respective interests in the Base Rent and the Additional Rent to be paid by the County pursuant to the Facilities Lease, (b) all of their respective interests in the Revenues and other assets described in the preceding paragraph, (c) all of their respective right, title and interest in the Ground Lease and the Facilities Lease and (d) all of the real and personal property granted to the Authority pursuant to the terms of the Deed of Trust.

“Revenues” as defined in the Indenture means all revenues, income, receipts and money received by the Authority or the Landlord from the County or on behalf of the County pursuant to the Facilities Lease, including, but not limited to, (a) gross revenues collected from its operation, leasing and possession of the Premises which includes, but is not limited to, the Base Rent and the Additional Rent paid by the County pursuant to the Facilities Lease; (b) gifts, grants, bequests, donations and contributions, exclusive of any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use either for the payment of Base Rent or the payment of operating expenses of the Landlord including but not limited to any specialized donation; and (c) proceeds derived from (i) condemnation proceeds, (ii) accounts receivable, (iii) securities and other investments, (iv) inventory and other tangible and intangible property, (v) insurance proceeds excluding, however, any insurance proceeds or award, resulting from the arbitration proceedings with the Design-Builder and the Design-Builder’s designers (including without limitation Architect), subcontractors and consultants pursuant to the Design-Build Agreement and (vi) contract rights and other rights and assets now or hereafter owned by the Landlord.

Pursuant to the Facilities Lease, upon completion of the Library Improvements and acceptance by the County thereof, the Landlord will lease the Premises to the County and the County, in consideration for the leasing of the Premises, will pay the Base Rent and any Additional Rent. The County has covenanted in the Facilities Lease to take such action as may be necessary to include the Lease Payments in its annual budget and to make necessary annual appropriations therefor. The Base Rent will provide amounts sufficient to pay the principal of and interest on the Series 2019 Bonds and budgeted operating and maintenance costs of the Libraries. The County’s obligation to pay Lease Payments is subject to abatement in the event of loss of use of the Premises, as described herein. See the caption “RISK FACTORS” herein and “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS— []” attached hereto. The County’s obligations to pay Lease Payments when due will be a current expense of the County, payable from the general fund of the County. The obligation of the County to make Lease Payments does not constitute an obligation or debt of the County, the State or any political subdivision thereof within the meaning of any Constitutional or statutory debt limitation or for which the County is obligated to levy or pledge any form of taxation.

The Landlord will collaterally assign its interest in the Facilities Lease, the Design-Build Agreement, the Property Management Agreement, the Project Manager Agreement and any other agreements required to be assigned by the Landlord pursuant to the Indenture (collectively, the “Assigned Agreements”) to the Authority, and the Authority will further collaterally assign its interest in such agreements to the Trustee for the benefit of the registered owners of the Series 2019 Bonds.

Lease Payments and the Facilities Lease

The term of the Facilities Lease (the "Term") will commence on the date that the Series 2019 Bonds are issued and, unless sooner terminated pursuant to the terms and conditions provided in the Facilities Lease, will continue until the final maturity date of the Series 2019 Bonds. The Term of the Facilities Lease will be automatically extended for a period of time equal in duration as the Premises are unavailable for the County's use and occupancy as a result of an abatement with respect to the entire Premises following the expiration of the rental interruption insurance coverage described in the Facilities Lease.

Lease Payments payable by the County for the County's use and occupancy of the Premises include Base Rent and Additional Rent. Base Rent is rent for the Premises, payable in semi-annual installments, commencing on the first day of the calendar month immediately following the earlier to occur of (i) the Outside Completion Date (as defined in the Facilities Lease and as may be extended as provided therein), (ii) the Substantial Completion Date of the Project by the Landlord, or (iii) occupancy of the Libraries by the County (the "Rent Commencement Date"), and continuing on the first day of each sixth calendar month after the Rent Commencement Date for the duration of the Term, unless terminated sooner pursuant to the terms of the Facilities Lease. Base Rent will be used to make principal and interest payments on the Series 2019 Bonds and to pay operation and maintenance expenses and insurance costs for the Premises. Additional Rent represents amounts other than Base Rent that are payable by the County to the Landlord pursuant to the Facilities Lease and will be limited to and include only Extraordinary Operating Expenses (as defined in the Facilities Lease), Capital Expenses and costs of alterations, additions, improvements or modifications to the Premises.

Subject to payment by the County of Base Rent and Additional Rent (if any) and certain other conditions set forth in the Facilities Lease, Landlord shall operate, maintain, repair and replace in an attractive condition, good order and function (ordinary wear and tear excepted) throughout the Term the Premises. The Landlord covenants in the Indenture to at all times maintain, preserve and keep the Premises and every part thereof, and from time to time make all repairs, replacements, additions, betterments and improvement thereto, all in compliance with the terms and conditions of the Facilities Lease. If the County provides notice to Landlord of an event or circumstance that requires the action of Landlord with respect to the replacement, repair, or maintenance to the Premises and Landlord fails to provide such action as required by the terms of the Facilities Lease within the time period specified in the Facilities Lease, the County may (but shall not be obligated to do so) take the required action if: (1) the County delivers to Landlord an additional written notice advising Landlord that the County intends to take the required action if Landlord does not begin the required repair or maintenance within 24 hours, after the written notice; and (2) Landlord fails to begin the required work within the 24 hour period. The County shall pay for any costs incurred to perform maintenance or repairs on behalf of Landlord.

If the Premises are damaged by a Casualty (fire, earthquake, or any other identifiable event of a sudden, unexpected, or unusual nature), or a Casualty results in the Premises not being provided with Base Building Systems as defined in the Facilities Lease, Landlord shall, to the extent of insurance proceeds and funds in excess of insurance proceeds, if required, as provided by the County, promptly and diligently restore the Premises, including all tenant improvements originally constructed by Landlord, all to substantially the same condition as existed before the Casualty, subject to modifications required by building codes and other laws. Landlord shall, within thirty (30) days after the date of the Casualty or such later date as Landlord and the County may agree, provide written notice to the County indicating the anticipated period for repairing the Casualty ("Repair Period Notice"). Neither Landlord nor the County shall have the right to terminate the Facilities Lease as a result of any Casualty unless such Casualty

materially and adversely affects the County's use and enjoyment of the Premises and either (i) the Casualty is an event which is not covered by insurance carried by Landlord (and the County is not willing to pay for all costs of restoration not covered by insurance), or (ii) the County's possession and use of the Premises cannot be restored by Landlord within twenty four (24) months for reasons other than delays caused by the County, or (iii) the Casualty occurs during the last twelve (12) months of the Term and the County's use and possession of the damaged portion of the Premises cannot be restored within ninety (90) days.

During any period in which, by reason of a material Casualty, there is substantial interference with the use and occupancy by the County of the French Valley Premises, the Menifee Premises or the Desert Hot Springs Premises (other than one which results in a Construction Failure), Base Rent due under the Facilities Lease with respect to the applicable portion of the Premises will be abated and the Base Rent payable under the Facilities Lease is not greater than the annual fair rental value of the portion of the Premises in respect of which there is no substantial interference with the County's use and occupancy. Such abatement shall commence with the date of such Casualty and end with the substantial completion of the work of repair or replacement of the portions of the Premises so damaged or destroyed. Any such abatement of rental payments shall not be considered an Event of Default under the Facilities Lease. See "RISK FACTORS—Rental Abatement" herein and "APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Facilities Lease" attached hereto.

The Facilities Lease grants to the County the option to purchase all Library Improvements and thereby terminate the Ground Lease and the Facilities Lease, subject to the provisions of the Indenture relating to the redemption of the Series 2019 Bonds. The County also has the option to purchase the Library Improvements associated with any one or two of the Libraries, and thereby terminate the Facilities Lease as to the applicable Library Improvements so purchased and terminate the Ground Lease as to the applicable Leased Premises, all subject to the provisions of the Indenture relating to the redemption of the Series 2019 Bonds. The purchase price of all of the Library Improvements shall be the amount required to fully redeem or defease all outstanding Bonds, plus accrued interest and costs associated with such purchase. The purchase price of a portion of the Library Improvements shall be the amount required to fully redeem or defease all outstanding Bonds attributable to that Library or Libraries (based on the pro-rata portion of the Total Project Budget allocable to the applicable Library or Libraries), plus accrued interest and costs associated with such purchase.

The County will pay all Lease Payments due under the Facilities Lease to the Trustee, as assignee of the Landlord, for deposit in the Revenue Fund pursuant to the provisions of the Indenture. Under the Facilities Lease, the County has agreed to take such action as may be necessary to include all Lease Payments due under the Facilities Lease in its annual budget and to make the necessary annual appropriations for such Lease Payments.

If the County defaults under the Facilities Lease, the Trustee, as assignee of the Landlord and the Authority, may enforce any other term or provision of the Facilities Lease to be kept or performed by Tenant and/or exercise any and all rights to retake possession of the Premises. The Facilities Lease provides, however, that future Lease Payments will not be accelerated and will not become immediately due and payable upon a default by the County. See the captions "RISK FACTORS—Default and Limitations on Remedies" and "—Limited Obligations of the County" herein and "APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Facilities Lease" attached hereto. The Trustee may also exercise any and all rights and remedies available to the Trustee under the Deed of Trust. See "APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Deed of Trust" attached hereto.

Limited Obligations of the County

THE COUNTY'S OBLIGATION TO PAY BASE RENT AND ADDITIONAL RENT WHEN DUE WILL BE A CURRENT EXPENSE OF THE COUNTY, PAYABLE FROM THE COUNTY GENERAL FUND. THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE SERIES 2019 BONDS NOR THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT UNDER THE FACILITIES LEASE CONSTITUTE A DEBT OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA. SEE THE CAPTION "RISK FACTORS" HEREIN. NOTWITHSTANDING THE FOREGOING, THE COUNTY MAY, IN ITS SOLE DISCRETION, MAKE PAYMENTS UNDER THE FACILITIES LEASE FROM ANY LEGALLY AVAILABLE FUNDS.

Deed of Trust

Pursuant to the Deed of Trust, the Landlord will (a) irrevocably grant, transfer and assign to the Authority in trust, with power of sale and right of entry and possession, all of the Landlord's right, title and interest in the Premises, including, but not limited to, all of the real property, improvements thereon, machinery, equipment, inventory and leases; (b) assign to the Authority the rents, issues and profits derived from the Premises; and (c) grant a security interest to the Authority in certain personal property of the Landlord. In the event of a Landlord default under the Indenture, in accordance with the Deed of Trust, the Trustee has the right to remedy any such default. Such remedies include, but are not limited to, (i) the right to declare all obligations secured under the Deed of Trust (including the payment of principal of and interest on the Series 2019 Bonds) immediately due and payable; (ii) the right to enter upon the Premises and foreclose on such property; and (iii) the rights and remedies granted a secured party under the California Uniform Commercial Code. The Deed of Trust will be released by the Trustee upon the receipt of the Completion Certificate from Landlord. See "APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Indenture" hereto and the caption "RISK FACTORS—Anti-Deficiency Legislation and Other Limitations on Lending Institutions" herein

Capitalized Interest Fund

A portion of the proceeds of the Series 2019 Bonds will be deposited in the Capitalized Interest Fund established pursuant to the Indenture. See "ESTIMATED SOURCES AND USES OF FUNDS." In addition, any amounts received from the Design-Builder representing liquidated damages pursuant to the Design-Build Agreement will be deposited to the Capitalized Interest Fund. The Capitalized Interest Fund is established for the purpose of setting aside and paying interest on the Series 2019 Bonds.

All interest earnings on amounts in the Capitalized Interest Fund will be retained in the Capitalized Interest Fund. In addition, interest earnings on all other funds and accounts established pursuant to the Indenture (other than the FF&E Account) prior to the delivery of the Confirmation of Rent Commencement Date and the Completion Certificate will be deposited to the Capitalized Interest Fund. Prior to the Capitalized Interest End Date (May 1, 2022), the Trustee will transfer on each May 1 and November 1 commencing May 1, 2020 an amount from the Capitalized Interest Fund to the Interest Fund equal to the deposit required to be made in that account. Amounts remaining on deposit in the Capitalized Interest Fund on the Capitalized Interest End Date will be transferred on such date to the Interest Fund.

Revenue Fund; Deposit of Revenues

The Revenues will be deposited with the Trustee and upon receipt thereof the Trustee will deposit such Revenues into a special fund created under the Indenture designated as the "Revenue Fund" which the Trustee will establish, maintain and hold until such time as the Series 2019 Bonds are paid in full or defeased and all amounts are paid in accordance with the Indenture.

Except as otherwise provided in the Indenture, moneys or deposits in the Revenue Fund and the earnings therein will be utilized, among other things, to fund the payment of principal of, premium, if any, and interest with respect to the Bonds, including the Series 2019 Bonds, and to make other deposits or payments in accordance with the terms and order of priorities established by the Indenture. All moneys received by the Trustee and required by the Facilities Lease to be deposited in the Redemption Fund or the Insurance and Condemnation Fund will be promptly deposited in the Redemption Fund and the Insurance and Condemnation Fund, respectively, which the Trustee will establish, maintain and hold in trust. Pursuant to the Indenture, the Landlord and the Authority agree that, so long as any of the Series 2019 Bonds remain outstanding, the Base Rent and Additional Rent components of Revenues will be deposited in the Revenue Fund and applied by the Trustee in accordance with the Indenture.

Allocation of Revenues

Revenues in the Revenue Fund will be held in the Revenue Fund and set aside by the Trustee in the following respective special funds to be created, established and maintained by the Trustee, or will be utilized for such purposes, as set forth below:

- (1) Interest Fund;
- (2) Principal Fund;
- (3) Rebate Fund;
- (4) Operating and Maintenance Fund; and
- (5) Operating Contingency Fund.

Notwithstanding anything above to the contrary, Base Rent received by the Trustee pursuant to the Facilities Lease on or prior to November 1, 2021 shall, first, be deposited to the Operating and Maintenance Fund in an amount equal to one-half of the aggregate annual amount of the Base Rent allocable to Operating Expenses as set forth in the Annual Facility Budget and, second, be deposited to the Operating Contingency Fund. Base Rent received by the Trustee pursuant to the Facilities Lease after November 1, 2021 shall be held in the Revenue Fund and transferred by the Trustee in accordance with the Indenture. Except as otherwise provided in the Indenture, Base Rent received by the Trustee pursuant to the Facilities Lease shall not be utilized for any other cost or expense until the deposits to the Interest Fund and the Principal Fund have been made. Additional Rent received by the Trustee pursuant to the Facilities Lease and designated for payment of Capital Expenses shall be deposited directly into the Capital Expenses Account of the Operating and Maintenance Fund and used for the purposes set forth in the Indenture. All Revenues paid to the Trustee and held in each of such funds shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes authorized in the Indenture. Notwithstanding anything to the contrary contained herein, amounts received by the Trustee representing liquidated damages under the Design-Build Agreement shall be deposited into the Capitalized Interest Fund.

Interest Fund: On or prior to each May 1 and November 1 following the receipt of Base Rent from the County pursuant to the Facilities Lease, the Trustee shall transfer from the Revenue Fund to the Interest Fund, an amount equal to the amount of interest coming due and payable on the Series 2019 Bonds on the next succeeding Interest Payment Date, taking into account any amounts already on deposit in the Interest Fund or being transferred to the Interest Fund from the Capitalized Interest Fund pursuant to the Indenture. Moneys in the Interest Fund will be used solely to pay interest on the Series 2019 Bonds on each Interest Payment Date.

Principal Fund: On or prior to each May 1 and November 1, commencing after November 1, 2021, following the receipt of Base Rent from the County pursuant to the Facilities Lease the Trustee shall transfer from the Revenue Fund to the Principal Fund, an amount equal to (i) one-half of the aggregate annual amount of principal coming due and payable on the Series 2019 Bonds having annual maturity dates on the next succeeding November 1, plus (ii) one-half of the aggregate of the Minimum Sinking Fund Account Payments to be paid during the 12 month period ending on the next succeeding November 1, taking into account any amounts already on deposit in the Principal Fund or being transferred to the Principal Fund from another fund or account under the Indenture. Moneys in the Principal Fund will be used solely to pay the principal of the Bonds due or the mandatory sinking fund redemption payment on each Principal Payment Date, subject to the provisions of the Indenture and any subsequent provisions of a Supplemental Indenture permitting moneys in any Minimum Sinking Fund Account to be used to purchase Bonds (including the Series 2019 Bonds).

Rebate Fund: Not later than the fifth anniversary of the date of issuance of the Series 2019 Bonds, the Trustee shall transfer from the Revenue Fund to the Rebate Fund such amount as shall be required pursuant to the Tax Regulatory Agreement, as specified in a Certificate of the Landlord or, if the Landlord is in default under the Facilities Lease, the County, delivered to the Trustee.

Operating and Maintenance Fund: On or prior to each May 1 and November 1 following the receipt of Base Rent from the County pursuant to the Facilities Lease and after the transfers and deposits required by the paragraphs above, the Trustee shall transfer from moneys on deposit in the Revenue Fund to the Operating and Maintenance Fund an amount equal to one-half of the Operating Expenses as set forth in the Annual Facility Budgets, to the extent specified in writing to the Trustee by the Landlord.

Operating Contingency Fund: Base Rent received by the Trustee that is intended for the payment of the principal of and interest on the Series 2019 Bonds but not required for such purposes due to the availability of moneys in the Capitalized Interest Fund, will be transferred by the Trustee from the Revenue Fund to the Operating Contingency Fund. On each May 1 and November 1, following the transfers and deposits indicated above, the Trustee shall transfer the balance of the moneys on deposit in the Revenue Fund to the Operating Contingency Fund to be applied as described under "Operating Contingency Fund" below.

Operating and Maintenance Fund

All moneys in the Operating and Maintenance Fund will be disbursed, in accordance with the provisions of the Indenture (as set forth below) and in the following order of priority.

(1) **Trustee and Issuer Administrative Fees Account.** On or prior to each May 1 and November 1 commencing after the Rent Commencement Date, the Trustee will transfer from the Operating and Maintenance Fund for deposit in the Trustee and Issuer Administrative Fees Account (which Trustee and Issuer Administrative Fees Account the Trustee will establish and maintain in the Operating and Maintenance Fund) an amount equal to one-half of the annual fees and expenses of the Trustee and the Issuer coming due during the following year based upon the

estimated fees and expenses of the Trustee and the Issuer provided to the Trustee by the Landlord. Upon receipt of a Request of the Landlord, or a statement submitted by the Trustee, the Trustee will disburse amounts held in the Trustee and Issuer Administrative Fees Account for the payment of the Trustee's and Issuer's fees in connection with the Bonds.

(2) **Extraordinary Costs Account.** There will be deposited in the Extraordinary Costs Account an amount equal to \$50,000 from the proceeds of the Series 2019 Bonds. At any time the balance in the Extraordinary Costs Account falls below \$50,000, the Trustee will transfer an amount up to one-half of the difference between \$50,000 and the amount on deposit in the Extraordinary Costs Account on each May 1 and November 1, from the Operating and Maintenance Fund to the Extraordinary Costs Account. At any time the Landlord submits an invoice to the Trustee for an amount payable from the Extraordinary Costs Account in excess of the amount in that account, the Trustee will within thirty days of receipt of the invoice transfer sufficient funds from the Operating Contingency Fund to the Extraordinary Costs Account to pay the invoice.

Amounts in the Extraordinary Costs Account will be disbursed by the Trustee, upon the receipt of a Request of the Landlord to pay or reimburse the Authority and the Trustee for any Authority's and Trustee's Extraordinary Costs incurred pursuant to the Facilities Lease and the Indenture to the extent not otherwise paid by the Landlord. Upon the payment, defeasance or earlier redemption of all Outstanding Bonds and payment of all amounts due pursuant to the Facilities Lease, the Trustee will transfer amounts in the Extraordinary Costs Account to the County.

(3) **Operating Expenses Account.** On or prior to each May 1 and November 1 following the Rent Commencement Date, the Trustee will transfer all amounts remaining on deposit in the Operating and Maintenance Fund following the transfers required pursuant to subsections (1) and (2) above for deposit in the Operating Expenses Account (which Operating Expenses Account the Trustee will establish and maintain in the Operating and Maintenance Fund). To the extent there is no Event of Default under the Indenture, the Operating Expenses Account and all moneys therein will be released from the pledge and lien created in the Indenture for the payment of Operating Expenses of the Premises. Upon the receipt of a written Request of the Landlord, the Trustee will transfer amounts on deposit in the Operating Expenses Account as directed in such written Request. Amounts remaining on deposit in the Operating Expenses Account on the Business Day prior to each anniversary of the Rent Commencement Date will be transferred by the Trustee to the Operating Contingency Fund, unless the Landlord has notified the Trustee that such amounts are required to pay Operating Expenses incurred prior to such date.

(4) **Capital Expenses Account.** The Trustee will establish and maintain in the Operating and Maintenance Fund a separate account designated as the Capital Expenses Account. The Trustee will deposit in the Capital Expenses Account the portion of Additional Rent received by the Trustee pursuant to the Facilities Lease and designated for payment of Capital Expenses. To the extent there is no event of default under the Indenture, the Capital Expenses Account and all moneys therein will be released from the pledge and lien created in the Indenture for the payment of Capital Expenses. Upon the receipt of a written Request of the Landlord, the Trustee will transfer amounts on deposit in the Capital Expenses Account as directed in such written Request.

Operating Contingency Fund

Pursuant to the Indenture, the Trustee will establish and maintain in trust a separate fund designated as the "Operating Contingency Fund." The Operating Contingency Fund will be established for the purpose of setting aside and paying Excess Operating Expenses (Operating Expenses which are over and above the budgeted Operating Expenses). The Trustee will deposit into the Operating Contingency Fund the amounts described above under "Allocation of Revenues" and amounts transferred from the Operating Expenses Account. All interest earnings on amounts in the Operating Contingency Fund will be retained in the Operating Contingency Fund.

Following the Rent Commencement Date, upon the receipt of a written Request of the Landlord (or the Property Manager under the Property Management Agreement), the Trustee shall transfer amounts on deposit in the Operating Contingency Fund to pay Excess Operating Expenses as directed in such written Request; provided, however, any such Request for any individual expenditure in excess of \$5,000 or aggregate expenditures in excess of \$50,000 for any Lease Year shall require the prior consent of the County (which consent shall not be unreasonably withheld). Further, County shall have the right at any time to receive or direct payment of any portion of the Operating Contingency Fund (regardless of source, including without limitation accrued interest) which exceeds \$1,000,000.

In the event the County exercises its option to purchase the Premises in whole, as provided in the Facilities Lease, all amounts on deposit in the Operating Contingency Fund will be transferred to the County or, at the election of the County, applied on the purchase date to the purchase price of the Premises. In the event the County exercises its option to purchase the Premises in part, as provided in the Facilities Lease, the portion on deposit in the Operating Contingency Fund in excess of \$1,000,000 (regardless of source, including without limitation accrued interest) will be transferred to the County or, at the election of the County, applied on the purchase date to the purchase price of the Premises being purchased. Upon the written direction of the County, all amounts on deposit in the Operating Contingency Fund (regardless of source, including without limitation accrued interest) will be applied to make the final principal and interest payments then due on the Series 2019 Bonds or, following the payment or defeasance of the Series 2019 Bonds, will be transferred to the County.

Insurance

Landlord's Insurance. Landlord and/or its authorized representatives will procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage during the term of the Facilities Lease:

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

(b) Commercial General Liability Insurance coverage, including, but not limited to, premises liability, contractual liability, products/completed operations, personal and advertising injury, cross liability coverage and employment practices liability covering bodily injury, property damage, and personal injury arising out of or relating, directly or indirectly, to the design, construction, maintenance, repair, alteration and ownership of the Premises and all areas appurtenant thereto including claims which may arise from or out of Landlord's operations, use, and management of the Premises, or the performance of its obligations under the Facilities Lease. Said policy shall (i) name the County, its elected and appointed officials, employees, agents, independent contractors or representatives as an Additional Insured for Landlord's indemnity obligations in the Facilities Lease and (ii) shall have limits not less than

\$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to the Facilities Lease or be no less than two (2) times the occurrence limit.

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

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

County's Insurance. The County shall procure and maintain or cause to be maintained, from Landlord's reimbursement as an Operating Expense, the following insurance coverage from and after the Rent Commencement Date (or, if later, Substantial Completion of the Project):

(a) Rental interruption (business interruption) insurance, in an amount not less than two times the maximum remaining scheduled annual payments of principal of and interest on the Bonds.

(b) Casualty insurance coverage, for the greater of the outstanding principal balance of the Bonds then outstanding or full replacement cost of buildings, structures, fixtures, all improvements therein, and building systems as the same exists at each early anniversary of the term. Said policy shall (i) insure the Library Improvements against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood), and may be subject to a \$10,000 loss deductible provision, (ii) shall name Trustee as Loss Payee and the Authority, the Landlord and Property Manager as Additional Insureds. The County may satisfy this insurance obligation by participation in CSAC Excess Insurance Authority, a Joint Powers Authority pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.).

Redemption Fund and Insurance and Condemnation Proceeds Fund

Redemption Fund. Pursuant to the Indenture, the Trustee will establish, maintain and hold in trust a Redemption Fund. The Trustee will establish and maintain within the Redemption Fund a separate Optional Redemption Account and a separate Special Redemption Account. All amounts deposited in the Optional Redemption Account and the Special Redemption Account will be accepted and used and withdrawn by the Trustee for the purpose of redeeming the Series 2019 Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has been given and at the Redemption Prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided that, at any time prior to giving such notice of redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Revenue Fund) as the Trustee may be directed in writing by the County or, if the County is in default under the Facilities Lease, the Landlord, except that the purchase price (exclusive of accrued interest) may not exceed said applicable Redemption Price; and provided further that in the case of the Optional Redemption Account, in lieu of prepayment at such next

succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Revenue Fund and credited against the Base Rent in order of their due date as set forth in a Request of the County or, if the County is in default under the Facilities Lease, the Landlord.

Insurance and Condemnation Proceeds Fund. The Trustee will also establish and maintain, when deposits are required to be made therein, the Insurance and Condemnation Proceeds Fund (which fund the Trustee will establish, maintain and hold in trust) and apply any moneys on deposit therein as follows: (a) all proceeds of the insurance carried pursuant to the Indenture and the Facilities Lease and proceeds of any condemnation awards with respect to the Premises, will be paid immediately upon receipt by the Landlord or the County to the Trustee for deposit to a special fund which the Trustee will then establish and maintain and hold in trust, to be known as the "Insurance and Condemnation Proceeds Fund." The County or, if the County is in default under the Facilities Lease, the Landlord will, within ninety (90) days of the damage, destruction or condemnation of the Premises, elect between the actions stated in the subparagraphs (b) and (c) of this paragraph; (b) unless otherwise instructed by the County or, if the County is in default under the Facilities Lease, the Landlord in writing to prepay the Outstanding Bonds, the Trustee, at the written direction of the County or, if the County is in default under the Facilities Lease, the Landlord, will proceed promptly to cause the repair or replacement of such property. If the County or, if the County is in default under the Facilities Lease, the Landlord elects to repair or replace the property damaged, destroyed or taken, the County or, if the County is in default under the Facilities Lease, the Landlord will furnish to the Trustee a Statement stating that amounts in the Insurance and Condemnation Proceeds Fund, together with investment income reasonably expected to be received with respect thereto and any other funds available or reasonably expected to become available in a timely manner therefor (and which the County or, if the County is in default under the Facilities Lease, the Landlord will agree to deposit in said fund when so available), will be sufficient to repair or replace the property damaged, destroyed or taken in accordance with said plans. After deducting therefrom the reasonable charges and expenses of the Trustee in connection with the collection and disbursement of such moneys, moneys in the Insurance and Condemnation Proceeds Fund will be disbursed by the Trustee upon receipt by the Trustee of a Requisition of the Landlord, which Requisition, if the County is in default under the Facilities Lease, will require the approval of the County, for the purpose of repairing or replacing the property damaged, destroyed or taken. Any amounts remaining in the Insurance and Condemnation Proceeds Fund after the repair or replacement of the property damaged will be used to redeem Outstanding Bonds; (c) if the County or, if the County is in default under the Facilities Lease, the Landlord elect in writing to apply the proceeds to the redemption of the Outstanding Bonds, the Trustee will transfer all amounts in the Insurance and Condemnation Proceeds Fund on account of such damage, destruction or condemnation to the Special Redemption Account in the Redemption Fund in order to redeem the Outstanding Bonds; (d) in the event of the partial damage, destruction or condemnation of a portion of the Premises and a reduction in Base Rent paid by the County under the Facilities Lease, the County or, if the County is in default under the Facilities Lease, the Landlord may elect to prepay a corresponding principal amount of the Outstanding Bonds so long as the amount of Base Rent paid under the Facilities Lease after such damage, destruction or condemnation is sufficient to pay the principal of and interest on the remaining Outstanding Bonds.

Permitted Investments

All moneys in any of the funds and accounts established pursuant to the Indenture will be invested by the Trustee at the written direction of the County or, if the County is in default under the Facilities Lease, the Landlord, solely in Investment Securities and subject to the conditions contained in the Indenture.

Limitations on Additional Indebtedness by the Landlord; Additional Bonds

The Authority and the Trustee, with the written approval of the Landlord and, if the County is not in default under the Facilities Lease, the County, may from time to time, upon the conditions provided in the Indenture, provide for the issuance of Additional Bonds to finance the cost of Alterations or to refinance the Project. Additional Bonds issued for such purposes will be issued in a principal amount not to exceed, together with other moneys available therefor, the Landlord's estimate of the reasonable costs to complete the Alterations or refinance the Project, including providing amounts for the costs incidental to or connected with any such financing or refinancing and the making of any deposits into any of the funds and accounts required by the provisions of the Supplemental Indenture authorizing such Additional Bonds. The Authority may issue, and the Trustee may authenticate, such Additional Bonds, secured under the Indenture and equally and ratably payable with the Series 2019 Bonds from the revenues and property pledged and appropriated under the Indenture, but bearing such date or dates and interest rate or rates and with such redemption dates and premiums as may be agreed upon, but only upon satisfaction of all of the following conditions: (a) To the extent the proceeds of the Additional Bonds will be used to finance the cost of Alterations, the Landlord and the County will have entered into a Supplemental Facilities Lease pursuant to which the County agrees to make additional Base Rent payments with respect to the Premises (which will include any and all Alterations completed with the proceeds of the Additional Bonds), (b) The Trustee will receive an Accountant's certificate to the effect that the amount of Base Rent (including amounts representing the additional Base Rent to be made by the County pursuant to the Supplemental Facilities Lease) will be sufficient to pay the principal of, premium, if any, and interest on the Series 2019 Bonds and the Additional Bonds, (c) All deposits or obligations with respect to funds and accounts created pursuant to the Indenture must be current. (d) No Event of Default under the Indenture, and no event or condition which, with the giving of notice or passage of time or both, would become such an Event of Default, will have occurred and be continuing, or if such event or condition has occurred and is continuing, the Event of Default will be cured by the issuance of the Additional Bonds or upon the completion of the Alterations financed with the Additional Bonds, and (e) Any Additional Bonds will have a maturity date of November 1 and will not mature later than the Lease Expiration Date

See "APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—The Indenture" attached hereto for additional information.

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2019 Bonds. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2019 Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks. Additionally, potential investors should be aware of the possibility that other considerations could materialize in the future.

Limited Obligations of the County

THE COUNTY'S OBLIGATION TO PAY BASE RENT AND ADDITIONAL RENT WHEN DUE WILL BE A CURRENT EXPENSE OF THE COUNTY, PAYABLE FROM THE COUNTY GENERAL FUND. THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT CONSTITUTES AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS NOT OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE SERIES 2019 BONDS NOR THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT UNDER THE FACILITIES LEASE

CONSTITUTE A DEBT OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.

In the event the County's revenue sources are less than its total obligations, the County could choose to fund other County services before making Lease Payments due under the Facilities Lease. The same result could occur if, because of California constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues. The County is currently liable and may become liable on other obligations payable from general revenues, some of which may have priority over the Lease Payments due under the Facilities Lease. See the caption "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

Construction Risks

The failure to complete or a delay in the completion of the construction of the Library Improvements and the acquisition and installation of the FF&E could adversely affect the receipt of the Lease Payments due under the Facilities Lease and thus, the payment of principal and interest with respect to the Series 2019 Bonds. Some of the risks that will be present throughout the construction period of the Project are set forth below. A portion of the proceeds of the Series 2019 Bonds, together with interest earnings on the Project Fund and the other funds and accounts established pursuant to the Indenture, will be used to fund a Capitalized Interest Fund to pay interest on the Bonds through May 1, 2022.

There are a number of risks or contingencies associated with completion of the Project. Contingencies generally involved in the construction of any facility, such as weather, earthquake, fire, discovery of hazardous substances, labor difficulties, problems with contractors, problems with obtaining materials and unforeseen circumstances ("Excusable Delays") may cause the actual cost to complete the Project to exceed available funds or may prevent the Project from being completed in a timely manner and on schedule. This risk is mitigated by the builder's risk insurance required to be maintained by the Design-Builder pursuant to the Facilities Lease, which will cover losses from many of such Excusable Delays.

There can be no guarantee that the completion of the Project can be accomplished within the Project's budget. In the event that the proceeds from the Series 2019 Bonds and amount provided by the County for FF&E are insufficient to complete the Project, there are no assurances that additional funds could be raised to finance such completion. The Landlord has no assets other than those associated with the Project (i.e., Series 2019 Bond proceeds and the Landlord's rights under the Facilities Lease, the Work Letter, the Design-Build Agreement and other related contracts), and may have limited ability to raise additional funds. In order to mitigate this risk, the Design-Builder has agreed to the Lump Sum Price. However, such Lump Sum Price is subject to additions by certain change orders and therefore could increase significantly. Also, to the extent the Architect provides additional services, additional compensation would have to be paid which collectively could significantly exceed the budget for the Library Improvements. However, for certain changes or cost increases ordered or caused by the County, the Facilities Lease provides that the County will pay the Landlord and/or the Design-Builder for such changes or cost increases. To mitigate some of the risks of the Design-Builder's failure to complete the Library Improvements, the Design-Builder will provide a performance and payment bond in the amount of the Lump Sum Price.

The Design-Builder will be liable to the Trustee for liquidated damages in the event the Design-Builder fails to complete the work required to be done on or before the Substantial Completion Date as described under the caption "THE PROJECT—Design-Build Agreement" herein. There is no assurance

that the Design-Builder will pay such liquidated damages when required to do so. However, the obligation of the Design-Builder to pay such liquidated damages is also secured by the Design-Builder's performance bond.

Project Management Risks

[Disclosure to come]

Property Management Risks

[Disclosure to come]

Failure of County to Accept the Premises

In the event the County refuses to accept the Premises as constructed, the Trustee, as assignee of the Landlord, could (a) attempt to seek a judgment that the County is required to accept the Premises pursuant to the Facilities Lease and hold the County liable for each installment of rent as it becomes due or all Lease Payments on an annual basis or (b) attempt to re-let the Premises. The enforcement of such remedies could be expensive, time consuming and is subject to certain restrictions. If the County refuses to accept the Premises, there may be insufficient funds to pay the principal and interest on the Series 2019 Bonds.

Seismic and Other Considerations

Generally, within the State, some level of seismic activity occurs on a regular basis. During the past 150 years, the Southern California area has experienced several major and numerous minor earthquakes. The most recent major earthquake in the Southern California area was the Northridge earthquake, which occurred on January 17, 1994 and measured 6.5 on the Richter scale.

The Landlord is not legally obligated under the Facilities Lease to maintain, or cause to be maintained, earthquake insurance on the Project and no assurance is made that any earthquake insurance will be maintained. If there were to be an occurrence of severe seismic activity in the County, there could be substantial damage to and interference with the County's right to use and occupy all or a portion of the Premises, which could result in Lease Payments being subject to abatement. See the captions "RISK FACTORS—Rental Abatement" and "THE PROJECT" herein.

During the term of the County's occupancy, the Landlord covenants under the Facilities Lease to maintain or cause to be maintained certain insurance policies on the Premises, but excluding earthquake and flood coverage.

There can be no assurance that amounts received as proceeds from insurance or from condemnation of the Premises will be sufficient to pay the Series 2019 Bonds.

Rental Abatement

During any period in which, by reason of a material Casualty, there is substantial interference with the use and occupancy by the County of the French Valley Premises, the Menifee Premises or the Desert Hot Springs Premises (other than one which results in a Construction Failure), Base Rent due under the Facilities Lease with respect to the applicable portion of the Premises will be abated to the extent that the annual fair rental value of the portion of the Premises in respect of which there is no substantial interference is less than the annual amount of Base Rent, in which case Base Rent shall be

abated only by an amount equal to such difference for the period commencing with the date of such Casualty, and ending with the substantial completion of the work of repair or replacement of the portions of the Premises so damaged or destroyed. "Substantial interference" shall mean damage to greater than [25]% of the Library Improvements located on any portion of the Premises such that the Library Improvements located on such portion of the Premises damaged cannot be utilized by the County. Any such abatement of rental payments shall not be considered an Event of Default under the Facilities Lease. Notwithstanding the foregoing, there may be no abatement of Base Rent to the extent that the proceeds of rental interruption insurance, are available to pay Base Rent.

Effects on the Series 2019 Bonds of a Termination of the Facilities Lease

Bond Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Series 2019 Bond subsequent to a termination of the Facilities Lease. If the Facilities Lease is terminated, there is no assurance that the Series 2019 Bonds may be transferred by a Registered Owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

In addition, Bond Counsel has rendered no opinion as to the treatment for federal or State of California income tax purposes of any moneys received by a Registered Owner of the Series 2019 Bonds subsequent to termination of the Facilities Lease. There is no assurance that any moneys received by the Registered Owners of the Series 2019 Bonds subsequent to a termination of the Facilities Lease will be excludible from gross income for purposes of federal or State of California income taxation.

Default and Limitations on Remedies

In the event the County defaults under the Facilities Lease, the Trustee, as beneficiary under the Deed of Trust and as assignee of the Landlord, may (subject to the restrictions described below) retain the Facilities Lease and exercise any and all rights of re-entry and re-letting upon the Premises. Alternatively, the Trustee may terminate the Facilities Lease and proceed against the County to recover damages. The enforcement of such remedies could be expensive, time consuming and is subject to certain restrictions.

There is no available remedy of acceleration of the total Lease Payments due over the term of the Facilities Lease. Any suit for money damages could be subject to limitations on legal remedies against public agencies in California, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Due to the specialized nature of the Premises, the Trustee may have limited ability to relet the Premises to provide a source of funds sufficient to pay the principal of and interest on the Series 2019 Bonds so as to preserve the tax-exempt nature of the interest on the Series 2019 Bonds. Given the governmental function of the Premises, it is not certain whether a court would permit the exercise of the remedies of repossession and reletting with respect to the Premises. Any exemption from County zoning requirements would no longer apply if the Premises are no longer leased by the County. It is impossible to estimate the cost, feasibility or time required to comply with any existing zoning requirements at the time of reletting.

The rights and remedies contained in the Indenture and the Facilities Lease may be limited by and are subject to provisions of the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under

State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against counties in the State.

Limitation on Sources of Revenues

There are limitations on the ability of the County to increase revenues payable to the County General Fund. The ability of the County to increase ad valorem property taxes (which has historically been a primary source of revenues for counties in California) is limited pursuant to Article XIII A of the State Constitution (Proposition 13), which was enacted in 1978. California voters in 1986 approved an initiative statute that attempts to limit the imposition of new or higher taxes by local agencies, including the County. Moreover, voters on November 5, 1996, approved Proposition 218—the “Right to Vote on Taxes Act,” which further affects the ability of local agencies to levy and collect existing and future taxes, assessments, fees and charges. See the caption “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATION” herein.

Bankruptcy

Bankruptcy of the County. The County is not subject to the involuntary procedures of the United States Bankruptcy Code (the “Bankruptcy Code”). However, pursuant to Chapter 9 of the Bankruptcy Code, the County may seek voluntary protection from its creditors for the purpose of adjusting its debts. In the event the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code applicable in a Chapter 9 proceeding, and the Trustee would be treated as a creditor in a municipal bankruptcy. Among the adverse effects of such a bankruptcy might be: (a) the application of the automatic stay provisions of the Bankruptcy Code which prohibit any act to collect payments from the County, or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County unless and until relief has been granted by the bankruptcy court; (b) the possibility of the adoption of a plan for the adjustment of the County’s debt without the consent of the Authority, the Trustee or the Landlord, which plan may restructure, delay, compromise or reduce the amount of the claim of the Registered Owners if the bankruptcy court finds that such a plan is fair and equitable; and (c) the rejection of the Facilities Lease which would give rise to a claim for damages limited to the amounts payable under the Facilities Lease for the greater of one year or fifteen percent (but not to exceed three years) of the remaining term of such lease following the earlier of (i) the date the bankruptcy petition was filed; and (ii) the date on which the County surrendered the leased property under the Facilities Lease, plus any unpaid rentals under such lease (without acceleration) on the earlier of such dates. Any such claim would rank as that of a general unsecured creditor. In addition, the Bankruptcy Code would invalidate the effects of any provision of the Facilities Lease that makes the bankruptcy or insolvency of the County an event of default.

Bankruptcy of the Landlord. While the Landlord’s purposes and activities are contractually limited pursuant to the financing documents, which restrictions may reduce the risk of bankruptcy, the Landlord could nonetheless file for bankruptcy protection pursuant to the provisions of the Bankruptcy Code. The Landlord is subject to the voluntary and involuntary procedures of the Bankruptcy Code. Should the Landlord file for bankruptcy, there could be adverse effects on the Registered Owners of the Series 2019 Bonds, including the Series 2019 Bonds. These adverse effects could include, but might not be limited to, one or more of the following.

First, the automatic stay provisions of the Bankruptcy Code could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by the Landlord under the financing documents, or any action to enforce any obligation of the Landlord under the financing

documents; in particular, the Trustee may be prevented from exercising any of the rights of the Landlord that have been assigned to the Trustee. These restrictions may also limit the ability of the Trustee to make payments to the Registered Owners of the Series 2019 Bonds, including the Series 2019 Bonds, from funds in the Trustee's possession during the pendency of the bankruptcy proceedings. Unless the bankruptcy court grants relief from the automatic stay during the course of the bankruptcy case (upon motion made by a party in interest and after notice and a hearing), the automatic stay will remain in effect until the earliest of (a) the time the case is closed, (b) the time the case is dismissed, or (c) the time a discharge is granted or denied.

Second, with the authorization of the bankruptcy court, the Landlord might be able to reject one or more of the financing documents to the extent such documents constitute executory contracts or unexpired leases, or any other executory contract or unexpired lease to which the Landlord is a party. A rejection of an executory contract or unexpired lease by the Landlord would generally excuse the Landlord from any further performance (including payment obligations) under such agreement, but would give rise to an unsecured claim for damages arising from such rejection. If any of the financing documents which constitute executory contracts or unexpired leases were rejected, any rights of the Landlord under such agreement that have been assigned to the Trustee may be adversely affected.

Third, payments previously made to the Registered Owners of the Series 2019 Bonds, including the Series 2019 Bonds, during the 90 days immediately preceding the filing of a bankruptcy petition may be subject to avoidance as preferential transfers, in which event the Registered Owners of the Series 2019 Bonds may be required to return such payments.

Fourth, the Landlord may be able to use any of its property that is subject to the lien of the Indenture or any of the other financing documents as long as the bankruptcy court determines that the rights of the Trustee and the Registered Owners of the Series 2019 Bonds, including the Series 2019 Bonds, will be adequately protected. Additionally, the Landlord may under certain circumstances be able to sell its property that is subject to the lien of the Indenture or any of the other financing documents free and clear of such lien (with the lien attaching to the sale proceeds), so long as the legal requirements for a sale free and clear are determined by the bankruptcy court to be satisfied.

Fifth, the Landlord might be able, without the consent and over the objection of the Trustee and the Registered Owners of the Bonds, including the Series 2019 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants) and other terms or provisions of the financing documents pursuant to a confirmed plan of reorganization; such alterations could not be made, however, unless the bankruptcy court determines that they are fair and equitable and otherwise consistent with certain legal requirements established in the Bankruptcy Code. In addition, with the authorization of the bankruptcy court, the Landlord may assign its rights and obligations under any of the financing documents, or any other agreement to which the Landlord is a party, to another entity, despite any contractual prohibition to the contrary, subject to satisfaction of certain requirements established under the Bankruptcy Code.

The occurrence of any of these, as well as the occurrence of other possible effects of a bankruptcy of the Landlord, could result in delays or reductions in payments to the Registered Owners of the Bonds, including the Series 2019 Bonds. In addition, a bankruptcy trustee or the borrower as a debtor in possession could take action which could adversely affect the exclusion of the interest on with respect to the Series 2019 Bonds from gross income for federal income tax purposes.

Insurance

The Landlord and the County are obligated to obtain and keep in force various forms of insurance pursuant to the Facilities Lease and the Indenture. There can be no assurance as to the ability of any insurer to fulfill its obligations under any insurance policy and no assurance can be given as to the adequacy or availability of such insurance. See the caption "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2019 BONDS—Insurance" herein.

Hazardous Substances

One of the most serious factors in terms of the potential reduction in the value of real property is a claim with regard to a hazardous substance. In general, the owners and operators of real property may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, should the Premises be affected by a hazardous substance, is to reduce the marketability and value by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. It is also possible that the discovery of a hazardous substance could affect the amount of rent that could be obtained for the Premises if the County were to default on its obligations under the Facilities Lease. In addition, discovery of hazardous substances on the Premises could delay the construction schedule and cause Project costs to increase.

Absence of Operating History and Limitation of Sources of Revenues

The Landlord was recently formed and has no operating history and no assets. The Landlord has no history of providing services required by the Facilities Lease or developing real estate projects such as the Premises. In addition, the Landlord has covenanted not to engage in any business or activity other than ownership and operation of the Premises. Accordingly, the Landlord's only source of revenues from operations will be Lease Payments received from the County pursuant to the Facilities Lease. See the caption "THE LANDLORD" for a description of the Landlord and its affiliates.

Limited Resources of Project Manager and Property Manager

[Disclosure to be provided.]

Other Financial Matters

In the event of weakness in the economy of the State and the United States, it is possible that the general revenues of the County will decline. Such financial matters may have a detrimental impact on the County's General Fund, and, accordingly, may reduce the County's ability to make Lease Payments. See "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE."

IRS Audit of Bond Issues

The Internal Revenue Service has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for

audit by the Internal Revenue Service. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar municipal obligations).

Loss of Tax Exemption

As discussed under the heading “TAX MATTERS,” the interest on the Series 2019 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2019 Bonds, as a result of acts or omissions of the Authority, the Landlord or the County in violation of their covenants in the Indenture and the Facilities Lease. Should such an event of taxability occur, the Series 2019 Bonds would not be subject to a special redemption and would remain Outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

Change in Law

No assurance can be given that the State electorate will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State, in a manner that could result in a reduction of the County’s revenues and, therefore, a reduction of the funds legally available to the County to make Lease Payments. See, for example, “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIII C and Article XIII D of the State Constitution.”

Other Factors

In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Series 2019 Bonds are an appropriate investment. Purchasers of the Series 2019 Bonds are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2019 Bonds.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2019 Bonds. In order to allow potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with the entire Official Statement and the appendices hereto.

STATE OF CALIFORNIA BUDGET INFORMATION

The following information concerning the State's budgets has been obtained from publicly available information which the County believes to be reliable; however, the County does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information in this Official Statement that the principal or interest due on the Series 2019 Bonds is payable from any funds of the State.

The County relies significantly upon State and Federal payments for reimbursement of various costs including certain mandated programs. For Fiscal Year 2018-19, approximately 43% of the County’s General Fund budget revenues consist of payments from the State and approximately 21% consists of payments from the Federal government. For Fiscal Year 2019-20, the County projects that approximately 44% of its General Fund budget revenues will consist of payments from the State and 20% will consist of payments from the Federal government.

Information about the State budget and State spending is available at various State maintained websites. Text of the 2018-19 State Budget (as defined herein) and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriter, and the County and the Underwriter take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

For a description of certain potential impacts of the State budget on the finances and operations of the County, see "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — FINANCIAL INFORMATION — Impacts of State Budget" attached hereto.

State Budget for Fiscal Year 2018-19. In a typical year, the Governor releases two primary proposed budget documents: (i) the Governor's Proposed Budget required to be submitted in January, and (ii) the "May Revision" to the Governors Proposed Budget. The Governor's Proposed Budget is then considered and typically revised by the State Legislature. The Governor signed the 2018-19 State Budget (the "2018-19 State Budget") on June 27, 2018. The 2018-19 State Budget projects Fiscal Year 2018-2019 total resources available of \$141.8 billion (including revenues and transfers of approximately \$133.3 billion), total expenditures of approximately \$138.7 billion (inclusive of non-Proposition 98 expenditures of \$83.8 billion and Proposition 98 expenditures of \$54.9 billion) and a year-end fund balance of approximately \$3.1 billion, of which \$1.2 billion would be reserved for liquidation of encumbrances and approximately \$2.0 billion of which would be deposited in a reserve fund for economic uncertainties. The 2018-19 State Budget projects a balance of \$13.8 billion in the Budget Stabilization Account/Rainy Day Fund by the end of Fiscal Year 2018-2019 and an additional \$200 million is deposited to the newly created Safety Net Reserve Fund. The 2018-19 State Budget makes one-time spending commitments for infrastructure, homelessness and mental health. Furthermore, the 2018-19 State Budget provides for \$45 million general fund for the Housing and Disability Advocacy Program ("HDAP"), which was established as a county match program to assist homeless, disabled veterans with applying for disability benefit programs, while also providing supportive housing. Counties participating in HDAP are required to match any state funds on a dollar-to-dollar basis.

As applicable to counties, the 2018-19 State Budget includes, but is not limited to, the following:

- Renews the State's investment in court construction and includes \$1.3 billion revenue bonds for such purpose;
- A \$2 billion No Place Like Home bond on the November ballot to accelerate the delivery of housing projects to serve the mentally ill who are homeless;
- Over \$47 million general fund to expand and enhance services to families and seniors experiencing or at risk of homelessness, including: (1) an increase of \$24.2 million in Fiscal Year 2018-2019 to help CalWORKs families secure permanent housing, increasing total funding from \$47 million to \$95 million annually beginning in Fiscal Year 2019-2020, (2) an increase in the daily payment rate for temporary housing assistance from \$65 to \$85, effective January 1, 2019, with costs of \$8.1 million in Fiscal Year 2018-2019 and \$15.3 million annually thereafter, (3) one-time funding of \$15 million general fund to establish a three-year pilot program, with local matching funds, designed to provide housing-related supports to seniors experiencing or at risk of homelessness;

- \$29.3 million general fund to reflect implementation of eight paid sick leave hours for IHSS providers beginning on July 1, 2018, and accrued paid sick leave hours will increase to 16 hours and 24 hours annually when the state minimum hourly wage reaches \$13 and \$15, respectively (general fund costs are projected to grow to \$131.2 million by Fiscal Year 2022-2023);
- More than \$450 million in new funding to enhance local mental health efforts, decreasing homelessness, and reducing the number of individuals with mental illness involved in the criminal justice system-including the number of individuals incarcerated in county jails and state prisons, as well as those awaiting placement in state hospitals;
- \$100 million general fund over three years for the expansion and development of county diversion programs, with the majority of funding going to the 15 counties with the highest referrals to state hospitals;
- Repayment of approximately \$254 million plus interest for repealed state mandates related to services provided by counties to seriously emotionally disturbed children under AB 3632;
- \$50 million for the Department of Health Care Services to provide counties with targeted funding for multi-disciplinary teams to provide intensive outreach, treatment and related services for homeless persons with mental illness;
- \$248 million general fund towards the Continuum of Care Reform, including \$35.8 million in one-time funding for foster parent retention, recruitment and support to eliminate the backlog of foster care resource family applications and provide additional support to implement a tool that assesses a child's level of care;
- \$109.3 million for the Community Corrections Performance Grant which was created to provide incentives for counties to reduce the number of felony probationers sent to state prison;
- \$32.8 million to backfill counties for property tax losses in Fiscal Years 2017-2018 and 2018-2019 as a result of the 2017 wildfires and resulting mudslides; and
- \$254 million from the general fund plus interest to repay local agencies for costs incurred between 2004 and 2011 for providing certain mandates that have expired or been repealed.

The complete 2018-19 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The County does not take responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed State Budget for Fiscal Year 2019-20 and May Revision to Proposed Fiscal Year 2019-20 Budget. The Governor released his proposed State budget for fiscal year 2019-20 (the "Proposed 2019-20 State Budget") on January 10, 2019. The Proposed 2019-20 State Budget sets forth a balanced budget for Fiscal Year 2019-2020. However, the Governor cautions that there are uncertainties that must be considered as the budget is revised, including the impact of the global political and economic climate, changes to federal policy, rising costs and risk of recession. The Proposed 2019-20 State Budget estimates that total resources available in Fiscal Year 2018-2019 totaled approximately \$149.32 billion (including a prior year balance of approximately \$12.38 billion) and total expenditures in Fiscal Year 2018-2019 totaled approximately \$144.08 billion. The Proposed 2019-20 State Budget projects total resources available for Fiscal Year 2019-2020 of approximately \$147.86 billion (inclusive of revenues and transfers of approximately \$142.62 billion and prior year balance of approximately \$5.24 billion). The Proposed 2019-20 State Budget projects expenditures totaling \$144.19 billion (inclusive of non-

Proposition 98 expenditures of approximately \$88.90 billion and Proposition 98 expenditures of approximately \$55.30 billion). The Proposed 2019-20 State Budget proposes to allocate approximately \$1.39 billion of the general fund's projected fund balance to the Reserve for Liquidation of Encumbrances and \$2.28 billion of the general fund's projected fund balance to the State's Special Fund for Economic Uncertainties. In addition, the Proposed 2019-20 State Budget estimates the Rainy Day Fund will have a fund balance of \$15.30 billion.

The County is currently evaluating the Proposed 2019-20 State Budget. The 2019-20 State Budget provides for, but is not limited to, the following:

- The \$2 billion No Place Like Home bond on the November 2018 ballot passed and the Governor wants to expedite the allocation of the grants thereunder to counties to build supportive multifamily housing projects (to serve the homeless, those who are at risk of homelessness, and the mentally ill);
- Proposes an annual appropriation of \$25 million general fund revenue beginning in Fiscal Year 2019-2020 to continue the Housing and Disability Advocacy Program ("HDAP"), which was established as a county match program to assist homeless, disabled veterans with applying for disability benefit programs, while also providing supportive housing and counties participating in HDAP are required to match any state funds on a dollar-to-dollar basis;
- Proposes \$100 million general fund for the Whole Person Care Pilot programs that provide housing services and such funding will be used to match local county investments in health and housing services with a focus on the homeless mentally ill population;
- Under current law, the managed care organization tax will expire on August 1, 2019 and while the Proposed 2019-20 State Budget does not assume an extension of the tax, it does propose to restore the 7 percent reduction in IHSS service hours (to be effective August 1, 2019), and the cost to restore such seven percent reduction is estimated to be \$342.3 million general fund in Fiscal Year 2019-2020;
- A new county IHSS maintenance-of-effort ("MOE") was negotiated in 2017, which reset the base for counties' share of program costs and applies an annual inflation factor to the MOE beginning in Fiscal Year 2018-2019 under specified conditions. The MOE provides fiscal relief to counties for IHSS program costs through a combination of general fund offsets and temporary redirection of 1991 Realignment growth funds from county indigent health and mental health services to fund a portion of county IHSS costs. The Proposed 2019-20 State Budget proposes to adjust the IHSS MOE inflation factor, redirect 1991 realignment back to county indigent health and mental health services, and reduce counties' IHSS MOE to \$1.56 billion, thereby increasing general fund costs by \$241.7 million in Fiscal Year 2019-2020;
- Proposes an increase of \$15.4 million general fund for IHSS county administration to reflect revised benefit rate assumptions, for a total of \$326 million general fund for IHSS county administration;
- Proposes \$347.6 million general fund in Fiscal Year 2019-2020 to raise CalWORKs grant levels to 50 percent of the projected 2019 federal poverty level, to be effective October 1, 2019;
- Proposes \$78.9 million to provide home visiting services to an anticipated 16,000 eligible CalWORKs families in Fiscal Year 2019-2020;

- Proposes \$617.7 million in projected county indigent health savings in Fiscal Year 2019-2020 to offset general fund costs in the CalWORKs program, a decrease of \$155.5 million from Fiscal Year 2018-2019 (this decrease is more than offset by additional indigent health savings (based on the latest reconciliation) of \$315 million available from Fiscal Year 2016-2017);
- Proposes \$3 billion general fund supplemental pension payment to CalPERS in Fiscal Year 2018-2019 and \$2.9 billion of the next four years to CalSTRS;
- Proposes \$11.5 million general fund to backfill entities in certain counties (including the County) for wildfire-related property tax revenue losses; and
- Proposes \$301.7 million general fund to continue implementation of the Continuum of Care Reform.

On May 9, 2019, the Governor released the May Revision to the Proposed Fiscal Year 2019-20 Budget (the “2019-20 May Revision”) which projects Fiscal Year 2019-2020 general fund revenues and transfers of \$143.839 billion, total expenditures of \$147.033 billion and a year-end fund balance of approximately \$3.03 billion, of which \$1.385 billion would be allocated to reserves for liquidation of encumbrances and approximately \$1.645 billion would be deposited in a special fund for economic uncertainties. The 2019-20 May Revision projects a balance of \$16.515 billion in the Budget Stabilization Account/Rainy Day Fund by the end of Fiscal Year 2019-2020. The 2019-20 May Revision provides that the State has built a strong fiscal foundation by paying down debts and liabilities and building reserves that will help manage the effects of an economic downturn. Although the 2019-20 May Revision does not predict a recession, it cautions that growing uncertainty related to the global political and economic climate, federal policies, rising costs and the length of the current economic expansion require that the Fiscal Year 2019-2020 Budget be prudent. The 2019-20 May Revision states that even a moderate recession could create a \$70 billion reduction in revenue and a budget deficit of \$40 billion over three years.

The 2019-20 May Revision allocates \$15 billion (\$1.4 billion more than the Proposed Fiscal Year 2019-20 Budget) to building budgetary resiliency and paying down the State’s unfunded retirement liabilities. As a result, the State’s Rainy Day Fund is expected to reach its constitutional cap in Fiscal Year 2020-2021, two years earlier than predicted in the Proposed Fiscal Year 2019-20 Budget. Furthermore, the 2019-20 May Revision provides that by the end of Fiscal Year 2022-2023, the Rainy Day Fund balance is projected to be \$18.7 billion.

The County is currently evaluating the Governor’s 2019-20 May Revision. The impact of the Governor’s 2018-19 May Revision on the County’s finances cannot be determined at this time. The 2019-20 Proposed Budget Act, as modified by the 2019-20 May Revision, provides for the following:

The most notable components of the 2019-20 May Revision affecting counties in general include, but are not limited to, the following:

- The 2019-20 May Revision proposes to alter the Proposed 2019-20 State Budget proposal regarding homelessness, emergency shelters and navigations centers. The 2019-20 May Revision increases the total investment from \$500 million to \$650 million, provides \$275 million of that funding directly to counties, and expands eligible uses of funds to include innovative projects such as hotel/motel conversions, rapid rehousing or jobs programs. Combined with other targeted investments, the 2019-20 May Revision includes approximately \$1 billion to combat homelessness.
- The 2019-20 May Revision maintains the 2019-20 Proposed State Budget proposal to revise the county IHSS MOE and includes an increase of \$55 million from the General

Fund to reflect revised 1991 Realignment revenue projections and IHSS caseload and cost projections.

- The 2019-20 May Revision proposes to temporarily restore the seven-percent across-the-board reduction to IHSS service hours through December 31, 2021, due to lower than expected revenues over the forecast period and ongoing efforts to contain costs.
- The 2019-20 May Revision builds upon the 2019-20 Proposed State Budget proposals to assist local communities in recovering from recent wildfire devastation and becoming more resilient to future disasters. The additional investments include, but are not limited to, updates to the property tax backfills proposed in the 2019-20 Proposed State Budget and \$75 million from the General Fund to improve resiliency of the State's critical infrastructure and to provide assistance to communities, where appropriate, as specific urgent needs are identified.

Status of State Budget for Fiscal Year 2019-20. The State Legislature passed the State budget for Fiscal Year 2019-2020 on June 13, 2019. Such budget is pending signature by the Governor. No representations can be made regarding any changes that may be made by the Governor to such budget before it is signed into law.

The complete Proposed 2019-20 State Budget and the 2019-20 May Revision is available from the California Department of Finance website at www.dof.ca.gov. The County does not take responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Future State Budgets. No prediction can be made by the County as to whether the State will encounter budgetary problems in future fiscal years, and if this occurs, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the County cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on County finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, over which the County has no control.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Principal of and interest on the Series 2019 Bonds are payable from Lease Payments made from the County's General Fund. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 62, 111, 218, 1A and 22, and certain other provisions of law discussed below are included in this Official Statement to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes and spend tax proceeds for operating and other purposes.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved Proposition 13, which added Article XIII A to the State Constitution. Article XIII A, as amended, limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service: (i) on indebtedness approved by the voters prior to December 1, 1978; (ii) on bonded indebtedness approved by a two-thirds vote on or after December 1, 1978, for the acquisition or improvement of real property; or (iii) bonded indebtedness incurred by a school district or community college district for the

construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment" subject to exemptions in certain circumstances of property transfer or reconstruction. The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, including a general economic downturn, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by counties and distributed according to a formula among taxing agencies.

Increases in assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the State Constitution

In addition to the limits that Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "appropriations limit" imposed by Article XIII B which effectively limits the amount of such revenues that such entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues and the investment proceeds thereof, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds. Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized as of October 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. The appropriations limit may also be exceeded in case

of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each local government's actual appropriations be tested against its limit every two years.

If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.

The County's appropriations have never exceeded the limitation on appropriations under Article XIII B.

Articles XIII C and XIII D of the State Constitution

On November 5, 1996, State voters approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIII C and XIII D to the State Constitution and contains a number of interrelated provisions affecting the ability of local agencies (including the County) to levy and collect both existing and future taxes, assessments and property-related fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the County to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs, such as hearings and stricter and more individualized benefit requirements and findings. These provisions include, among other things: (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel; (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIII D, over and above any general benefits conferred; (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party; and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. If the County is unable to continue to collect these revenues, the services and programs funded with these revenues would have to be curtailed and/or the County's General Fund might have to be used to support them. The County is unable to predict whether or not in the future it will be able to continue all existing services and programs funded by the fees, charges and assessments in light of Proposition 218 or, if these

services and programs are continued, which amounts (if any) would be used from the County's General Fund to continue to support such activities.

Article XIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 "will not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution. However, no assurance can be given that the voters of the County will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's General Fund.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and: (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the County be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed; (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires a reduction of *ad valorem* property taxes allocable to the jurisdiction imposing a tax not in compliance with its provisions equal to one dollar for each dollar of revenue attributable to the invalid tax, for each year that the tax is collected.

Following its adoption by the voters, various provisions of Proposition 62 were declared unconstitutional at the appellate court level. For example, in *City of Woodlake v. Logan*, 230 Cal.App.3d 1058 (1991) (the "Woodlake Case"), the Court of Appeal held portions of Proposition 62 unconstitutional as a referendum on taxes prohibited by the California Constitution. In reliance on the Woodlake Case, numerous taxes were imposed or increased after the adoption of Proposition 62 without satisfying the voter approval requirements of Proposition 62. On September 28, 1995, the California Supreme Court, in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220 (1995) (the "Santa Clara Case"), upheld the constitutionality of the portion of Proposition 62 requiring a two-thirds vote in order for a local government or district to impose a special tax, and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. In deciding the Santa Clara Case on Proposition 62 grounds, the Court disapproved the decision in the Woodlake Case.

The decision in the Santa Clara Case did not address the question of whether it should be applied retroactively. On June 4, 2001, the California Supreme Court released *Howard Jarvis Taxpayers Association v. City of La Habra, et al.*, 74 Cal.App.4th 707 (1999) (the "La Habra" case). In this decision, the court held that a public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for

challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought. No such challenge against the County is currently pending, or to the knowledge of the County, proposed.

Proposition 1A

Proposition 1A, proposed by the State Legislature in connection with the State's fiscal year 2004-05 budget, approved by the voters in November 2004 and generally effective in State fiscal year 2007-08, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in State fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State also will not be able to borrow from local property tax revenues for more than two fiscal years within a period of ten fiscal years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the State-wide local sales tax. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the motor vehicle license fee rate currently in effect, 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable County revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the County.

Proposition 22

Proposition 22, approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties and special districts to schools, temporarily increase a school and community college districts' share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increases in pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies

to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Proposition 26

On November 2, 2010, the voters passed Proposition 26, which amends the State Constitution to require that certain state and local fees be approved by two-thirds of each house of the Legislature instead of a simple majority, or by local voters. The change in law affects regulatory fees and charges such as oil recycling fees, hazardous materials fees and fees on alcohol containers.

Proposition 26 provides that the local government bears the burden of proving by a preponderance of evidence that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the government activity, and that the manner in which those costs are allocated to a payor bear a reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The County does not believe that Proposition 26 will adversely affect its General Fund revenues.

Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D and Propositions 218, 111, 62, 1A, 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the County or the County's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the County.

THE LANDLORD

General

The Landlord is CFP Riverside, LLC, a Minnesota non-profit limited liability company, organized on April 8, 2019. The sole member of the Landlord is Community Facility Partners, a Minnesota nonprofit corporation and a 501(c)(3) organization (the "Sole Member"), incorporated on September 20, 2006. On September 25, 2006, the Sole Member received a determination letter from the Internal Revenue Service (the "IRS") that it is an organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The Sole Member's charitable purpose is to acquire, construct, develop, own, improve, operate, manage, lease, sell, convey, lease, encumber, finance, and refinance multi-purpose sports facilities, educational facilities, administrative facilities, and community public facilities to be used by and for the benefit of governmental entities, schools and school districts, colleges and universities, and other organizations that qualify as a 501(c)(3) Organization. The exempt purposes of the Sole Member are furthered through the ownership and operation of the Project by the Landlord. All the powers of the Landlord and the Sole Member will be exercised so that the Landlord's and the Sole Member's operations will be exclusively within the contemplation of Section 501(c)(3) of the Code.

The Landlord was formed for the sole purpose of acquiring and owning the Project for the lease of the same to the County pursuant to the Facilities Lease. In the Facilities Lease the Landlord has agreed to comply with, certain bankruptcy-remote covenants designed to reduce the risk of the Landlord becoming insolvent, being substantively consolidated with an affiliate entity (including the Sole Member) or otherwise becoming subject to a bankruptcy proceeding. These covenants are intended to better insulate the Landlord from economic issues unrelated to the Project, however, no assurance can be made

that the Landlord will not in fact become insolvent or be subject to a bankruptcy proceeding. The Landlord has no significant assets other than the Project, and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project.

The obligations and liabilities of the Landlord under the Facilities Lease are of a non-recourse nature and are limited to the Project and the revenue received pursuant to the Facilities Lease since the Project is the only asset of the Landlord and the Facilities Lease are the only source of revenue. No representation has been made that the Landlord has substantial funds available for the Project. Furthermore, the Sole Member has no obligations or liabilities with respect to the operations of the Landlord, and no additional information is provided herein regarding the Sole Member, its finances or its other activities.

Pursuant to the Facilities Lease, the Landlord has engaged Omni West to serve as the Property Manager for the Premises pursuant to a Management Agreement for Real Property, dated as of [____], 2019, under which the Property Manager is responsible for the management and operations of the Premises, and for overseeing the performance by the County of its obligations under the Facilities Lease. Consequently, the Landlord does not have, and is not expected to have, any employees of its own.

Governance

The current President and members of the Board of Directors of the Sole Member, who also serve as the President and managers of the Landlord, and their qualifications are as follows:

Steve Collins, President of both the Sole Member and the Landlord. Steve Collins has served as President of the Sole Member since February of 2018, and President of the Landlord since its formation. Mr. Collins started his career as an intern for Ralston Purina, doing field research. He then spent two years in the advertising and marketing department for Onan Corporation, a maker of engines and generators, before moving to the advertising agency side of the business. He has spent his whole advertising career at one agency, martin | Williams. He started in 1980 as an account manager and rose to become the CEO of the organization. His first assignment was to work on the 3M account to help launch Post-It Notes. He has helped market products or services for, among others, Rubbermaid, Little Tikes, Marvin Windows, Motorola, Coleman, L.L. Bean, Donatos Pizza, E*Trade, Staples, and Lincoln Financial Group.

Mr. Collins has served on the board of directors for the Boy Scouts of America and has served as Chairman of the Board for The National Institute on Media and the Family. He has a marketing degree from Iowa State University and a Master of Business Administration from the University of St. Thomas, St. Paul and Minneapolis, Minnesota.

Thomas L. Anderson, Board Chair of both the Sole Member and the Landlord. Mr. Anderson was a Principal in Gorman HealthGroup (“GHG”), and directed GHG’s Minneapolis office until the sale of GHG in 2018. He has more than 25 years of experience in general management, sales and marketing, and more than 15 years of health care experience. In his eight (8) years as Senior Vice President of Strategies and Planning for United HealthGroup’s corporate office in Minneapolis, Mr. Anderson oversaw the company’s efforts in Medicare, which focused on rapid growth in existing health plans as well as new geographic expansion and new products.

Prior to joining United HealthGroup, Mr. Anderson held several key positions for FHP, Inc., including Vice President of marketing. Prior to entering the health care industry, Mr. Anderson spent eleven years in consumer goods with the Pepsi Cola Company.

Mr. Anderson received a Master of Business Administration from Pepperdine University and a Bachelor of Science degree in political science from South Dakota State University. He has held certificates in Healthcare Management and HMO Underwriting from the University of California, Irvine, as well as the Nevada Life and Health Insurance License.

Mr. Anderson served as the Mayor of Deephaven, Minnesota from 2002 through 2006.

Paul Abzug, Board Member/Treasurer of both the Sole Member and the Landlord. Paul Abzug is currently President of Housing Alternatives Development Company ("HADC"), Deephaven, Minnesota, and its affiliates. HADC is a nonprofit, 501(c)(3) organization that owns and operates senior housing and assisted living facilities in several Minnesota communities. Prior to accepting the position with HADC, Mr. Abzug held several positions in the investment banking industry over 13 years. He was a Manager with Deloitte & Touche, Vice President with U.S. Bank Investment Services, and Principal with RBC Dain Rauscher.

Mr. Abzug has a B.A. in Psychology from the University of California, Irvine and a Master of Business Administration from the Carlson School of Management, University of Minnesota.

F. Michael Langley, Board Member/Treasurer of both the Sole Member and the Landlord. Michael Langley has most recently served as Founding President and CEO of Greater MSP (Minneapolis Saint Paul Regional Economic Development Partnership) from 2011 to March of 2019. As CEO of Greater MSP, he organized and led a CEO-led leadership organization covering a 16 county/two state Metropolitan Statistical area with 3.6 million residents (including 18 Fortune 500 Headquarters) tasked with regional economic strategy, regional marketing and promotion, and projects providing growth of capital investments, jobs, and shared prosperity. Mr. Langley was named as one of the "Top 50 Economic Development Leaders in North America" in 2015 and 2016 by peers and site location consultants (Consultant Connect), and was a key player in the winning bids to host Super Bowl LII in 2018 and the NCAA Final Four in 2019.

Before joining Greater MSP, Mr. Langley led his own economic development consulting practice and served as Chief Executive Officer of the Allegheny Conference on Community Development and Affiliates in Pittsburgh, PA, where he also served as an Adjunct Professor in the University of Pittsburgh, Graduate School of Public and International Affairs. Mr. Langley has additional public sector experience with the Broward Alliance in Ft. Lauderdale, FL and private sector experience as President/Chief Executive Officer of CBA/Westinghouse Audio Intelligence Service in Coral Springs, FL and as Vice President of Marketing, Systems Division of Westinghouse Electric Corporation in Baltimore, MD.

Mr. Langley received a Bachelor of Science, Analytical Management from the United States Naval Academy in 1975 and a Master of Science, Information Systems in 1981. He served in the United States Navy from 1975 to 1984 and in the United States Naval Reserve from 1984 to 2000.

THE AUTHORITY

Under Chapter 5, Division 7, Title 1 of the California Government Code (the "Act"), certain California cities and counties have entered into a joint exercise of powers agreement forming the Authority for the purpose of exercising powers common to the members and exercising additional powers granted to the Authority by the Act and other applicable provisions of State law. Under the Act, the Authority may issue bonds, notes or any other evidence of indebtedness, as well as enter into agreements to finance projects such as the Project.

The Authority may sell and deliver obligations other than the Series 2019 Bonds. These obligations will be secured by instruments separate and apart from the Indenture, and the holders of such other obligations of the Authority will have no claim on the security for the Series 2019 Bonds. Likewise, the Holders of the Series 2019 Bonds will have no claim on the security for such other obligations that may be issued by the Authority.

Neither the Authority nor its independent contractors has furnished, reviewed, investigated or verified the information contained in this Official Statement other than the information contained in this section and in the section entitled "ABSENCE OF MATERIAL LITIGATION - The Authority." The Authority does not and will not in the future monitor the financial condition of the County or the Landlord or otherwise monitor payment of the Series 2019 Bonds or compliance with the documents relating thereto.

THE SERIES 2019 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY. THE SERIES 2019 BONDS WILL NOT CONSTITUTE OR GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF THE AUTHORITY OR A CHARGE AGAINST ITS GENERAL CREDIT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, ANY PUBLIC AGENCY THEROF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF OR INTEREST OR ANY REDEMPTION PREMIUM ON THE SERIES 2019 BONDS. THE AUTHORITY HAS NO TAXING POWER. PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF OR INTEREST OR ANY REDEMPTION PREMIUM ON THE SERIES 2019 BONDS DOES NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE, ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN). THE DIRECTORS, OFFICERS AND EMPLOYEES OF THE STATE, THE AUTHORITY, ANY PUBLIC AGENCY THEREOF, OR ANY MEMBER THEREOF WILL NOT BE INDIVIDUALLY LIABLE ON THE SERIES 2019 BONDS OR IN RESPECT OF ANY UNDERTAKINGS BY THE AUTHORITY UNDER THE SERIES 2019 BOND DOCUMENTS. THE AUTHORITY HAS NO TAXING POWER.

PROJECT MANAGER AND PROPERTY MANAGER

Omni West Group, Inc. ("Omni West"), is a privately held commercial real estate services firm that specializes in the acquisition, development and management of commercial real estate properties throughout Southern California. Omni West's commercial real estate experience encompasses land entitlement, development and property management. Omni West's in-depth knowledge of local markets enables it to respond quickly and decisively. Omni West's extensive relationships with design and engineering consultants and contractors enable it to draw from a vast supply of resources to implement projects.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Series 2019 Bonds, the Indenture or the Facilities Lease, contesting the County's ability to appropriate or pay Base Rent and Additional Rent due under the Facilities Lease or contesting the Landlord's ability to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under the Indenture or the Deed of Trust or contesting the Landlord's ability to pledge Lease Payments due under the Facilities Lease to the Trustee, or contesting any aspect of the entitlement, design or construction of the Project or any provision of the agreements regarding the entitlement, design or construction of the Project. An opinion of [County Counsel] and Counsel to the Landlord, respectively, to these respective effects will be furnished to the Underwriter at the time of the execution and delivery of the Series 2019 Bonds.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Bonds (including any original issue discount properly allocable to the owner of a Series 2019 Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described above assumes the accuracy of certain representations and compliance by the Authority, the County and the Landlord with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2019 Bonds. Failure to comply with such requirements could cause interest on the Series 2019 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019 Bonds. The Authority, the County and the Landlord have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2019 Bonds.

The accrual or receipt of interest on the Series 2019 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2019 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2019 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2019 Bonds.

Bond Counsel is also of the opinion that interest on the Series 2019 Bonds is exempt from present State of California personal income taxes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2019 Bonds under the laws of the State of California or any other state or jurisdiction.

A complete copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

Original Issue Discount

The Series 2019 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Series 2019 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Recognition of Income Generally

Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Series 2019 Bonds under the Code.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2019 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2019 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2019 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2019 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2019 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2019 BONDS.

UNDERWRITING

The Series 2019 Bonds are being purchased by Robert W. Baird & Co., Incorporated (the "Underwriter"). The Underwriter will purchase the Series 2019 Bonds from the Authority at a purchase price of \$_____ (representing the principal amount of the Series 2019 Bonds, plus \$_____ of net original issue premium/discount and less \$_____ of Underwriter's discount).

[Add retail distribution language, if any]

The Series 2019 Bonds are offered for sale at the initial prices stated on the inside cover page of this Official Statement, which may be changed from time to time by the Underwriter. The Series 2019 Bonds may be offered and sold to certain dealers at prices lower than the public offering prices.

RATING

S&P Global Ratings ("S&P") has assigned its rating of "[]" ([] outlook) to the Series 2019 Bonds. This rating reflects only the views of S&P, and any explanation of the meaning and significance of such rating, including the methodology used and any outlook thereon, should be obtained from S&P at

the following address: S&P Global Rating, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating is not a recommendation to buy, sell or hold the Series 2019 Bonds. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2019 Bonds.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Series 2019 Bonds, the Authority, the County, the Landlord and the Underwriter are being represented by the attorneys or law firms identified below under the heading “CERTAIN LEGAL MATTERS” and Kutak Rock LLP is acting as Bond Counsel. In other transactions not related to the Series 2019 Bonds each of these attorneys or law firms may have acted as Bond Counsel or represented the Authority, the County, the Landlord or the Underwriter or their affiliates, in capacities different from those described under “CERTAIN LEGAL MATTERS” and there will be no limitations imposed as a result of the issuance of the Series 2019 Bonds on the ability of any of these firms or attorneys to act as Bond Counsel or represent any of these parties in any future transactions. Potential purchasers of the Series 2019 Bonds should not assume that the Authority, the County, the Landlord and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Series 2019 Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurances can be given that there are or will be no past or future relationship or transactions between or among any of these parties or these attorneys or law firms.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Landlords and beneficial owners of the Series 2019 Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”) and will enter into a Continuing Disclosure Certificate as of the closing date, in which it covenants to provide information regarding certain listed events, if any such events should occur, to the owners of the Series 2019 Bonds and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system, or any successor thereto, during the term of the Series 2019 Bonds. See “APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with the Rule.

Within the last five years, the County and certain of its related entities have failed to comply in certain respects with continuing disclosure obligations related to outstanding indebtedness. The failure to comply fell into two general categories: (i) failure to provide timely significant event notices, most often with respect to changes in the ratings of outstanding indebtedness, and primarily related to changes in the ratings of various bond insurers insuring the indebtedness of the County or its related entities; (ii) missing, incomplete or late filing of annual or quarterly reports or operating information with respect to a number of the bond issues. In almost every case with respect to obligations related to the General Fund, such information and reports were available on the County’s website and/or available in other continuing disclosure filings made by the County, though not directly incorporated by reference across all prior issues filed with the Municipal Securities Rulemaking Board; and in all of the cases where a notice of failure to file was required to be filed, no notice of failure to file such information was provided. The County and its related entities have reviewed their previous filings and have made corrective filings where material, including an omnibus corrective notice regarding bond insurer ratings and ratings of the County’s General Fund debt.

In order to ensure ongoing compliance by the County and its related entities with their continuing disclosure undertakings, (i) the County has instituted new procedures to ensure future compliance and coordination between the County and its related entities; and (ii) the County has contracted with a consultant to assist the County in filing accurate, complete and timely disclosure reports. The County continues to review its procedures to ensure continued compliance with the Rule.

The County was advised by two underwriters that they filed self-reports under the Securities and Exchange Commission's (the "SEC") Municipalities Continuing Disclosure Cooperation ("MCDC") initiative regarding incorrect statements in the County's official statements concerning the County's compliance with its continuing disclosure requirements. In addition, the County filed a self-report under MCDC with respect to statements concerning continuing disclosure compliance made in official statements for over 30 bond issues of the County and related issuers. In connection with such self-reporting, on March 3, 2017, the SEC notified the County that, as of the date of such notice, the SEC did not intend to recommend any enforcement action by the SEC against the County.

FINANCIAL STATEMENTS OF THE COUNTY

The general purpose financial statements of the County, which are included in Appendix C to this Official Statement, have been audited by Brown Armstrong Accountancy Corporation, independent certified public accountants, as stated in their report appearing in Appendix C. Brown Armstrong Accountancy Corporation, has not consented to the inclusion of its report as Appendix C and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Brown Armstrong Accountancy Corporation, with respect to any event subsequent to its report dated December 19, 2018.

CERTAIN LEGAL MATTERS

The validity of the Series 2019 Bonds and certain other legal matters are subject to the approval of Kutak Rock LLP, Bond Counsel. The opinion of Bond Counsel will be delivered with the Series 2019 Bonds in substantially the form set forth in Appendix D attached hereto. Certain legal matters will be passed upon for the Underwriter by Dorsey & Whitney LLP. Certain other legal matters will be passed upon for the Authority by [____], for the County by the County Counsel and by Kutak Rock LLP, Los Angeles, California, as Disclosure Counsel, and for the Landlord by Best & Flanagan LLP. Neither Bond Counsel nor Underwriter's Counsel nor Landlord's Counsel undertakes any responsibility for the financial information regarding the County contained in this Official Statement.

MISCELLANEOUS

References made herein to the Indenture, the Ground Lease, the Facilities Lease, the Deed of Trust, the Design-Build Agreement, the Work Letter, the Property Management Agreement, the Project Manager Agreement, the Assigned Agreements, reports, provisions of the Constitution and laws of the State or any other documents referred to herein are brief summaries thereof, which do not purport to be complete or definite, and reference is made to such documents, reports and provisions for full and complete statements of the contents thereof. Copies of the Indenture, the Ground Lease, the Facilities Lease, the Deed of Trust, the Design-Build Agreement, the Work Letter, the Property Management Agreement, the Project Manager Agreement and the Assigned Agreements are available upon request from [____]. All financial and other information presented in this Official Statement has been provided by the Landlord, except for information expressly attributed to other sources. The appendices attached hereto are a part of this Official Statement and should be read in their entirety. Any statements in this Official Statement involving matters of opinion or estimates, whether or not so stated, are intended

as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or registered owners of any of the Series 2019 Bonds.

[Remainder of page intentionally left blank.]

The execution and delivery of this Official Statement has been duly authorized by the Authority and the Landlord.

CALIFORNIA ENTERPRISE DEVELOPMENT
AUTHORITY

By: _____
[], []

CFP RIVERSIDE, LLC

By: _____
[], []

APPENDIX A
INFORMATION REGARDING THE COUNTY OF RIVERSIDE

[To be attached]

APPENDIX B

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of the provisions of the Indenture, the Facilities Lease Agreement, the Ground Lease Agreement[, the Work Letter, the Design-Build Agreement, the Property Management Agreement and the Project Manager Agreement]. Such summary is not intended to be definitive, and reference is made to the complete documents for the complete terms thereof.

[Will be provided]

APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR THE
FISCAL YEAR ENDED JUNE 30, 2018**

APPENDIX D
PROPOSED FORM OF BOND COUNSEL OPINIONS

[Will be provided by Bond Counsel]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is entered into by the County of Riverside (the “County”) in connection with the issuance of the \$ _____ California Enterprise Development Authority Lease Revenue Bonds (Riverside County Library Facilities Project) Series 2019 (the “Series 2019 Bonds”). The Series 2019 Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and among the California Enterprise Development Authority (the “Authority”), CFP Riverside, LLC and U.S. Bank National Association, as trustee (the “Trustee”). The County covenants and agrees as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners (as defined below) of the Series 2019 Bonds and in order to assist the Participating Underwriter (as defined below), in complying with the Rule (as defined below).

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

“*Annual Report*” means any Annual Report of the County provided by the County pursuant to and as described in Section 3 of this Certificate.

“*Beneficial Owner*” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding a Bond through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any person appointed in writing by the County to act as the County’s agent in complying with the filing requirements of the Rule, which person has accepted such appointment. [As of the date of this Certificate, the County has not appointed a Dissemination Agent.] [To be confirmed.]

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” will not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*Listed Event*” means any of the events listed in Section 5 of this Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the Rule.

“*Participating Underwriter*” means the original purchaser of the Series 2019 Bonds required to comply with the Rule in connection with the offering of the Series 2019 Bonds.

“*Repository*” means, until otherwise designated by the Commission, the Electronic Municipal Market Access website of the MSRB located at <http://emma.msrb.org>.

“*Rule*” means paragraph (b)(5) of Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The County will, or will cause the Dissemination Agent to, not later than 60 days after the County normally receives its audited financial statements from its auditors in each year but in no event later than February 15, commencing with the audited financial statements for the 2018-19 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that if the audited financial statements of the County are not available by the date required above for the filing of the Annual Report, the County will submit unaudited financial statements and submit the audited financial statements as soon as available. If the County’s Fiscal Year changes, it will give notice of such change in the same manner as for a Listed Event.

(b) If the County is unable to provide to the Repository an Annual Report by the date required in subsection (a), the County will send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent and the Trustee. The Dissemination Agent will not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent will file a report with the Authority and the County stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

Section 4. Content of Annual Reports.

The County’s Annual Report will contain or incorporate by reference the following financial information or operating data presented in the final Official Statement relating to the Series 2019 Bonds, updated to incorporate information for the most recent Fiscal Year:

(a) The audited financial statements of the County for the preceding Fiscal Year, prepared in accordance with Generally Accepted Accounting Principles applicable to governmental entities. If the County’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report will contain unaudited financial statements in the format similar to the financial statements contained in the tables in Appendix A of the final Official Statement under the caption “Financial Statements and Related Issues,” and the audited financial statements will be filed in the same manner as the Annual Report when they become available;

(b) A description of any occurrence which would adversely impact the County’s beneficial use and possession of the Leased Premises and other occurrence which may provide the County with the opportunity to abate in whole or in part any Lease Payment; and

(c) To the extent not included in the financial statements, the following type of information will be provided in one or more reports:

(i) assessed valuations, tax levies and delinquencies for real property located in the County for the Fiscal Year of the County most recently ended;

- (ii) summary financial information on revenues, expenditures and fund balances for the County's total budget funds for the Fiscal Year of the County most recently ended;
- (iii) summary financial information on the proposed and adopted budget of the County for the current Fiscal Year and any changes in the adopted budget;
- (iv) summary of the aggregate annual debt obligations of the County as of the beginning of the current Fiscal Year;
- (v) summary of the annual outstanding principal obligations of the County as of the beginning of the current Fiscal Year; and
- (vi) the ratio of the County's outstanding debt to total assessed valuations as of the end of the Fiscal Year of the County most recently ended.

The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of the County to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County or to reflect changes in the business, structure, operations, legal form of the County or any mergers, consolidations, acquisitions or dispositions made by or affecting the County; provided that any such modifications will comply with the requirements of the Rule.

The County has not undertaken in this Certificate to update all information an investor may want to have in making decisions to hold, sell or buy the Series 2019 Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the Repository, MSRB or the Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

Pursuant to the provisions of this Section 5, the County will give, or cause to be given, notice to the Repository of the occurrence of any of the following events (the "Listed Events") with respect to the Series 2019 Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on any debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (v) substitution of any credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other

material notices or determinations with respect to the tax status of the Series 2019 Bonds, or other material events affecting the tax status of the Series 2019 Bonds;

- (vii) modifications to the rights of Owners of the Series 2019 Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property, if any, securing repayment of the Series 2019 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the County (for purposes of the event identified in this Subsection 5(xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);
- (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

Section 6. Termination of Reporting Obligation. The County's obligations under this Certificate will terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2019 Bonds or upon delivery to the County and to the Dissemination Agent (if any) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Series 2019 Bonds, the County will give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 60 days' written notice to the County. The Dissemination Agent will not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the County may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, Section 4 or Section 5, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an obligated person with respect to the Series 2019 Bonds, or the type of business conducted;

(b) The undertakings, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Series 2019 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners of the Series 2019 Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Series 2019 Bonds.

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

Section 9. Additional Information. Nothing in this Certificate will be deemed to prevent the County from disseminating any other information, including the information then contained in the County's official statements or other disclosure documents relating to debt issuances, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Certificate, the County will have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the County to comply with any provision of this Certificate, any Owner or Beneficial Owner of the Series 2019 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Certificate. A default under this Certificate will not be deemed an Event of Default under the Indenture with respect to the Series 2019 Bonds, and the sole remedy under this Certificate in the event of any failure of the County to comply with this Certificate will be an action to compel performance, and no person or entity will be entitled to recover monetary damages under this Certificate.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent will have only such duties as are expressly and specifically set forth in this Certificate and the County agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section will survive resignation or removal of the Dissemination Agent and payment of the Series 2019 Bonds.

Section 12. Beneficiaries. This Certificate will inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter, the Owners and Beneficial Owners from time to time of the Series 2019 Bonds, and will create no rights in any other person or entity.

Section 13. Governing Law. This Certificate will be governed by the laws of the State of California and the federal securities laws.

Dated: [Closing Date]

COUNTY OF RIVERSIDE

By _____
County Executive Officer

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES
OF FAILURE TO FILE REPORT**

Name of Issuer: California Enterprise Development Authority
Name of Bond Issue: \$_____ Lease Revenue Bonds (Riverside County Library Facilities
Project) Series 2019
Issuance Date: [Closing Date]

NOTICE IS HEREBY GIVEN that the COUNTY OF RIVERSIDE (the "County") has not provided the Annual Report with respect to the above named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of [Closing Date], executed and delivered by the County. The County anticipates that such report will be filed by _____.

Dated: _____

COUNTY OF RIVERSIDE

By _____
Authorized Officer

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but the Authority and the County take no responsibility for the accuracy or completeness thereof. The Authority and the County do not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners (a) payments of interest, principal or premium, if any, with respect to the Series 2019 Bonds; (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2019 Bonds; or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2019 Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2019 Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2019 Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Bonds Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the

Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Series 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Authority and the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Authority and County or Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, Authority or County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Authority and County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to Authority and County or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

<p>Recordation requested by:</p> <p>CFP Riverside, LLC c/o Community Facility Partners 18336 Minnetonka Boulevard, Suite C Deephaven, Minnesota 55319 Attention: Mr. Steve Collins, President</p> <p>When recorded, mail to:</p> <p>Sam S. Balisy, Esq. Kutak Rock LLP 777 South Figueroa Street, Suite 4550 Los Angeles, California 90017</p>	<p>Recorder's information</p>
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THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11928 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

MEMORANDUM OF GROUND LEASE AGREEMENT

THIS MEMORANDUM OF GROUND LEASE AGREEMENT (the "Memorandum of Ground Lease") is made and entered into as of August 1, 2019, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California (the "Ground Lessor") and **CFP RIVERSIDE, LLC**, a nonprofit limited liability company organized and existing under the laws of the State of Minnesota (the "Ground Lessee"). The Ground Lessee and the Ground Lessor hereby agree as follows:

1. **The Ground Lease.** In consideration of the rents, covenants and agreements contained in the Ground Lease Agreement, dated as of August 1, 2019 (the "Ground Lease Agreement"), between the Ground Lessor and the Ground Lessee, the Ground Lessor hereby leases to the Ground Lessee, and the Ground Lessee hereby leases from the Ground Lessor the real property described in paragraph 2 hereof, upon and subject to the terms, covenants and conditions set forth in the Ground Lease Agreement, all of the provisions of which are hereby incorporated into this Memorandum of Ground Lease by reference.

2. **Leased Premises; Term.** The real property leased by the Ground Lessor to the Ground Lessee is located in the County of Riverside, State of California, consisting of the land described more fully in Exhibit A attached to this Memorandum of Ground Lease. The Ground Lease Agreement is for a term commencing on the Effective Date (as such term is defined under the Ground Lease Agreement) and will continue for a period of thirty years measured from the

7.23.19 3.24

Rent Commencement Date as defined under the Facilities Lease Agreement, dated as of August 1, 2019 (the "Facilities Lease Agreement"), between the Ground Lessee and the Ground Lessor, unless such term is extended or previously terminated as provided in the Ground Lease Agreement and the Facilities Lease Agreement.

3. **Provisions Binding on Successors and Assigns.** Subject to the provisions of the Ground Lease Agreement relating to assignment and subletting, the Ground Lease Agreement shall inure to the benefit of and shall be binding upon the Ground Lessee and the Ground Lessor and their respective successors and assigns.

4. **Purpose of Memorandum of Ground Lease.** This Memorandum of Ground Lease is prepared for the purpose of recordation, and it in no way modifies the provisions of the Ground Lease Agreement.

5. **Counterparts.** This Memorandum of Ground Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

6. **State Law.** This Memorandum of Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

7. **Conflict.** In the event of any conflict between the terms of the unrecorded Ground Lease Agreement and this Memorandum of Ground Lease, the unrecorded Ground Lease Agreement shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Ground Lessor has caused this Memorandum of Ground Lease Agreement to be executed in its name by its duly authorized officer; and the Ground Lessee has caused this Memorandum of Ground Lease Agreement to be executed in its name by its duly authorized officer, as of the date hereof.

GROUND LESSOR:

COUNTY OF RIVERSIDE

By: 
Kevin Jeffries, Chairman
Board of Supervisors

ATTEST:
KECIA R. HARPER
Clerk of the Board of Supervisors

By: 
Deputy

[Signature Page to the Memorandum of Ground Lease Agreement]

GROUND LESSEE:

CFP RIVERSIDE, LLC,
a Minnesota nonprofit limited liability company

By: _____
Steve Collins, President

[Signature Page to the Memorandum of Ground Lease Agreement]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

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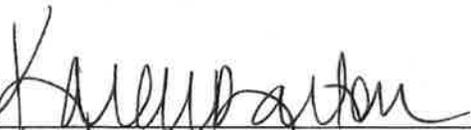
On August 23, 2019, before me, Karen Barton, Board Assistant, personally appeared Kevin Jeffries, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia R. Harper
Clerk of the Board of Supervisors

By:


Deputy Clerk

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION

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

Desert Hot Springs

All that certain real property situated in the County of Riverside, State of California, described as follows: The South half of the North half of the Northeast Quarter of Section 6, Township 3 South, Range 5 East, San Bernardino Base and Meridian, in the City of Desert Hot Springs, County of Riverside, State of California, according to the Official Plat thereof. Except that portion of said land lying Easterly of the following described line: Beginning at a point on the North line of said Northeast Quarter, said point being the Northeast Quarter of Parcel "B" of Parcel Map No. 17663, as shown on map filed in Book 102, Pages 9 to 11 inclusive of Parcel Maps, in the Office of the County Recorder of said County; thence along the Easterly line of said Parcel "B" and its prolongation, South 0°07'36" West to the Southerly line of said North half. Also Excepting that portion of the South 30 feet of the North half of the Northeast Quarter of Section 6, Township 3 South, Range 5 East, San Bernardino Meridian, in the City of Desert Hot Springs, County of Riverside, State of California, according to the official plat thereof, lying between the Easterly line of Palm Drive as described in Deed recorded in Book 467, Page 521 of Official Records of said County, and the Southerly prolongation of the East line of Lot B of Parcel Map No. 17663, as shown on map filed in Book 102, Pages 9 to 11 inclusive of Parcel Maps in the office of the County Recorder of said County, per Deed recorded November 28, 1990 as Instrument No. 432371 of Official Records.

Assessor's Parcel Number: 656-040-060-1

Menifee

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

French Valley

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

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

<p>Recordation requested by:</p> <p>CFP Riverside, LLC c/o Community Facility Partners 18336 Minnetonka Boulevard, Suite C Deephaven, Minnesota 55319 Attention: Mr. Steve Collins, President</p> <p>When recorded, mail to:</p> <p>Sam S. Balisy, Esq. Kutak Rock LLP 777 South Figueroa Street, Suite 4550 Los Angeles, California 90017</p>	<p>Recorder's information</p>
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MEMORANDUM OF FACILITIES LEASE AGREEMENT

THIS MEMORANDUM OF FACILITIES LEASE AGREEMENT (this "Memorandum of Facilities Lease") is made and entered into as of August 1, 2019, by and between **CFP RIVERSIDE, LLC**, a nonprofit limited liability company organized and existing under the laws of the State of Minnesota (the "Landlord"), and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California (the "County"). The Landlord and the County hereby agree as follows:

1. **The Facilities Lease.** The County hereby leases from the Landlord, and the Landlord hereby leases to the County, the Premises, for the term, at the rental, and upon all terms, covenants and conditions set forth in the Facilities Lease Agreement, dated as of August 1, 2019 (the "Facilities Lease Agreement"), by and between the Landlord and the County, all of the provisions of which are hereby incorporated into this Memorandum of Facilities Lease by reference. Pursuant to a Lease Assignment Agreement, dated as of August 28, 2019, the Landlord has collaterally assigned the Facilities Lease Agreement to the California Enterprise Development Authority (the "Issuer") which has in turn assigned the Facilities Lease Agreement to U.S. Bank National Association for the benefit of the owners of the Issuer's Lease Revenue Bonds (Riverside County Library Facilities Project), Series 2019.

2. **Leased Premises; Term.** The Premises leased by the Landlord to the County consist of the real property located in the County of Riverside, State of California consisting of the land

07.23.19 3.24

described more fully in Exhibit A attached to this Memorandum of Facilities Lease, together with the library improvements to be constructed thereon as provided in the Facilities Lease Agreement. The Facilities Lease Agreement is for a term commencing on the Effective Date (as such term is defined in the Facilities Lease Agreement) and ending on the Lease Expiration Date (as such term is defined in the Facilities Lease Agreement), unless such term is extended or previously terminated as provided in the Facilities Lease Agreement.

3. **Provisions Binding on Successors and Assigns.** Subject to the provisions of the Facilities Lease Agreement relating to assignment and subletting, the Facilities Lease Agreement shall inure to the benefit of and shall be binding upon the Landlord and the County and their respective successors and assigns.

4. **Purpose of Memorandum of Facilities Lease.** This Memorandum of Facilities Lease is prepared for the purpose of recordation, and it in no way modifies the provisions of the Facilities Lease Agreement.

5. **Counterparts.** This Memorandum of Facilities Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

6. **State Law.** This Memorandum of Facilities Lease shall be governed by and construed in accordance with the laws of the State of California.

7. **Conflict.** In the event of any conflict between the terms of the unrecorded Facilities Lease Agreement and this Memorandum of Facilities Lease, the unrecorded Facilities Lease Agreement shall prevail.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Landlord has caused this Memorandum of Facilities Lease Agreement to be executed in its name by its duly authorized officer; and the County has caused this Memorandum of Facilities Lease Agreement to be executed in its name by its duly authorized officer, as of the date hereof.

LANDLORD:

CFP RIVERSIDE, LLC,
a Minnesota nonprofit limited liability company

By: _____
Steve Collins, President

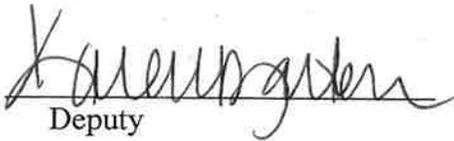
[Signature Page to the Memorandum of Facilities Lease Agreement]

COUNTY:

COUNTY OF RIVERSIDE

By: 
Kevin Jeffries, Chairman
Board of Supervisors

ATTEST:
KECIA R. HARPER
Clerk of the Board of Supervisors

By: 
Deputy

[Signature Page to the Memorandum of Facilities Lease Agreement]

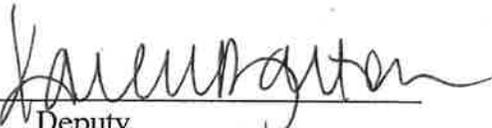
CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing to the County of Riverside by CFP Riverside, LLC is hereby accepted on behalf of said County of Riverside pursuant to the authority conferred by Resolution No. 2019-163, adopted by the Board of Supervisors on July 23, 2019, and said County of Riverside hereby consents to the recordation thereof by its duly authorized officer.

COUNTY OF RIVERSIDE

By: 
Kevin Jeffries, Chairman
Board of Supervisors

ATTEST:
KECIA R. HARPER
Clerk of the Board of Supervisors

By: 
Deputy

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

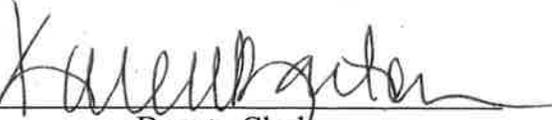
STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } §

On August 23, 2019, before me, Karen Barton, Board Assistant, personally appeared Kevin Jeffries, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia R. Harper
Clerk of the Board of Supervisors

By: 
Deputy Clerk

(SEAL)

EXHIBIT A

LEGAL DESCRIPTION

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

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Assessor's Parcel Number: 656-040-060-1

Menifee

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

French Valley

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

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

Execution

FACILITIES LEASE AGREEMENT

between

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

as Landlord

and

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

as Tenant

August 1, 2019

(Riverside County Library Facilities Project)

FACILITIES LEASE
(Riverside County Library Facilities Project)

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TABLE OF EXHIBITS

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

EXHIBIT A-1	French Valley Architectural Design Exhibits
EXHIBIT A-2	Menifee Architectural Design Exhibits
EXHIBIT A-3	Desert Hot Springs Architectural Design Exhibits
EXHIBIT B-1	French Valley Premises Legal Description and Plat Map [to be attached upon completion]
EXHIBIT B-2	Menifee Premises Legal Description and Plat Map [to be attached upon completion]
EXHIBIT B-3	Desert Hot Springs Premises Legal Description and Plat Map [to be attached upon completion]
EXHIBIT C	Rent Schedule
EXHIBIT C-1	Confirmation of Rent Commencement Date
EXHIBIT C-2	Budgeted Operating Expenses
EXHIBIT C-3	Applicable Percentages
EXHIBIT C-4	Elect to Purchase Notice
EXHIBIT C-5	Elect to Partially Prepay Notice
EXHIBIT D	Project Schedule
EXHIBIT E	County of Riverside Economic Development Agency Real Estate Division General Construction Specifications For Leased Facilities
EXHIBIT F	[Omitted]
EXHIBIT G	Mediation Procedures
EXHIBIT H	Work Letter Agreement for Development of the Project-Terms and Conditions
EXHIBIT H-1	Project Budget
EXHIBIT H-2	FF&E Budget (Including Exhibit H-2A Preliminary List FF&E Items)
EXHIBIT H-3	Final Drawings and Specifications [to be attached upon completion]
EXHIBIT H-4	Final FF&E Items [to be attached upon completion]
EXHIBIT I	Project Manager Agreement
EXHIBIT J	Property Management Agreement

FACILITIES LEASE AGREEMENT

(Riverside County Library Facilities Project)

This **FACILITIES LEASE AGREEMENT** (“**Facilities Lease**”) is made as of the 1st day of August, 2019 (but effective on the “**Effective Date**” as defined in Section 4.1 below) by and between **CFP RIVERSIDE, LLC**, a Minnesota non-profit limited liability company, as the Landlord (“**Landlord**” or “**CFP**”), and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, as the Tenant, (“**Tenant**” or “**County**”). Tenant and Landlord are hereinafter collectively referred to as the “**Parties**” or individually as a “**Party**.”

RECITALS

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

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

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

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

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

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

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

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

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

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

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

E. In response to the RFP, the Tenant received a proposal from a development and financing team including CFP as landlord, 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. Landlord's sole member is Community Facility Partners, a Minnesota non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which was formed for charitable purposes which include, but are not limited to, the acquisition, construction, development, ownership (either by itself or as the single member of limited liability companies), improvement, operation, management, lease, sale, conveyance, mortgaging, financing and refinancing of community public facilities, such as the Libraries, to be used by and for the benefit of governmental entities, such as the Tenant.

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

terms of the RFP.

H. Landlord has entered into a Project Manager Agreement, dated as of August 1, 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 Landlord in the development, planning, entitlement, designing, building, equipping, operating and maintenance of the Libraries on portions of the Leased Premises, a copy of which is attached hereto as **Exhibit I**.

I. Landlord has entered into a Management Agreement for Real Property, dated August 1, 2019 (the “**Property Management Agreement**”) with Omni West Group, Inc., as property manager (in such capacity, the “**Property Manager**”) to provide certain property management and administrative services with respect to the operations of the Libraries, a copy of which is attached hereto as **Exhibit J**.

J. The costs of the Project are to be financed through the issuance by the California Enterprise Development Authority (the “**Issuer**”) of its \$42,115,000 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 August 1, 2019 (the “**Indenture**”) by and among the Issuer, the Landlord and U.S. Bank National Association, as trustee (the “**Trustee**”).

K. To provide for the design and construction of the Library Improvements, Landlord has entered into a Standard Form of Agreement between Owner and Design-Builder – Lump Sum, DBIA Form 525, with McCarthy Building Company Inc. (the “**Design-Builder**”), together with a Standard Form of General Conditions of Contract between Owner and Design Builder, DBIA Form 535, and a Supplement to Standard Form of Agreement between Owner and Design-Builder – Lump Sum, each dated as of July 24, 2019 (collectively, the “**Design-Build Agreement**”).

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

1. This Facilities Lease will be assigned to the Trustee pursuant to a Lease Assignment Agreement, dated as of August 28, 2019 (the “**Lease Assignment Agreement**”);

2. The Ground Lease will be assigned to the Issuer pursuant to a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Financing Statement, dated as of August 1, 2019, by Landlord in favor of Lawyers Title Company as trustee and Issuer as beneficiary (“**Deed of Trust**”), and the Issuer will assign the Deed of Trust to the Trustee pursuant to a Leasehold Deed of Trust Assignment Agreement, dated as of August 28, 2019 (“**Deed of Trust Assignment Agreement**”);

3. The Design-Build Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Design-Build Agreement), dated August 28, 2019 (the “**Design-Build Assignment**”);

4. The Project Manager Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Project Manager Agreement), dated August 28, 2019 (the “**Project Manager Assignment**”); and

5. The Property Management Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Property Management Agreement), dated August 28, 2019 (the “**Property Management Assignment**”).

M. The developing, planning, entitling, designing, building, financing, equipping, operating and maintaining the Library Improvements upon the Leased Premises, and the planning, entitling, designing, building and financing of the Off-Premises Improvements on the Excluded Properties (if any) as more particularly described in the Ground Lease, this Facilities Lease and **Exhibit H** attached hereto is referred to herein and in the Ground Lease as the “**Project.**” The Project will be a part of the Riverside County Library System (“**Library System**”) operated by the Tenant.

N. Landlord, as ground lessee under the Ground Lease, is required to prepare final legal descriptions and plat maps of the Leased Premises. See Section 2.2 below.

O. Landlord and Tenant desire to enter into this Facilities Lease whereby Tenant shall lease, among other things, the Leased Premises and the Library Improvements from Landlord as the “**Premises**” under this Facilities Lease, Landlord shall operate and maintain, or cause the operation and maintenance of, the Premises as provided herein, and Tenant shall occupy the Premises in exchange for the payment of Base Rent and subject to all of the terms, covenants and conditions set forth herein.

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

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

2. **Premises.**

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

2.2 **Defined.**

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

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

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

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

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

2.2.3 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 **Easements**. In addition, to the use of the Premises, throughout the Term of this Facilities Lease, Landlord hereby grants to Tenant, and Tenant shall have (subject to the rights of the Trustee under the Lease Assignment Agreement), all easement rights of Landlord granted under the Ground Lease (if any) which survive the completion of construction of the Project, at no cost to Tenant pursuant to this Facilities Lease (unless otherwise specified in this Facilities Lease), all rights subject to such reservation of rights in favor of the Ground Lessor under the Ground Lease as provided therein. Upon the occurrence and continuance of an event of default by Tenant under this Facilities Lease, all easement rights of the Tenant granted under the Ground Lease shall revert to the Landlord.

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

2.5 **Condition of Premises; Completion of Project**. Landlord shall complete the Project and deliver the Premises to Tenant with the Project Substantially Completed in accordance with the terms herein, the Work Letter and the Ground Lease, in a fully clean and safe condition, free of hazards and debris, entirely permitted and inspected by local authorities, on or before the date of Substantial Completion as set forth in the Project Schedule, subject to Force Majeure Delays and Tenant-Caused Delays (each as defined in **Exhibit H**). In the event of a Construction Failure (as defined in Section 5.2 of this Facilities Lease), Tenant shall have the remedies set forth in Section 5.2 of this Facilities Lease. Prior to Substantial Completion of the Project, Landlord shall (i) give notice to Tenant that the Project is Substantially Complete and

the Architect, Design-Build Contractor, Landlord and Tenant shall inspect the Library Improvements and Off-Premises Improvements, and (ii) cause the Design-Build Contractor and each prime designer and Contractor to execute and deliver to Landlord and Tenant lien waivers, in a form, content and scope reasonably acceptable to Tenant (which lien waivers may be conditioned upon receipt by the Design-Build Contractor of the final payment). Within sixty (60) days after Substantial Completion, Landlord shall deliver and assign over to Tenant all owner's manuals, record drawings, operations and maintenance manuals, a CD containing all Project as-built drawings and specifications and, on a non-exclusive basis, all warranties provided by any contractor (including the Design-Build Contractor) or supplier relative to any elements of the Project (including all systems and equipment, including, but not limited to, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, security systems, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), roof membranes, if any, that serve the Premises and all other such elements in the Premises (herein defined as the "**Base Building Systems**") other than those elements installed or constructed by Tenant (if any, the "**Third Party Warranties**"). All Third Party Warranties shall be in the name of Landlord and Tenant. Tenant shall be entitled to directly make claims on, collect and/or enforce all Third Party Warranties, provided Landlord shall assist Tenant in prosecuting enforcement of any all such Third Party Warranties.

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

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

2.8 FF&E. Subject to design, selection and payment by Tenant as provided in the Work Letter, Landlord shall cause the procurement and installation of FF&E as defined in and as provided in the Work Letter. Notwithstanding any other provision of this Facilities Lease or the Ground Lease, Landlord acknowledges that all FF&E is and at all times will be the Tenant's sole property. Tenant may, at any time during the term of this Facilities Lease remove, replace or add any additional FF&E, subject to all terms and conditions of this Facilities Lease

(including without limitation Section 11.5), provided that Tenant will repair any damage caused by any FF&E installation or removal.

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

4. **Term.**

4.1 **Commencement and Duration; Lease Year.** This term of this Facilities Lease (the “**Term**”) shall commence on the date the Bonds are issued (“**Effective Date**”) and, unless sooner terminated pursuant to the terms and conditions provided herein, shall continue until 11:59 p.m. on the maturity date of the Bonds (plus, if the dated date of the Bonds is not the first day of the month, the remainder of that month) (“**Lease Expiration Date**”). Notwithstanding the foregoing (subject to Section 14.2), the Term shall be automatically extended for a period of time equal in duration as the Premises are unavailable for Tenant’s use and occupancy as a result of an abatement with respect to the entire Premises following the expiration of the rental interruption insurance coverage described in Section 13. All of the other terms and provisions of this Facilities Lease shall be effective from and after the Effective Date (except as otherwise provided herein, such as Tenant’s obligation to pay Base Rent and any Additional Rent which shall not commence until the Rent Commencement Date). A “**Lease Year**” shall be each 365 (or if applicable 366) day period commencing with the Rent Commencement Date, and each anniversary thereof.

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

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

4.2.2 Prior to invoking the right to pursue any remedies available to Tenant (other than in connection with a Construction Failure), Tenant shall serve a final notice on Landlord and the Trustee specifying the outstanding default and any supporting

documentation Tenant may possess for such default. Landlord shall serve a written response to Tenant and the Trustee setting out its position and any support for its position within ten (10) days following receipt of Tenant's final notice, time being of the essence, and Landlord shall waive any right to further delay Tenant's exercise of remedies if it fails to timely respond to Tenant's final notice. Within ten (10) days following receipt of Landlord's response, the Parties will submit the issue to mediation as set forth in **Exhibit G**. The written claim notice and response and any documents that may have been produced in the Mediation, but not the subsequent discussion, are admissible in any subsequent proceeding. After such meeting if no resolution has been determined, Tenant may pursue any such remedies as are available to Tenant as described in this Facilities Lease.

4.3 **Assignment.** Subject to the rights of the Trustee under the Lease Assignment Agreement, in the event of termination by Tenant or Landlord of any or all of this Facilities Lease under this Section 4 and concurrent termination of the Ground Lease pursuant to any provisions of this Facilities Lease or the Ground Lease, Landlord shall terminate all efforts in connection with the Project as well and shall cause all third party consultants performing services relative to the Project to cease such services, subject to the potential assignment to Tenant of certain agreements for such services as provided herein below. Following Tenant's satisfaction of its payment obligations set forth in Section 4.2 and (if any) this Section 4.3, Landlord shall assign to Tenant any agreements entered into by Landlord in connection with the Project prior to such termination to the extent Tenant elects in writing in its sole discretion to assume and such agreements are assignable, together with any rights Landlord may have with respect to any work product or permits generated under the assigned agreements that Tenant elects in its sole discretion to assume. Any agreements which Tenant elects not to assume or which are not assignable shall be terminated by Landlord, as applicable. Any such assignment which includes a transfer of work product or permits generated under the assigned agreement is conditioned upon Tenant payment to Landlord of the amounts paid by Landlord for such specific work product or permits, under the assigned agreement, as evidenced by supporting documentation such as invoices and receipts.

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

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

and intend that a portion of each payment of Base Rent allocable to the payment of principal of the Bonds is paid as and represents interest with respect to the Tenant's obligations under this Facilities Lease, as set forth on Exhibit C to this Facilities Lease.

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

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

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

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

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

5.7 No-Offset. This Facilities Lease shall not terminate, nor shall Tenant have any right to terminate this Facilities Lease (except as otherwise expressly provided to the contrary herein), nor (except as otherwise expressly provided in Sections 5.2 and 14.3 hereof to the contrary) shall Tenant be entitled to any abatement of Base Rent or Additional Rent (if any).

It is the intention of Tenant and Landlord that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Base Rent and Additional Rent (if any) shall continue to be payable in all events (except as set forth in Sections 5.2 and 14.3 hereof), and that the obligations of Tenant hereunder shall continue unaffected in all events, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Facilities Lease. Notwithstanding anything to the contrary contained above in this Section, Tenant retains a separate and independent right to sue Landlord for damages or seek equitable remedies against Landlord with respect to any claim Tenant may have against Landlord or in any way relating to this Facilities Lease or the Premises; provided, however, that in no event shall any judgment, order or injunction or equitable relief granted in favor of Tenant abate, be set-off against, reduce or otherwise affect Tenant's obligation to pay Base Rent and/or Additional Rent (if any) (except as set forth in Sections 5.2 and 14.3 hereof) or effectuate a release of Tenant with respect thereto (except as otherwise expressly provided herein).

5.8 Application of Capitalized Interest; Operating Contingency Fund.

Landlord and Tenant acknowledge that the Bonds are interest-only for the first approximately thirty-three (33) months (i.e., through May 1, 2022, the "**Capitalized Interest Period**"), and that during such time interest payments on the Bonds shall be made from the proceeds of the Bonds received by the Trustee upon issuance of the Bonds. Landlord is expected to achieve Substantial Completion of the Project prior to the end of the Capitalized Interest Period, and the Parties anticipate Tenant making Base Rent payments before such amounts are required, in part, to make payments of principal and interest on the Bonds. The parties agree that, as provided in Section 5.02 of the Indenture, the portion of Base Rent payments received by the Trustee applicable to the principal of and interest on the Bonds during the Capitalized Interest Period shall be deposited in the Revenue Fund, from which all excess monies shall eventually be transferred into a separate fund ("**Operating Contingency Fund**") to cover potential operations and maintenance costs which are over and above the budgeted amounts set forth in Exhibit C-2 attached hereto ("**Budgeted Operating Expenses**"). Use of the Operating Contingency Fund is as set forth in Section 5.07 of the Indenture. Additionally, pursuant to Sections 5.02 and 5.07 of the Indenture, respectively: (i) any unused Base Rent resulting from actual Operating Expenses being less than the Budgeted Operating Expenses shall be deposited into the Revenue Fund, from which all excess monies shall be deposited into the Operating Contingency Fund and used as provided in this Facilities Lease; (ii) Tenant may, at any time and from time to time, use any portion of the Operating Contingency Fund in excess of \$1,000,000 (regardless of source, including without limitation accrued interest) for any lawful purpose to the extent provided in the Indenture (including without limitation Sections 6.1 and 6.2 below); and (iii) Tenant may use the balance of unspent funds in the Operating Contingency Fund (regardless of source, including without limitation accrued interest) to make the final principal and interest payments then due on the Bonds, whether upon expiration of the Term of the Facilities Lease, exercise of the Purchase Option (as provided in Section 6 below), defeasance or otherwise. Once there are no other obligations for Tenant or Landlord to pay under the Facilities Lease or Indenture and subject to the provisions of the Indenture, all remaining unspent funds shall be delivered to Tenant.

5.9 Defeasance. In the event that Tenant, in its sole discretion, deposits or causes to be deposited with the Trustee money and/or "**Investment Securities,**" as such

obligations are now or may hereafter be defined in paragraph 1 of the definition thereof in the Indenture, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to prepay and defease all Bonds as provided in Article XI of the Indenture, , then upon such deposit and compliance with the terms of the Indenture, and provided that Tenant has fulfilled all other obligations under this Facilities Lease, including payment of any Additional Rent then due, Landlord shall (subject to Section 6.7 below) convey its interests in the Premises to Tenant, this Facilities Lease shall automatically terminate, no further payments need be made of any Rent under this Facilities Lease and Landlord shall not be entitled to any lien, benefit or security in the Premises, except the right to receive the funds so set aside and pledged, and neither Landlord nor Tenant shall have any further obligation to the other hereunder. Pursuant to Article XI of the Indenture, Trustee shall apply such money or Investment Securities to the defeasance or redemption of the Bonds in accordance with the Indenture and, following payment of all amounts owed or which will be owed to the Issuer or the Trustee and subject to the provisions of the Indenture, all remaining amounts under the Indenture shall be delivered to Tenant. In the event the Premises are conveyed to Tenant pursuant to this Section, the Ground Lease executed between the Parties shall automatically terminate.

5.10 Application of Unused Project Contingency, Unused Base Rent, etc.. If upon completion of the Project a surplus of funds (regardless of source, including without limitation accrued interest) exists in the Project Development Costs Account, the Project Design and Construction Costs Account and the Project Contingency Account of the Project Fund (each as defined in the Indenture) and/or there are any savings based on actual costs for the developing, planning, entitling, designing, building, financing and equipping of the Project (see Work Letter Sections 4.1 and 4.3), such amounts shall be applied to the payment of the principal of and interest on the Bonds as provided in Section 3.04 of the Indenture, and Tenant may request that such amounts be deemed a credit against the portion of the Base Rent allocable to the payment of the principal of and interest on the Bonds on and after the Rent Commencement Date. Amounts remaining in the FF&E Account (as defined in the Indenture) of the Project Fund upon completion of the Project shall be applied as directed by Tenant.

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

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

6.1 **Option to Purchase all Library Improvements.** Subject to the terms of Article IV of the Indenture relating to the redemption of the Bonds, commencing on November 1, 2027 (“**Optional Prepayment Date**”) and at any time thereafter until the expiration of the Term, Tenant shall have the option (“**Purchase Option**”) to purchase, subject to the provisions of Article IV of the Indenture, all Library Improvements and thereby terminate this Facilities Lease and the Ground Lease. The purchase price of all of the Library Improvements shall be the amount required to fully redeem or defease all outstanding Bonds, plus accrued interest, as set forth in Article IV of the Indenture and costs associated with such purchase, taking into account amounts held by the Trustee in the Principal Fund, the Interest Fund and the Operating Contingency Fund not otherwise required to pay Operating Expenses prior to the redemption of the Bonds.

6.2 **Option to Purchase Library Improvements Associated With One or Two Libraries.** Subject to the terms of Article IV of the Indenture relating to the redemption of the Bonds, commencing on the Optional Prepayment Date and at any time thereafter until the expiration of the Term, from time to time, Tenant shall have the option (“**Partial Purchase Option**”) to purchase, subject to the provisions of Article IV of the Indenture and **Exhibit C-3** (“**Applicable Percentages**”), the Library Improvements associated with any one or two of the Libraries, and thereby terminate this Facilities Lease and the Ground Lease as to the applicable Library Improvements so purchased and terminate the Ground Lease as to the applicable Premises. The “**Applicable Percentage**” of outstanding Bond principal payable by Tenant to exercise the Partial Purchase Option for each Library (plus all other amounts required pursuant to Article IV and Article XI of the Indenture), being the pro-rata portion of Total Project Budget allocable to the applicable Library or Libraries as described in **Exhibit H-1**, is identified on **Exhibit C-3**. The purchase price of such Library Improvements shall be the amount required to fully redeem or defease all outstanding Bonds attributable to that Library or Libraries, based on information provided in **Exhibit C** Rent Schedule (or if not, the “**Applicable Percentage**” for each Library identified in **Exhibit C-3**), plus accrued interest, as set forth in Article IV of the Indenture and costs associated with such purchase, taking into account amounts held by the Trustee in the Principal Fund and the Interest Fund which were otherwise intended to be used to pay principal and interest on the applicable Bonds, and amounts held by the Trustee in the Operating Contingency Fund to the extent available under the Indenture and requested by Tenant. See also Section 5.8 above.

6.3 **Exercise of Purchase Options.** Tenant shall give Landlord and Trustee not less than ninety (90) days’ prior written notice of its irrevocable election to exercise either a Purchase Option or Partial Purchase Option in the form set forth on the attached **Exhibit C-4**. The purchase price shall be paid in cash or same-day available funds on the date the Bonds are to be redeemed or defeased in accordance with the Indenture (or such other earlier date as the Trustee, Tenant and Landlord may mutually agree). Upon completion of a Partial Purchase Option, **Exhibit C** attached hereto shall be amended to reflect the reduction in principal and interest components of Base Rent resulting from such partial purchase.

6.4 Option to Partially Prepay Facilities Lease. Commencing on the Optional Prepayment Date and at any time thereafter until the expiration of the Term, from time to time, and in addition to the Purchase Option and Partial Purchase Option, Tenant shall have the option (“**Partial Prepayment Option**”) to partially prepay the principal component of Base Rent, in \$5,000.00 increments for periods to be determined by Tenant (as represented by the principal components of Base Rent due every six (6) months as set forth on the Rent Schedule). Tenant shall give Landlord and Trustee not less than ninety (90) days’ prior written notice of its irrevocable election to exercise its Partial Prepayment Option in the form set forth on the attached **Exhibit C-5**. On the date for the redemption of the Bonds, Tenant shall pay to Trustee in cash or same-day available funds, an amount equal to the principal component of Base Rent to be prepaid, together with interest thereon to the date of prepayment, with instructions that such funds shall be used to optionally redeem Bonds. Upon such prepayment, **Exhibit C** attached hereto shall be amended to reflect the reduction in principal and interest components resulting from such prepayment. Tenant shall be responsible for paying all costs associated with the partial prepayment.

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

6.6 Accounting; Disputed Amounts. Within fifteen (15) days of its receipt of a notice under Section 6.2 or 6.3, Landlord shall cause Property Manager pursuant to Section 5.2 or 5.3 of the Property Management Agreement to provide Tenant with an accounting of all Additional Rent then due and expected to be due on the purchase date set forth in the notice. (If the notice is under Section 6.3, the accounting shall relate only to Additional Rent for the Library or Libraries being purchased.) If Tenant does not dispute such accounting, Tenant shall pay all such Additional Rent and other amounts due and owing on the purchase date. If Tenant disputes the amounts set forth in the accounting provided by Landlord and Property Manager and an agreement cannot be reached within twenty (20) days of receipt of the accounting, then Tenant shall pay all undisputed amounts on the purchase date, and any amounts remaining in dispute are not waived by Landlord, and, notwithstanding the conveyance of the Premises, Landlord may seek those amounts through any lawful dispute resolution process. Amounts paid by Tenant to prepay Bonds and cause conveyance of some or all of the Premises shall be used only for that purpose and shall not be first applied to Additional Rent. Payment may, to the extent permitted by the Indenture, be partially made by demand to use amounts remaining in any operating, capital, or replacement reserve accounts not already allocated to work actually performed or equipment purchased.

6.7 Conveyance of Premises. In the event of an exercise of the Purchase Option or Partial Purchase Option, Landlord shall convey to Tenant its interests in and to the Premises (or applicable portion thereof) without recourse or warranty (except by assignment of warranties provided by Design-Builder, other Contractors and their equipment suppliers) and in its then condition, upon (i) the termination of this Facilities Lease, as a result of the full payment and retirement or defeasance of all outstanding Bonds (or portion applicable to one or two of the Libraries, if applicable) pursuant to the terms of the Indenture and (ii) in the event of an exercise of the Purchase Option, discharge of the Indenture. The deed by which Landlord conveys the Premises (or portion thereof) to Tenant may not list any exceptions other than covenants,

conditions and restrictions then recorded against the Premises (or portion thereof), if any which: (i) were approved by Tenant prior to the date of Substantial Completion; (ii) consist of non-delinquent real estate taxes and assessments or (iii) arise by reason of Tenant's activities. Tenant shall pay the cost for any owner's policy of title insurance it elects to obtain in connection with such conveyance. Landlord shall not be required to make any representations regarding the conditions of the Premises (or portion thereof) being transferred, and Tenant agrees to accept the Premises (or portion thereof) in an "as is" condition. Upon conveyance, the Ground Lease (or applicable portion thereof) shall automatically terminate, and, upon request by either Party, the Parties shall execute and record a termination or quitclaim of Ground Lease and this Facilities Lease (or portion thereof) in the real property records of Riverside County. In addition, prior to the conveyance, maintenance records, management records and records of contracts and payments with vendors for the entire Term of this Facilities Lease commencing with the Rent Commencement Date shall be made available to Tenant, or transferred into the Tenant's possession. Complete transfer of records is not required until disputes, if any, are resolved.

7. Maintenance and Repairs.

7.1 Maintenance and Repairs by Landlord. Subject to the provisions of Section 8.4, 8.5 and 8.6 of this Facilities Lease and to payment by Tenant of Base Rent and Additional Rent (if any), Landlord shall, in accordance with this Facilities Lease, operate, maintain, repair and replace in an attractive condition, good order and function (ordinary wear and tear excepted) throughout the Term the Premises, including but not limited to the following: (a) all structural portions of the Premises (including without limitation all roofs, foundations and load bearing walls); (b) all non-structural portions of the Premises (including without limitation all roof coverings and membranes, gutters, skylights and downspouts, transformers, interior perimeters and interior partition walls and finishes (including periodic painting thereof)), including without limitation all Library Improvements, Alterations and fixtures, but excluding furnishings, trade fixtures, equipment and personal property (including without limitation FF&E) which will be Tenant's obligation; (c) systems and equipment including, but not limited to HVAC and other Base Building Systems, electrical, plumbing, fire sprinkler, fire suppression system, fire/life/safety system, security systems, flooring and floor coverings, ceiling, doorways, interior and exterior windows, window frames and window coverings, hardware, fixtures, lighting, and loading doors; (d) interior pest control (if needed) and trash disposal and trash receptacles; and (e) the exterior of the Libraries, sidewalks, parking areas and other exterior hardscape and landscaped areas located on the Leased Premises (including without limitation landscaping equipment, plant, trees and irrigation systems, and exterior light standards and lighting situated on the Libraries or on the Leased Premises), and all other areas and improvements situated on the Leased Premises and used in connection with the Premises. Subject to payment by Tenant of Base Rent and Additional Rent, Landlord shall take all action and will perform all interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary, maintenance and repairs required to keep all parts of the Premises in good repair and condition, subject only to ordinary wear and tear. It is the intent of this Section that Landlord agrees to perform all maintenance and make all repairs to the Premises that may become necessary by reason of industry standard for age, wear and tear, deferred maintenance or defects in any construction thereof, all as may be requested by Tenant and borne by Landlord, except for Extraordinary Expenses.

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

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

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

7.5 Periodic Services. Landlord shall provide, or cause to be provided, at its sole cost and expense as part of Operating Expenses, all non-capitalizable periodic services, including but not limited to, semi-annual pest control services, quarterly HVAC standard preventative maintenance and changing of air filters; annual fire extinguisher inspections; reset interior and exterior time clocks for time changes; annual roof inspections and maintenance to include roof repairs; cleaning of roof gutters, drains, and down spouts prior to rainy season.

8. Management of the Premises; Operating Expenses and Capital Expenses; Custodial Services.

8.1 Standard of Operation. Landlord shall at all times use its commercially reasonable, good faith and diligent efforts to operate, maintain and repair the Premises, and

perform all required capital improvements and replacements, in an economically reasonable manner and control Operating Expenses (as defined in Section 8.4 below) and Capital Expenses (as defined in Section 8.10 below) in accordance with reasonable commercial standards prevailing in the market place for comparable premises, and in accordance with the Annual Facility Budget (as defined in Section 8.6 below) for such Operating Expenses and Capital Expenses as provided below and (subject to Section 8.6.4 below) as otherwise as requested by Tenant.

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

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

8.4 Operating Expenses. Landlord shall, but solely from the portion of the Base Rent allocable to the payment of Operating Expenses and from amounts on deposit in the Operating Contingency Fund, pay all Operating Expenses when due, incurred by Landlord or Property Manager in connection with the management, operation, maintenance and repair of the Premises. As used herein, “**Operating Expenses**” means (whether or not specifically included in

Exhibit C-2) any and all costs and expenses directly related to management, ownership, operation, maintenance, repair and (except for Capital Expense items) replacement of all elements of the Premises required to keep the Premises in good operating condition, required insurance costs under this Facilities Lease and the Ground Lease, payments to Property Manager under the Property Management Agreement and fees, taxes (other than real property or possessory taxes) and penalties (if any) as required by the terms of this Facilities Lease. The estimated Operating Expenses for the first year of operations are set forth in **Exhibit C-2**. Notwithstanding the foregoing, Operating Expenses excludes Capital Expenses. For purposes of this Facilities Lease, except for the “Exclusions from Operating Expenses” specified in Section 8.5 below, Operating Expenses include:

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

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

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

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

8.4.5 all insurance premiums for insurance required to be carried by Landlord and Tenant under the Ground Lease and this Facilities Lease for periods from and after the Rent Commencement Date;

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

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

8.4.8 following Final Acceptance, all attorneys’ fees and other costs incurred by Landlord in efforts to enforce the provisions of the Design-Build Agreement (as defined in the Work Letter), to enforce product or workmanship warranties given by the Design-Builder (as defined in the Work Letter) or other Contractors (as defined in the Work Letter) or suppliers of equipment or materials (unless Tenant desires that Landlord instead assign such

warranties to Tenant), but only to the extent that such costs have not been paid from the Project Contingency Account of the Project Fund or reimbursed by or recovered from Landlord, Design-Builder, any other Contractor or any other party who may be obligated to Landlord;

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

8.4.10 all costs of compliance with federal, state or local laws, regulations or permits pertaining to storm water pollution, prevention plans ("SWPPP") and all National Pollution Discharge Elimination System ("NPDES") laws or regulations adopted or to be adopted by the United States Environmental Protection Agency as they pertain to the Premises; and

8.4.11 any other costs included in the Annual Facility Budget or for services requested by Tenant relative to the Premises and approved by Landlord.

8.5 Exclusions from Operating Expenses. Operating Expenses shall exclude:

8.5.1 Project Costs;

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

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

8.5.4 Capital Expenses;

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

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

8.5.7 political or charitable contributions made by Landlord;

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

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

proceedings arising out of Landlord's violation of the terms of this Facilities Lease or Ground Lease;

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

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

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

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

8.5.14 costs of security personnel;

8.5.15 depreciation or amortization;

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

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

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

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

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

8.6.1 Annual Facility Budget.

(a) Landlord shall develop an annual budget ("**Annual Facility Budget**") for the Premises and shall submit a copy of such Annual Facility Budget to Tenant for Tenant's approval (not to be unreasonably withheld, conditioned or delayed) no later than one hundred twenty (120) days prior to the anticipated Rent Commencement Date and prior to the commencement of each subsequent Lease Year. The Annual Facility Budget will set forth

(i) the estimated Operating Expenses, and any Capital Expenses requested by Tenant in accordance with Section 8.10, Capital Expenses expected to be incurred in connection with the Premises for the upcoming Lease Year. Tenant shall review the Annual Facility Budget within sixty (60) days following submittal by Landlord. In the event Tenant fails to approve the submitted Annual Facility Budget, the parties shall meet and attempt to agree on a final Annual Facility Budget. In the event the parties cannot agree on a final Annual Facility Budget, or in circumstances described in Section 8.10 below, the parties shall submit the issue to mediation as set forth in **Exhibit G**. In the event the Annual Facility Budget is not approved prior to the beginning of any Lease Year, the previous Lease Year's Annual Facility Budget shall apply until the new Annual Facility Budget is approved. Any Landlord failure to identify a specific Operating Expense for which Landlord is responsible under this Facilities Lease on an Annual Facility Budget shall not limit Landlord's obligations as otherwise provided herein. Also, any Landlord failure to identify a specific Capital Expense for which Landlord is responsible for performing and Tenant is responsible for paying on an Annual Facility Budget shall not limit Landlord and Tenant's obligations as otherwise provided herein. In the event Tenant exercises the Partial Purchase Option and terminates this Facilities Lease and the Ground Lease for one or two Libraries, the remaining Library(ies)' Annual Facility Budget will be reduced accordingly.

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

8.6.3 Payment From Operating Contingency Fund; Application of Surplus Operating Expenses. Following the Rent Commencement Date, Landlord (or Property Manager under the Property Management Agreement) may, with the Tenant's approval for any individual expenditure in excess of \$5,000 or aggregate expenditures in excess of \$50,000 for any Lease Year, (which shall not unreasonably be withheld), to the extent unspent portions of previously paid Base Rent allocable to Operating Expenses are inadequate, pay any Operating Expenses which are over and above the Budgeted Operating Expenses amounts ("**Excess Operating Expenses**") from the Operating Contingency Fund. In the event the actual aggregate Operating Expenses for any applicable Lease Year are less than the Budgeted Operating Expenses, the difference shall be transferred to the Operating Contingency Fund.

8.6.4 Tenant Responsibility for Extraordinary Expenses. Notwithstanding any other provision of this Facilities Lease, Tenant shall pay as Additional Rent (which may be payable in whole or in part on dates other than the Base Rent payment date) the additional costs for operation and repair of the Premises to the extent caused by the following ("**Extraordinary Expenses**"):

- (a) Force Majeure Costs (as defined below);
- (b) Capital Expenses; and

(c) Tenant requests any additional service or additional level of service (such as, for example, full-time security guards for the Premises, maintenance of FF&E, or earthquake insurance after the period it is required to be maintained pursuant to Section 13.2.2 below) not otherwise required by this Facilities Lease or the Property Management Agreement.

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

(d) Reconciliation. Within one hundred twenty (120) days after the end of each Lease Year (or, if applicable, the Lease Expiration Date), Landlord shall furnish to Tenant a reconciliation statement of the actual Operating Expenses and Capital Expenses for the preceding Lease Year, including (i) the portions of Operating Expenses (if any) Landlord believes to be Excess Operating Expenses or Extraordinary Expenses, (ii) the amount paid by Tenant toward Operating Expenses from Base Rent and (if any) any other source, (iii) the amount paid by Landlord toward Operating Expenses (if any) from the Operating Contingency Fund, (v) the amount (if any) remaining on deposit in the Operating Expenses Account and Capital Expenses Account of the Operating and Maintenance Fund (each as defined in the Indenture), and the Operating Contingency Fund, (iv) the additional amount needed for the cumulative costs of completed Capital Expenses, plus amounts paid by Tenant to date for uncompleted Capital Expenses, to equal \$2.9 million (or, once such amount is reached, the cumulative amount exceeding \$2.9 million); and (v) such other matters as Landlord or Tenant may reasonably request. The reconciliation statement shall contain a reasonable explanation of the bases of any claimed Excess Operating Expenses and Extraordinary Expenses; and shall be prepared, signed and certified to be correct by Landlord or Property Manager.

8.7 Right to Review and Audit. Each year, within that period expiring ninety (90) days after Tenant’s receipt of the reconciliation statement provided under Section 8.6.4(d) above, Tenant shall have the right to review and audit Landlord and Property Manager’s books and records pertaining to the accuracy of the computation of Operating Expenses and Capital Expenses, the determination of any Excess Operating Expenses or Extraordinary Expenses, all other funds and reserves held by Landlord, Property Manager or Trustee in connection with the

Premises, and any other matters addressed in the reconciliation statement. Copies of such review shall be delivered to Landlord and Property Manager.

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

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

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

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

8.10 Capital Expenses.

8.10.1 For purposes of this Facilities Lease, "**Capital Expenses**" means:

(a) those expenses including but not limited to the expenses of roof replacement, exterior painting, exterior light station replacement, HVAC replacement, parking lot improvements and slurry seal and restripe, and restroom renovation due to Tenant

request, whether or not required to be capitalized under Governmental Accounting Standards Board rules; and

(b) other costs which Landlord or Property Manager (i) is required to incur pursuant to Section 8.1 or 8.2 above, (ii) are not specifically included within the definition of Operating Expenses, and (iii) which are required to be capitalized under Governmental Accounting Standards Board rules.

8.10.2 From and after the Rent Commencement Date, County shall pay Capital Expenses as Additional Rent (which may be payable in whole or in part on dates other than the Base Rent payment dates) pursuant to the approved Annual Facility Budget or as otherwise required under this Facilities Lease. Notwithstanding the foregoing, Tenant may perform and pay for Capital Expenses as Alterations by Tenant under Section 11.4 below, and if Tenant has previously paid the expected costs thereof to the Trustee as Additional Rent pursuant to Section 8.10.3 or otherwise, Landlord will request the Trustee to release such funds to or as directed by Tenant under similar procedures as Landlord would use if Landlord (or Property Manager) contracted for the expenditure.

8.10.3 Commencing in advance of the 10th Lease Year (or sooner if requested by Tenant), Tenant may, in its sole and absolute discretion, submit to Landlord a request for pricing for any Capital Expenses selected by Tenant, and Landlord shall provide to Tenant a scope of work and estimated cost for the Capital Expenses requested. Upon Tenant's approval of the estimated cost of the Capital Expenses, Landlord shall include the Capital Expenses and estimated cost for same in the Annual Facility Budget (see Section 8.6.1) for Tenant's review and approval. Within ninety (90) days before commencing the Capital Expense, Tenant shall deposit with Landlord as Additional Rent the amount of the cost estimate to be used by Landlord for the Capital Expense. Notwithstanding the foregoing, Tenant may perform and pay for Capital Expenses as Alterations by Tenant under Section 11.4 below.

8.10.4 All Capital Expenses are subject to Board of Supervisors approval. The total Capital Expenses budget for the Lease Term is \$2,900,000. However, Tenant may, with Board of Supervisors approval, exceed this amount in Tenant's sole discretion.

8.10.5 Except for the specific matters described in Section 8.10.6 below (if any), all disputes as to whether an item is properly characterized as an Operating Expense or Capital Expense shall be submitted to mediation as set forth in **Exhibit G**.

8.10.6 To the extent any dispute as to whether an item is properly characterized as an Operating Expense or Capital Expense depends on whether item is required to be capitalized under Governmental Accounting Standards Board rules, the dispute shall be resolved as follows:

(a) Tenant shall provide a written explanation of its then-regular independent certified public accounting firm explaining and supporting the Tenant's position. The position will be final and binding on all parties unless Landlord objects in writing and provides a different written explanation by an Accountant (as defined in the Indenture) within fifteen (15) days after receiving the Tenant accountant's explanation.

(b) If, within 30 days thereafter, Landlord and Tenant are still unable to agree as to whether the specific cost item is an Operating Expense or a Capital Expense, the Tenant and Landlord shall jointly select a third independent certified public accountant firm (“**Neutral Accountant**”), who will determine whether the specific cost item is an Operating Expense or a Capital Expense. The Neutral Accountant will issue its determination in a written report explaining the reasoning therefor.

(c) The Neutral Accountant must be an independent certified public accountant firm which (i) must not have worked (either directly, or indirectly through one or more firms) for either the Landlord, Tenant, or an affiliate of either, for at least five years, and (ii) must have no financial interest in its decision other than payment of reasonable fees and costs for its services.

(d) Each of the Landlord and Tenant will pay 50% of the Neutral Accountant’s fees and costs, and the decision of the Neutral Accountant shall be conclusive, final and binding on the Landlord and Tenant. Except for the Neutral Accountant’s fees and costs, each of the Landlord and Tenant will bear its own fees and costs in the dispute.

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

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

11. Alterations and Additions.

11.1 Alterations by Landlord. From and after the Rent Commencement Date, Tenant may require or request Landlord to manage the completion of alterations, additions, improvements or modifications to the Premises (“**Alterations**”) which shall be subject to the prior written approval of Landlord, such approval shall not be unreasonably conditioned, delayed or withheld, and subject to satisfaction of all requirements for an Additional Agreement (as defined in the Indenture) without the approval of any holders of Bonds, as provided in Indenture Section 7.22(a)(i) through (iv) (excluding 7.22(a)(v)). Landlord shall provide a written cost estimate of the requested Alterations with complete line item breakdown for each component of the requested Alterations (including a construction supervision fee to Landlord of three percent 3% of estimated costs) for Tenant’s review and approval. If Tenant approves a written cost estimate for an Alteration, Tenant shall pay Landlord for the costs of such Alteration prior to the commencement of performance of the Alteration by Landlord’s contractor or property manager, and Landlord shall proceed to cause the contractor to complete the requested Alterations. All such Alterations shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable local, state, and federal building codes and laws as from time to time amended, including, but not limited to, the requirements of the ADA (as defined in the Work Letter) (collectively, “**Applicable Requirements**” and the requirements of all insurance policies required under this Facilities Lease. Any Alterations completed by Landlord pursuant to

this Section shall be maintained by Landlord during the Term of and in accordance with this Facilities Lease and Tenant and Landlord agree that Landlord shall be entitled to make appropriate adjustments to the Annual Facility Budget upon completion of any Alteration necessary to operate and maintain such Alteration.

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

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

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

Landlord shall require that Design-Builder comply with the payroll record keeping and availability requirement of Section 1776 of the Labor Code. In addition, Landlord shall require that Design-Builder make travel and subsistence payments to workers needed for performance of work in accordance with Section 1773.8 of the Labor Code. Prior to commencement of work, Landlord shall require that Design-Builder contact the Division of Apprenticeship Standards and comply with Sections 1777.5, 1777.6 and 1777.7 of the Labor Code and applicable regulations.

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

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

11.4 Alterations by Tenant. Any Alterations to be undertaken by Tenant shall require the prior written consent of Landlord. Such consent shall not be unreasonably withheld,

conditioned or delayed so long as such Alterations do not diminish the fair market value of the Premises and satisfy the same requirements for an Additional Agreement specified in Section 11.1 above. Any Alterations made by Tenant shall remain Tenant property and may be removed by Tenant at or prior to the expiration of this Facilities Lease; provided, however, that such removal does not cause injury or damage to the Premises or result in the diminution of the value of the Premises. Landlord shall, upon reasonable notice, have access to all plans and specifications relating to Alterations made by Tenant to Premises.

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

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

12. Indemnification.

12.1 Indemnification and Hold Harmless.

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

12.1.2 Except to the extent such matter is attributable to the negligence or willful misconduct of Landlord or Landlord's agents, contractors or employees, Landlord shall not be liable to Tenant, or any of Tenant's Parties, or any other parties for: (i) any damage to property of Tenant, or of others, located in, on or about the Premises, (ii) the loss of or damage to any property of Tenant or of others by theft or otherwise, (iii) any injury or damage to persons or

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

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

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

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

12.1.6 In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the indemnifying party’s obligation to provide indemnification to the fullest extent allowed by law.

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

13. Insurance.

13.1 Landlord’s Insurance—Entire Lease Term. Without limiting or diminishing any indemnification contained within this Facilities Lease, Landlord and/or its authorized representatives, including Property Manager, shall procure and maintain or cause to

be maintained, at its sole cost and expense, the below listed insurance coverage during the term of this Facilities Lease. As respects to Landlord's Insurance only, Tenant herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

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

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

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

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

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

13.2.2 Property (Physical Damage). Casualty insurance coverage, for the greater of the outstanding principal balance of the Bonds then outstanding or full replacement

cost of buildings, structures, fixtures, all improvements therein, and building systems as the same exists at each early anniversary of the term. Said policy shall (i) insure the Library Improvements against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood), and may be subject to a \$10,000 loss deductible provision and (ii) shall name Trustee as Loss Payee and Issuer, Landlord and Property Manager as Additional Insureds. (Notwithstanding the foregoing, casualty insurance coverage shall include earthquake for the first 24 months following the Rent Commencement Date; thereafter, it will be included only if Tenant elects, in its sole discretion, to pay for it an Extraordinary Expense.) Tenant may satisfy this insurance obligation by participation in CSAC Excess Insurance Authority, a Joint Powers Authority pursuant to Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (Section 6500 et seq.) (the “**Insurance Authority**”).

13.2.3 Rental Interruption (Business Interruption). rental interruption (business interruption) insurance, in an amount sufficient to pay the next subsequent 24 months of Base Rent.

13.2.4 General Insurance Provisions — All Lines.

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

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

(c) At the inception of this Facilities Lease, prior to the Rent Commencement Date and annually at the Landlord’s insurance policy renewal date(s), Landlord shall cause its insurance carrier(s) to furnish Tenant and Trustee with certificate(s) of insurance and copies of endorsements effecting coverage as required herein. Further, Landlord shall provide no less than thirty (30) days’ written notice to Tenant prior to any material modification or cancellation of such insurance. In the event of a cancellation, expiration or material reduction in coverage, Landlord shall deliver to Tenant prior to the effective date of such change in coverage, another certificate of insurance and copies of endorsements evidencing the coverages set forth herein and that the insurance required herein is in full force and effect. If Landlord shall fail to timely provide Tenant with such replacement certificate for the required insurance, then,

following an additional written demand by Tenant and Landlord's failure to obtain such replacement insurance within five (5) days of such second written demand, Tenant shall be entitled to obtain such insurance at Tenant's sole cost and expense, which insurance obtained by Tenant in lieu of Landlord shall satisfy the requirements for Landlord's insurance under this Facilities Lease. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the endorsements for each policy and the certificate of insurance. The Facilities Lease term shall not commence until Tenant has been furnished certificate(s) of insurance and copies of endorsements as required in this Section, which shall be provided upon execution and delivery of this Facilities Lease.

(d) It is understood and agreed by the Parties hereto and the Landlord's insurance company(s) that the endorsements and policies shall so covenant and shall be construed as primary insurance, and Tenant's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory for Landlord's indemnity obligations herein.

14. Damage and Destruction.

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

14.2 Repair Period Notice. Landlord shall, within thirty (30) days after the date of the Casualty or such later date as Landlord and Tenant may agree, provide written notice to Tenant indicating the anticipated period for repairing the Casualty ("**Repair Period Notice**"). The Repair Period Notice shall be accompanied by a certified statement executed by the Contractor retained by Landlord to complete the repairs or, if Landlord has not retained a Contractor, a licensed Contractor not affiliated with Landlord, certifying the Contractor's opinion about the anticipated period for repairing the Casualty. The Repair Period Notice shall also state, if applicable, Landlord's election either to repair or to terminate this Facilities Lease under this Section 14.2. Neither Landlord nor Tenant shall have the right to terminate this Facilities Lease as a result of any Casualty unless such Casualty materially and adversely affects Tenant's use and enjoyment of the Premises and either (i) the Casualty is an event which is not covered by insurance carried by Landlord (and Tenant is not willing to pay for all costs of restoration not covered by insurance), or (ii) Tenant's possession and use of the Premises cannot

be restored by Landlord within twenty four (24) months for reasons other than delays caused by Tenant, or (iii) the Casualty occurs during the last twelve (12) months of the Term and Tenant's use and possession of the damaged portion of the Premises cannot be restored within 90 days. In the event of any termination of this Facilities Lease by reason of any Casualty as provided herein, Landlord shall be entitled to all proceeds of insurance as necessary to satisfy all outstanding obligations of the Indenture and Tenant shall accept the Premises in its as-is condition following such termination.

14.3 Rent Abatement. During any period on and after the Rent Commencement Date in which, by reason of a Casualty, there is substantial interference with the use and occupancy by Tenant of the French Valley Premises, Meniffee Premises or Desert Hot Springs Premises, Base Rent due hereunder with respect to the applicable portion of the Premises shall be abated and the Base Rent payable under this Facilities Lease shall not be greater than the annual fair rental value of the portion of the Premises in respect of which there is no substantial interference with the Tenant's use and occupancy. Such abatement shall commence with the date of such Casualty and end with the substantial completion of the work of repair or replacement of the portions of the Premises so damaged or destroyed. Any abatement of rental payments pursuant to this Section shall not be considered an event of default as defined in Section 18.2. Notwithstanding the foregoing, there may be no abatement of Base Rent to the extent that the proceeds of rental interruption insurance, are available to pay Base Rent. As provided in Section 4.1 (but subject to Section 14.2), the Term shall be automatically extended for a period of time equal in duration to the time period that the Premises are unavailable for Tenant's use and occupancy as a result of an abatement with respect to the entire Premises following the expiration of the rental interruption insurance coverage described in Section 13.

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

15. Eminent Domain.

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

15.2 Partial Condemnation. If a portion of the French Valley Premises, Meniffee Premises or Desert Hot Springs Premises is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose and the partial condemnation renders the remaining portion thereof unusable for Tenant's business

and purposes as reasonably determined by Tenant, the entire portion of this Facilities Lease attributable to the affected Premises will terminate as of the date of title vesting or order of immediate possession in that proceeding and the Base Rent will be abated to the date of termination as provided in the Rent Schedule. If the partial condemnation does not render the affected portion of the Premises unusable for the purposes of Tenant permitted by this Facilities Lease as reasonably determined by Tenant and less than a substantial portion of the French Valley Premises, Menifee Premises or Desert Hot Premises is condemned, Landlord and Tenant must use commercially reasonable efforts to replace the affected portion of the Premises to the extent of any condemnation proceeds recovered by Landlord, excluding the portion lost in the condemnation, and this Facilities Lease will continue in full force, except that after the date of the title vesting, the Base Rent will be adjusted, as reasonably determined by Landlord and Tenant.

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

15.4 Temporary Condemnation. In the event of a temporary condemnation, this Facilities Lease will not terminate and remain in effect. Base Rent payable under this Facilities Lease will be abated during the term of such temporary condemnation. Landlord and Tenant will receive any award made for the temporary condemnation in the same manner as provided in Section 15.3 hereof. If a temporary condemnation remains in effect at the expiration or earlier termination of this Facilities Lease, Tenant will pay Landlord the reasonable cost of performing any obligations required of Tenant with respect to the surrender of the Premises. If a temporary condemnation is for a period that extends beyond the Term, this Facilities Lease will terminate as of the date of occupancy by the condemning authority and any award will be distributed in accordance with Section 15.3.

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

16. Estoppel Certificates.

16.1 Estoppel Certificates. Tenant, at any time and from time to time during the term of this Facilities Lease, and any extension thereof, and within twenty (20) business days after request, in writing, has been given by Landlord, shall execute, acknowledge and deliver to Landlord or the requesting party a statement in writing certifying that this Facilities Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is

in full force and effect as modified and stating the modifications). The statement shall also include the dates to which the rent and any other charges have been paid in advance, that there are no defaults existing or that defaults exist and the nature of such defaults. It is intended that such statement as provided in this Section 16.1 may be relied upon by Trustee as assignee of Landlord.

16.2 Failure to Execute. Tenant's failure to execute, acknowledge and deliver on request of such statement described in Section 16.1 above within the required time shall constitute acknowledgment by Tenant to all persons entitled to rely on such statement that this Facilities Lease is unmodified and in full force and effect and that the rent and other charges have been duly and fully paid to and including the respective due dates immediately preceding the date of the notice or request and shall constitute a waiver, with respect to all persons entitled to rely on such statement of any defaults that may exist before the date of such notice.

17. Assignment and Subletting.

17.1 During the term of this Facilities Lease, the Ground Lease, the Libraries and Library Improvements shall not be conveyed, transferred or assigned except pursuant to the terms of the Indenture, the Deed of Trust and the Lease Assignment Agreement for the benefit of the Trustee, as further described in the Indenture. Any attempted conveyance, transfer or assignment, whether voluntarily or by operation of law or otherwise, to any person or entity not in compliance with the preceding sentence shall be void and of no effect whatsoever.

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

18. Default.

18.1 Landlord's Default.

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

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

18.2 Tenant's Default.

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

18.2.2 Monetary Default. In the event of default by Tenant in the payment of Base Rent, Additional Rent or any other monetary obligations of Tenant, Landlord (or Trustee, as assignee of the rights of Landlord pursuant to the Indenture and the Lease Assignment Agreement) shall have the remedies provided in Section 18.2.4 below; provided Landlord or Trustee delivers written notice to Tenant of Tenant's failure to pay any Base Rent,

Additional Rent or other monetary obligation of Tenant and Tenant fails to cure such failure as required by the terms of this Facilities Lease within thirty (30) days of receipt of said notice.

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

18.2.4 Remedies on Default.

(a) Upon the happening of any monetary default (and subject to Section 18.2.2 above), Trustee may exercise those remedies granted to it pursuant to law or hereunder, subject to the terms of this Facilities Lease. The Trustee, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(i) to terminate this Facilities Lease in the manner hereinafter provided on account of default by Tenant, notwithstanding any retaking of possession or re-letting of the Premises as hereinafter provided for in subsection (a)(ii) below, and to retake possession of the Premises. In the event of such termination, Tenant agrees to surrender immediately possession of the Premises, without let or hindrance, and to pay the Trustee all damages recoverable at law that the Trustee may incur by reason of default by Tenant, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such retaking possession of the Premises. Neither notice to pay Base Rent or Additional Rent nor to deliver up possession of the Premises given pursuant to law nor any proceeding in unlawful detainer, or otherwise, brought by the Trustee for the purpose of obtaining possession of the Premises, nor the appointment of a receiver upon initiative of the Trustee to protect its interest under this Facilities Lease shall of itself operate to terminate this Facilities Lease, and no termination of this Facilities Lease on account of monetary default by Tenant shall be or become effective by operation of law or acts of the parties hereto, unless and until the Trustee shall have given written notice to Tenant of the election on its part to terminate this Facilities Lease; or

(ii) without terminating this Facilities Lease, (x) to enforce any other term or provision of this Facilities Lease to be kept or performed by Tenant, and/or (y) exercise any and all rights to retake possession of the Premises.

(b) In the event the Trustee does not elect to terminate this Facilities Lease in the manner provided for in subsection (a)(ii) hereof, Tenant shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by Tenant to the end of the term of this Facilities Lease, notwithstanding any retaking of possession of the Premises by the Trustee or suit in unlawful detainer, or otherwise, brought by the Trustee for the purpose of obtaining possession of the Premises. Should the Trustee elect to retake possession of the Premises as herein provided, Tenant hereby irrevocably appoints the Trustee as the agent and attorney-in-fact of Tenant to re-let the Premises, or any portion thereof,

from time to time, either in the Trustee's name or otherwise, upon such terms and conditions and for such use and period as the Trustee may deem advisable and Tenant hereby indemnifies and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any retaking of possession of and re-letting of the Premises by the Trustee or its duly authorized agents in accordance with the provisions herein contained, except for any such costs, loss or damage resulting from the intentional or grossly negligent actions of the Trustee or its agents. Tenant agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of the Trustee to re-let the Premises in the event of such reentry without effecting a surrender of this Facilities Lease, and further agrees that no acts of the Trustee in effecting such re-letting shall constitute a surrender or termination of this Facilities Lease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that on the contrary, in the event of such default by Tenant, the right to terminate this Facilities Lease shall vest in the Trustee to be effected in the sole and exclusive manner provided for in subsection (a)(1). Tenant further waives the right to Base Rent obtained by the Trustee in excess of the Base Rent herein specified and hereby conveys and releases such excess to the Trustee as compensation to the Trustee for its services in re-letting the Premises or any items thereof.

(c) Tenant hereby waives any and all claims for damages caused or which may be caused by the Trustee in taking possession of the Premises as herein provided and all claims for damages that may result from the destruction of or injury to the Premises and all claims for damages to or loss of any Premises belonging to Tenant, or any other person, that may be on or about the Premises. Notwithstanding anything to the contrary contained in this Facilities Lease, the Trustee shall not re-enter or re-let the Premises upon a monetary default unless the Trustee or its sublessee agrees to perform Tenant's obligations under any then existing sublease, license, management contract, or other agreement substantially relating to the Premises, unless the other party to such sublease, license, management contract, or other agreement is in default thereunder.

18.2.5 Further Limitations on Remedies Following Tenant's Default. Notwithstanding any provision of this Section 18, in no event shall Landlord or Trustee have the right to accelerate any payments owing by Tenant under this Facilities Lease.

19. Representations and Warranties.

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

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

19.1.2 No Litigation. There are no judicial, quasi-judicial, administrative or other orders, injunctions, moratoria or pending proceedings against Landlord or the Premises which preclude or interfere with, or would preclude or interfere with, the construction

contemplated herein or the occupancy and use of the Premises by Tenant for the purposes herein contemplated.

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

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

19.2.1 Evidence of Authority. It is a duly constituted under the laws of the state of California, and that the person(s) who is acting as its signatory in this Facilities Lease is duly authorized and empowered to act for and on behalf of Tenant and has been authorized to do so by the Board of Supervisors. Tenant shall furnish Landlord prior to the execution hereof with evidence of the authority of the signatory to bind the entity or trust as contemplated herein and evidence of such Board of Supervisors approval.

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

19.2.3 Enforceable. This Facilities Lease has been executed and delivered by Tenant and upon approval by the Board of Supervisors as set forth in Section 21.19, constitutes the legal, valid and binding obligation of Tenant enforceable in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

20. Ground Lease.

20.1 Tenant acknowledges and agrees that Landlord's interest in the Leased Premises is pursuant to the Ground Lease and Tenant agrees that the terms of this Facilities Lease shall be subject and subordinate to the terms of the Ground Lease.

20.2 Tenant hereby agrees (i) to abide by and assumes all of the terms and conditions of the Ground Lease to the extent pertaining to the use and occupancy of the Leased Premises and (ii) to not do any act that constitutes a violation or breach of the terms of the Ground Lease. Notwithstanding the foregoing, (i) Tenant shall have no right or authority to, and shall not, modify, amend or supplement the terms of the Ground Lease or terminate or cause a termination of the Ground Lease without the prior written consent of Landlord and the Trustee, which consent Landlord and Trustee each may withhold in their reasonable discretion; and (ii) Tenant shall not exercise any rights in its capacity as Ground Lessor under the Ground Lease which would create any additional liability or obligation upon Landlord without the prior written

consent of Landlord and the Trustee, which consent Landlord and the Trustee shall not unreasonably withhold, condition or delay.

20.3 Landlord and Tenant shall deliver to the other copies of all notices or other correspondence sent to or received by such Party related to the Facilities Lease promptly after such Party's sending or receipt of the same.

20.4 As set forth in the Ground Lease, in the event the Ground Lease is terminated as a result of a default by Ground Lessee, Ground Lessor will enter into a new ground lease, on the same terms as the Ground Lease, with Trustee. Landlord and Trustee, or their assigns or successors, shall have the obligation to mitigate damages in the event of early termination of the Facilities Lease by Landlord or Trustee as a result of an uncured monetary default by Tenant.

21. Miscellaneous.

21.1 Quiet Enjoyment. Landlord covenants that Tenant shall at all times during the term of this Facilities Lease peaceably and quietly have, hold and enjoy the use of the Premises so long as Tenant shall fully and faithfully perform the terms and conditions that it is required to do under this Facilities Lease and subject to the terms of the Ground Lease.

21.2 Non-Waiver. No waiver of any provision of this Facilities Lease shall be implied by any failure of either Party to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by a party of any provision of this Facilities Lease must be in writing. Such written waiver shall affect only the provision specified and only for the time and in the manner stated in the writing.

21.3 Binding on Successors. The terms and conditions herein contained shall apply to and bind the heirs, successors in interest, executors, administrators, representatives and assigns of all the Parties hereto.

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

21.5 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 Facilities Lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

21.6 Acknowledgment of Memorandum of Facilities Lease. Upon execution of this Facilities Lease by the Parties hereto, a Memorandum of this Facilities Lease in a form acceptable to Landlord and Tenant shall be executed by Landlord and Tenant in such a manner that it will be acceptable by the County Recorder for recordation purposes, and thereafter, Landlord shall cause such Memorandum of Facilities Lease to be recorded in the Office of the County Recorder of Riverside County forthwith and furnish Tenant with a conformed copy

thereof. Following completion of the matters described in Section 2.2 of this Facilities Lease, the Parties shall amend the Memorandum of Facilities Lease to reflect the actual Leased Premises.

21.7 Tenant's Representative. Tenant hereby appoints the County Executive Officer and Assistant County Executive Officer/Economic and Community Development, each acting alone, as its authorized representatives to administer this Facilities Lease.

21.8 Agent for Service of Process. It is expressly understood and agreed that in the event Landlord 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 limited liability company or corporation, then in any such event, Landlord shall file with County's County Executive Officer and Assistant County Executive Officer/Economic and Community Development, 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 Facilities Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Landlord. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then in such event, Landlord may be personally served with such process out of this county and that such service shall constitute valid service upon Landlord. It is further expressly understood and agreed that Landlord 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.

21.9 Entire Agreement. This 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, except that the terms and conditions of the Ground Lease shall be in effect together with this Facilities Lease. This Facilities Lease may be changed or modified only upon the written consent of the Parties hereto.

21.10 Interpretation. The Parties hereto have negotiated this Facilities Lease at arm's length and have been advised by their respective attorneys, or if not represented by an attorney, represent that they had an opportunity to be so represented and no provision contained herein shall be construed against Tenant solely because it prepared this Facilities Lease in its executed form.

21.11 Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Facilities Lease.

21.12 Consent. Whenever Landlord's or Tenant's consent is required under any provision of this Facilities Lease, it shall not be unreasonably withheld, conditioned or delayed.

21.13 Accessibility.d

21.13.1 “A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.”

21.13.2 As of the date of this Facilities Lease, the Library Improvements have not yet been constructed. Therefore, the Premises has not yet been inspected by a CASp. Upon completion of the Library Improvements, Landlord will cause the Premises to be inspected by a CASp and will provide the CASp inspection report to Tenant.

21.14 Conveyance by Landlord. Should Landlord convey the Premises, all rights and obligations inuring to Landlord by virtue of this Facilities Lease shall pass to the grantee named in such conveyance, and the grantor shall be relieved of all obligations or liabilities hereunder, except those theretofore accrued and not discharged.

21.15 Mechanic’s Liens. If any mechanic’s or materialmen’s lien or liens shall be filed against the Premises for work done or materials furnished to the Landlord, Landlord shall, at Tenant’s sole cost and expense (unless such liens are attributable to Landlord’s negligence) cause such lien or liens to be discharged within fifteen (15) days after notice thereof by filing or causing to be filed a bond or bonds for that purpose. In the event any notice preliminary to establishing such a lien (such as the California Preliminary 20-Day Notice) is served on Landlord for work done on the Premises, Landlord shall immediately forward a copy of such notice to Tenant.

21.16 Force Majeure. If either Party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by as a result of an event which creates a Force Majeure Cost, 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 event which created the Force Majeure Cost. The provisions of this Section 21.16 shall not apply to nor operate to excuse Landlord from paying any Operating Expenses, or Tenant from the payment of Base Rent, or any Additional Rent or any other payments strictly in accordance with the terms of this Facilities Lease.

21.17 Notice. Except as expressly provided elsewhere in this Facilities Lease, all notices and other communication required under this Facilities Lease shall be in writing and delivered by: (a) Certified Mail, postage prepaid, return receipt requested, in the United States mail; or (b) via an overnight courier that provides written evidence of delivery and addressed to the Party hereto to whom the same is directed at the addresses set forth in Section 21.17 herein. Any notice sent by certified mail, return receipt requested, shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by overnight courier that guarantee next day delivery shall be deemed given 24 hours after delivery

of the same to the overnight courier. Either Party hereto may from time to time change its mailing address by written notice to the other Party.

Tenant's Notification Address:

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

Landlord's Notification Address:

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

21.18 Authority. If Landlord is a corporation, limited liability company, general or limited partnership or individual owner, each individual executing this Facilities Lease on behalf of said corporation, limited liability company, partnership, or individual represents and warrants that he or she is duly authorized to execute and deliver this Facilities Lease on behalf of said corporation, in accordance with bylaws of said corporation, or as a partner or individual is authorized to execute this Facilities Lease and that this Facilities Lease is binding upon said corporation and/or partnership or individual.

21.19 Approval of Supervisors. Anything to the contrary notwithstanding, this Facilities Lease shall not be binding or effective until its approval by Board of Supervisors and execution by the Chairman of the Board of Supervisors.

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

Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the title to the Library Improvements, or a lessee's leasehold interest in a ground lease of, on the Premises. In the event of any transfer or conveyance of any such title or interest (other than a transfer for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Landlord contained in this Facilities Lease; provided transferee is fully bound by all covenants and terms of this Facilities Lease which shall remain in full force and effect. Landlord and Landlord'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 Building and/or this Facilities Lease.

21.21 No Merger of Estates. The interests of Landlord, Tenant and Trustee in the Premises 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 Premises execute a written document effecting the merger of estates.

21.22 Separate Writing and Exhibits. Any exhibits or writings referenced herein this Facilities Lease shall constitute a part of this Facilities Lease Agreement and are incorporated into this Facilities Lease by this reference. If any inconsistency exists or arises between a provision of this Facilities Lease and a provision of any exhibit, the provisions of this Facilities Lease shall control.

21.23 Bond Financing Contingency. Notwithstanding any other provision of this Facilities Lease to the contrary, all obligations and agreements of the Landlord and Tenant hereunder shall be of no force or effect until the issuance of the Bonds on terms which are acceptable to each of the Landlord and the Tenant in their sole and absolute discretion.

21.24 Acknowledgement of Project Manager and Property Manager. The Tenant acknowledges and agrees that, pursuant to the Project Management Agreement, the Landlord has engaged and appointed the Project Manager to provide certain services and duties of the Landlord under the Indenture, this Facilities Lease and the Bond Financing Documents, and pursuant to the Property Management Agreement the Landlord has engaged and appointed the Property Manager to provide certain services and duties of the Landlord under this Facilities Lease, the Ground Lease and the Work Letter. Tenant and Landlord agree that the Project Manager/Property Manager shall be included in all notices and communications to the Landlord, and that the performance by the Project Manager/Property Manager of its services on behalf of the Landlord shall satisfy the obligations of the Landlord under the Indenture, the Bond Financing Documents, this Facilities Lease, the Ground Lease and the Work Letter. Notwithstanding the foregoing, nothing in the Project Management Agreement or the Property Management Agreement shall (a) relieve the Landlord of its responsibilities under the Indenture, the Bond Financing Documents, this Facilities Lease, the Ground Lease, or the Work Letter, or (b) except for the effect of naming Tenant an express third-party beneficiary of the Project Management Agreement and/or Property Management Agreement, create any independent responsibilities or obligations of the Project Manager/Property Manager thereunder.

[Signature Provisions on the Following Page]

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

TENANT:

COUNTY OF RIVERSIDE

By: 
Chairman
Board of Supervisors

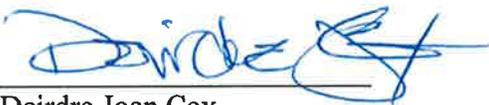
ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

BURKE WILLIAMS & SORENSEN, LLP
Deirdre Joan Cox
Special Counsel for the County of Riverside

By: 
Deirdre Joan Cox

LESSOR:

CFP RIVERSIDE, LLC

A Minnesota non-profit limited liability company

By: 
Name: Steve Collins
Title: President

EXHIBIT A

ARCHITECTURAL DESIGN EXHIBITS

[attached]

Exhibit A-1 French Valley Architectural Design Exhibits

Exhibit A-2 Menifee Architectural Design Exhibits

Exhibit A-3 Desert Hot Springs Architectural Design Exhibits



Commercial Real Estate Services

PROJECT: Riverside County Library System – French Valley

TENANT: Riverside County Library System

TENANT APPROVAL OF ARCHITECTURAL DESIGN LEASE EXHIBITS

ARCHITECTURAL DRAWINGS

SITE PLAN	DATED 12/20/2018
FLOOR PLAN	DATED 12/20/2018
EXTERIOR ELEVATIONS	DATED 12/20/2018
3D VIEWS EXTERIOR	DATED 12/20/2018
3D VIEWS EXTERIOR ENTRANCE	DATED 01/23/2019

Tenant hereby approves architectural design lease exhibits

Tenant: Riverside County Library System

By: _____

Print Name: Suzanne Holland, MLOS

Date: _____

Phone (949) 215-9790 · Fax (949) 215-9798 · 3943 Irvine Blvd., Suite 607 Irvine, CA 92602
www.OmniWestGroup.com



⊗ SITE PLAN

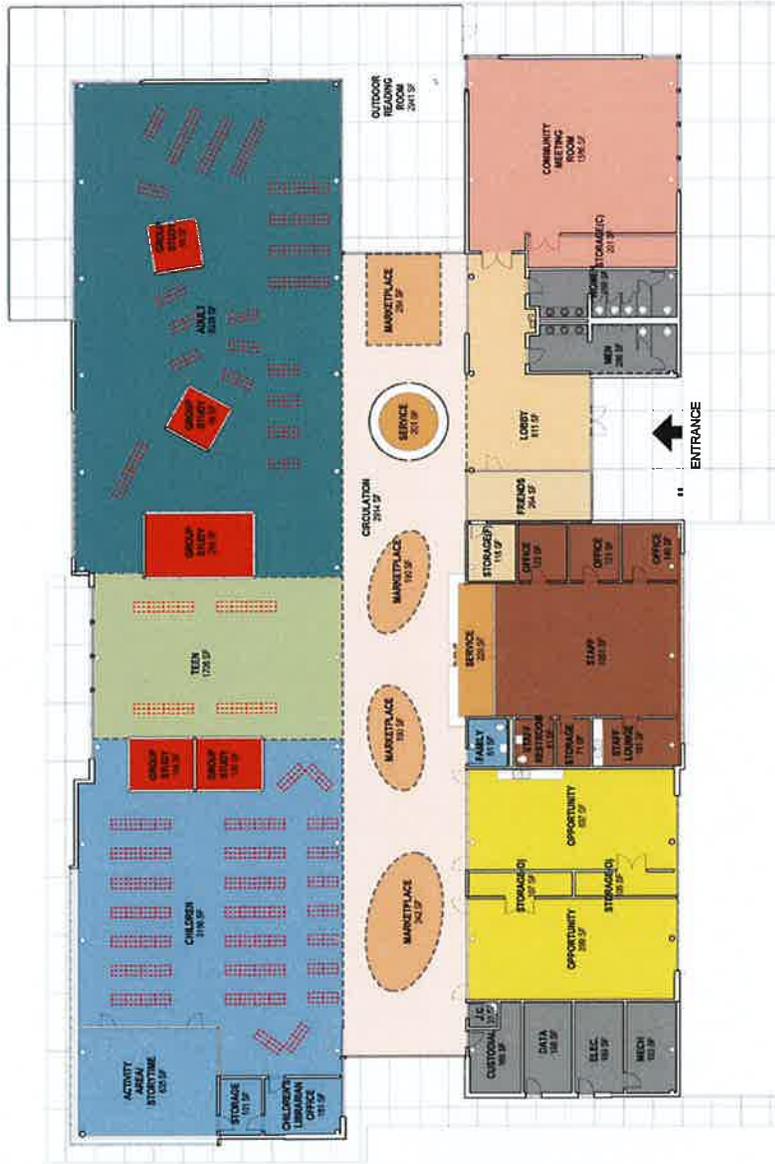
gkkWORKS | CANNONDESIGN

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02/20/2018

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM FRENCH VALLEY

SITE PLAN
SEP-11-18



LEVEL 1 OVERALL FLOOR PLAN

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
FRENCH VALLEY

EXTERIOR ELEVATIONS
1/8" = 1'-0"

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
FRENCH VALLEY

02/20/2018 1:00 PM

JKKWORKS | CANNONDESIGN
10000 Valley View Drive, Suite 100, San Diego, CA 92126
619.451.1000 | www.jkkworks.com | www.cannondesign.com

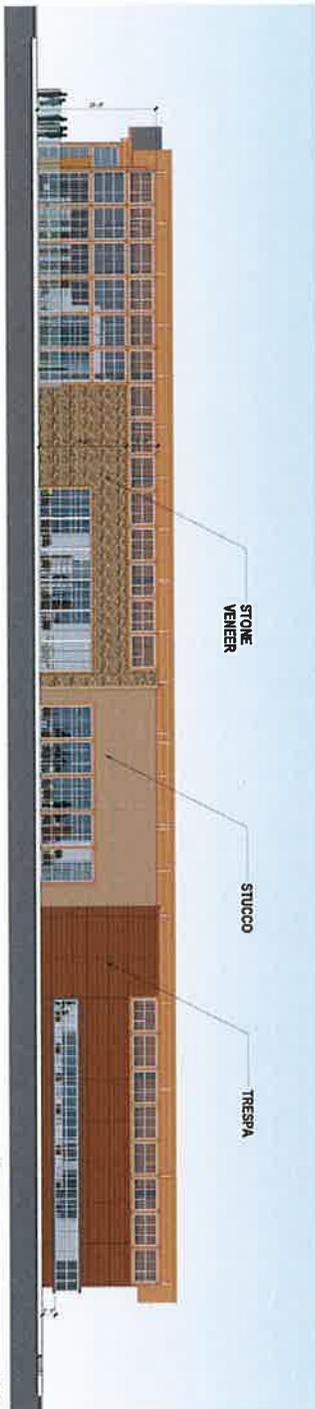
FRENCH VALLEY-ELEVATION-NE 1



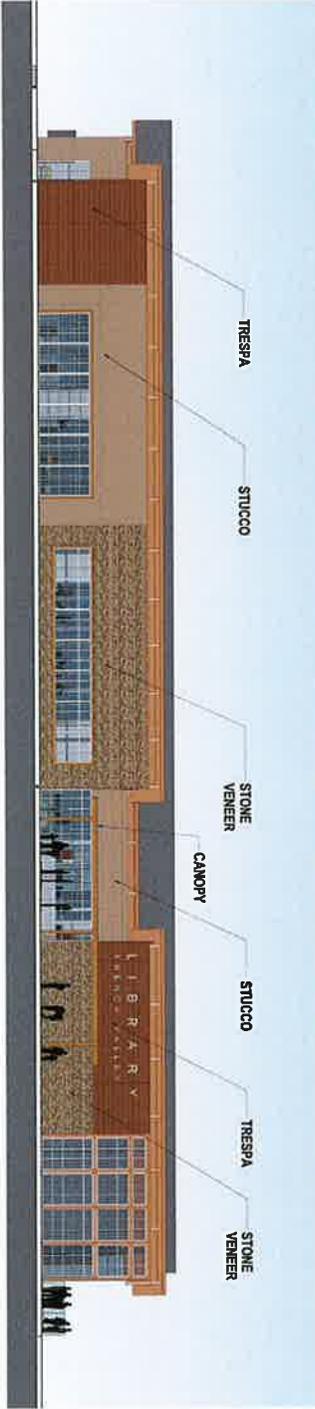
FRENCH VALLEY-ELEVATION-SW 4



FRENCH VALLEY-ELEVATION-NW 3



FRENCH VALLEY-ELEVATION-SE 2







Commercial Real Estate Services

PROJECT: Riverside County Library System – Meniffee

TENANT: Riverside County Library System

TENANT APPROVAL OF ARCHITECTURAL DESIGN LEASE EXHIBITS

ARCHITECTURAL DRAWINGS

SITE PLAN	DATED 12/20/2018
FLOOR PLAN	DATED 12/20/2018
EXTERIOR ELEVATIONS	DATED 12/20/2018
3D VIEWS EXTERIOR	DATED 12/20/2018

Tenant hereby approves architectural design lease exhibits

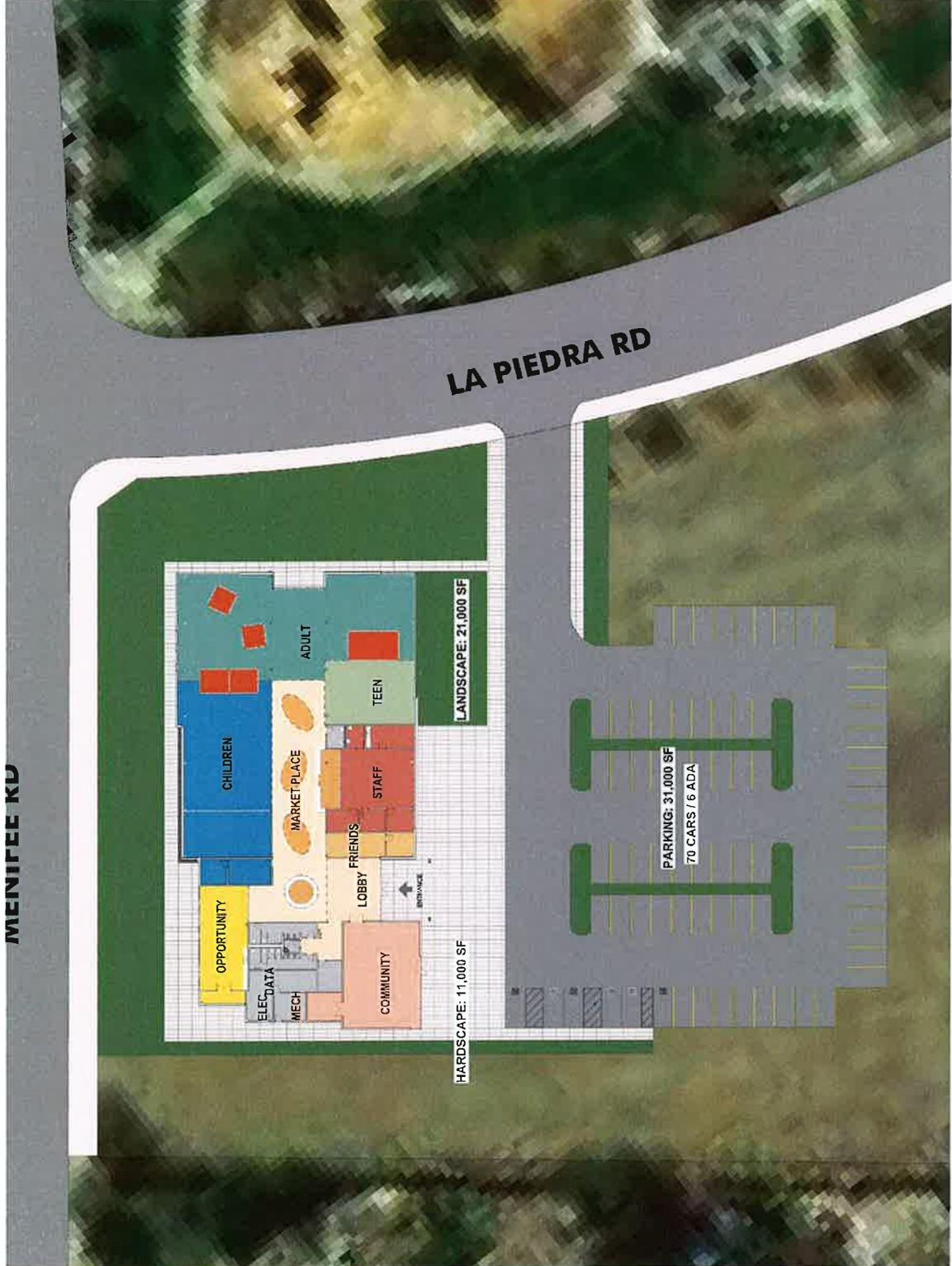
Tenant: Riverside County Library System

By: _____

Print Name: Suzanne Holland, MLOS

Date: _____

Phone (949) 215-9790 · Fax (949) 215-9798 · 3943 Irvine Blvd., Suite 607 Irvine, CA 92602
www.OmniWestGroup.com

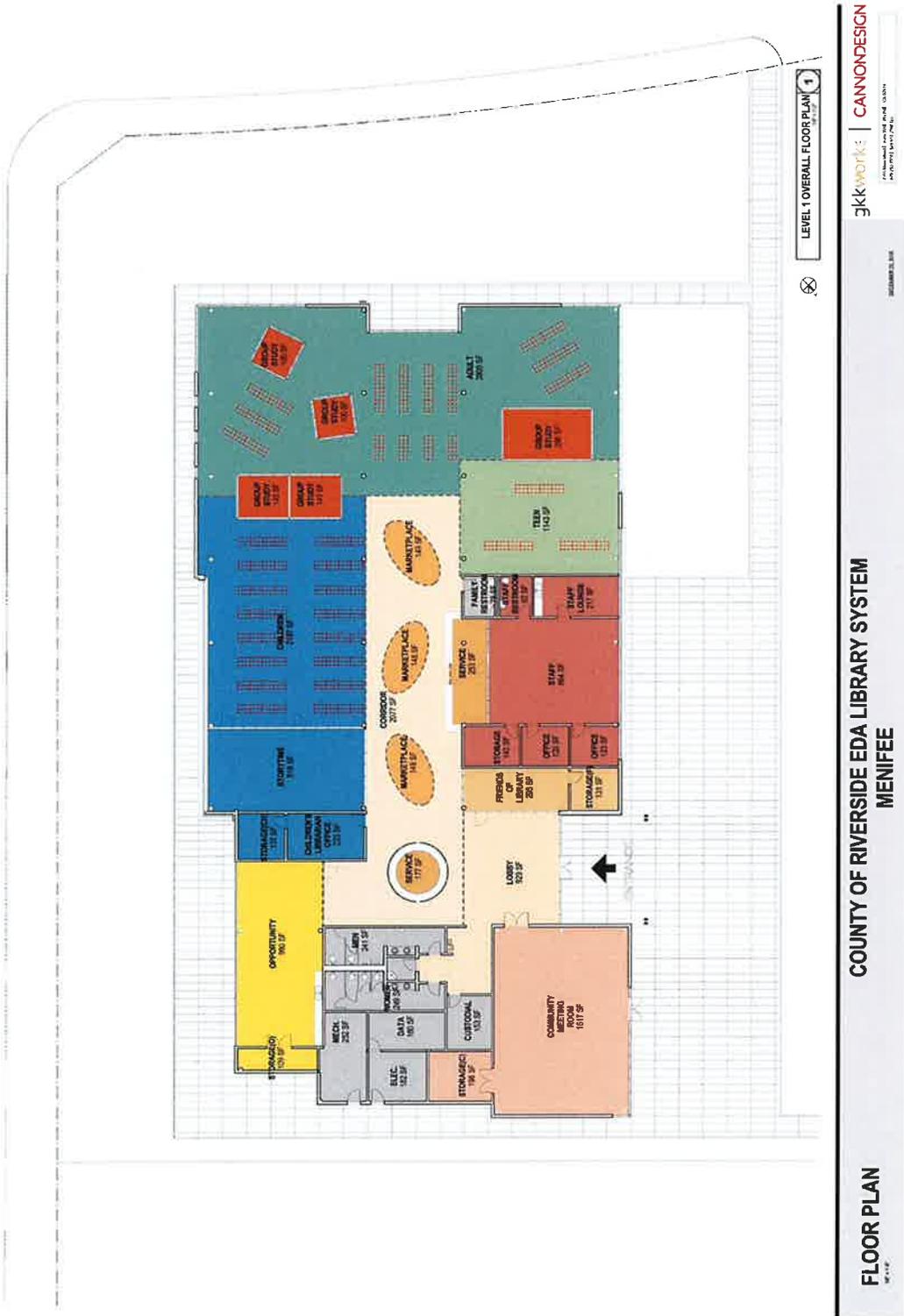


LEVEL 1 MENIFEE
DATE: 11/17/17

gkkworks | **CANNONDESIGN**
ARCHITECTURAL SERVICES AND DESIGN

**COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
 MENIFEE**

SITE PLAN
DATE: 11/17/17





3D View EXTERIOR 1



3D View EXTERIOR 2

3D VIEWS-EXTERIOR

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
MENIFFEE

OCTOBER 20, 2016

gkkworks | CANNONDESIGN

300 West 10th Street, Suite 200
Meniffee, MI 48059



Commercial Real Estate Services

PROJECT: Riverside County Library System – Desert Hot Springs

TENANT: Riverside County Library System

TENANT APPROVAL OF ARCHITECTURAL DESIGN LEASE EXHIBITS

ARCHITECTURAL DRAWINGS

SITE PLAN	DATED 12/20/2018
FLOOR PLAN	DATED 12/20/2018
EXTERIOR ELEVATIONS	DATED 12/20/2018
3D VIEWS EXTERIOR	DATED 12/20/2018

Tenant hereby approves architectural design lease exhibits

Tenant: Riverside County Library System

By: _____

Print Name: Suzanne Holland, MLOS

Date: _____

Phone (949) 215-9790 · Fax (949) 215-9798 · 3943 Irvine Blvd., Suite 607 Irvine, CA 92602
www.OmniWestGroup.com



SITE PLAN

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


SITE - DESERT HOT SPRING





REVISION 01.2024

DESIGNATED BY THE COUNTY OF RIVERSIDE



SITE PLAN

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

DESIGNED BY JMK

3kkworks | **CANNONDESIGN**

1 SITE - DESERT HOT SPRING

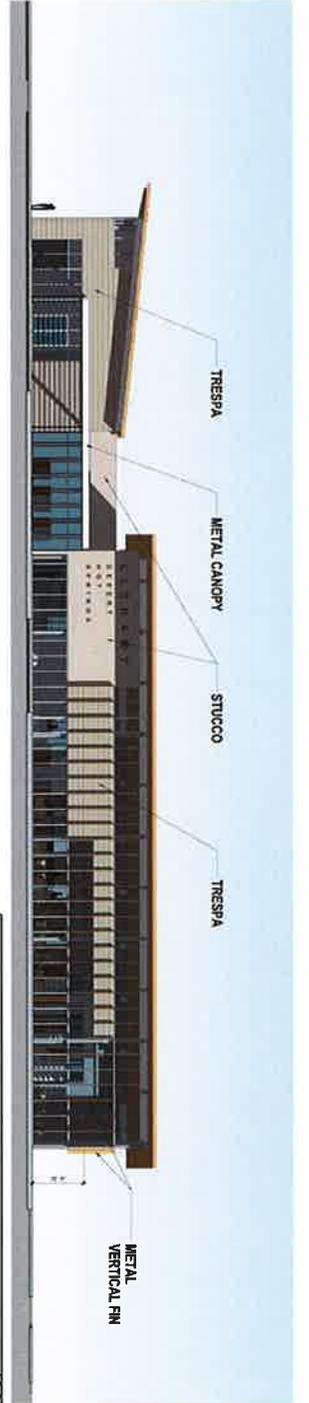
FLOOR PLAN

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
DESERT HOT SPRINGS

02/20/2018

LEVEL 1 OVERALL FLOOR PLAN 2
JKWORKS | CANNONDESIG
ARCHITECTURAL & INTERIOR DESIGN
1400 W. 10TH ST. SUITE 100
DESERT HOT SPRINGS, CA 92570





DESERT HOT SPRINGS-NORTH ELEVATION
1/8" = 1'-0"

1

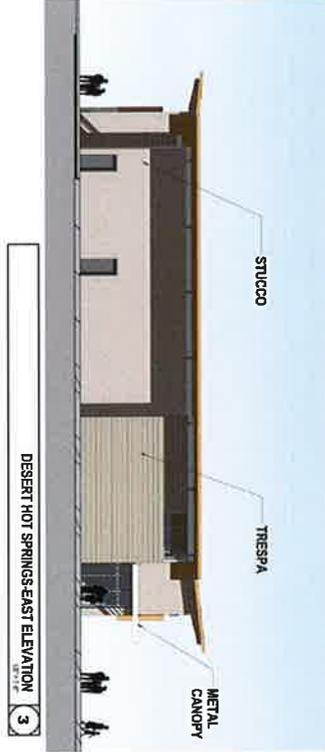


TRESPA PANELS/SIDING



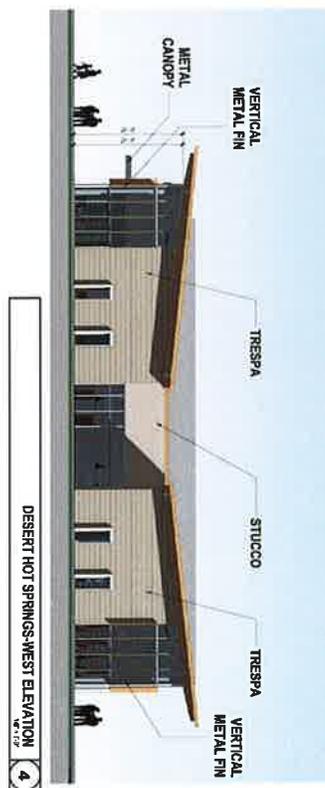
DESERT HOT SPRINGS-SOUTH ELEVATION
1/8" = 1'-0"

2



DESERT HOT SPRINGS-EAST ELEVATION
1/8" = 1'-0"

3



DESERT HOT SPRINGS-WEST ELEVATION
1/8" = 1'-0"

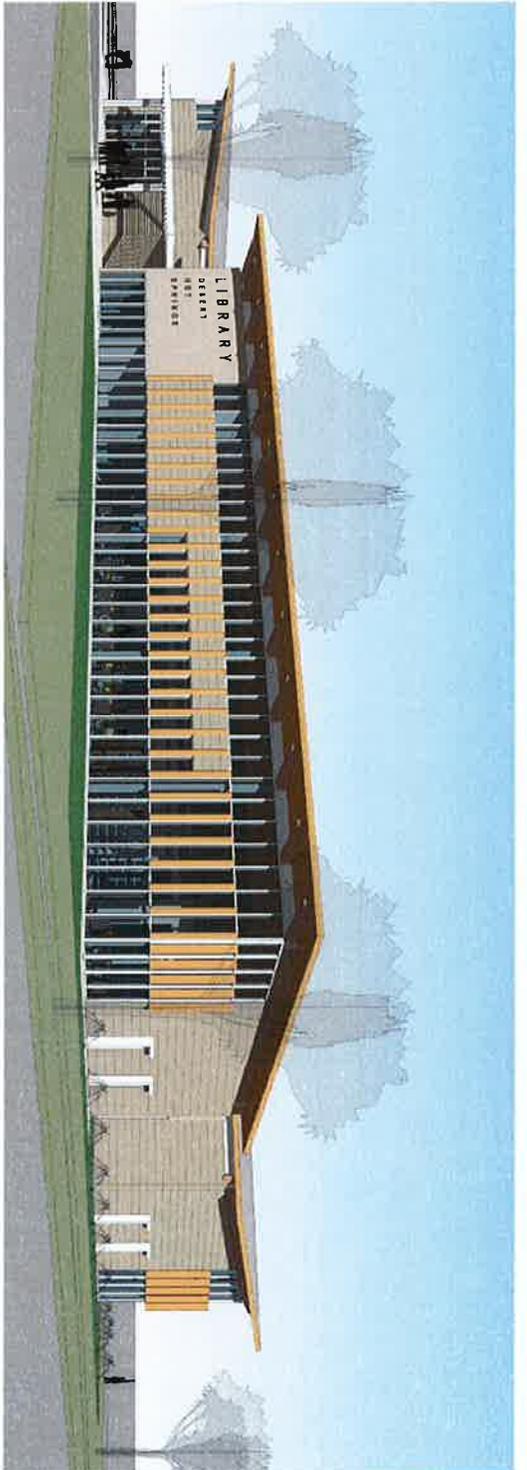
4

EXTERIOR ELEVATIONS

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM
DESERT HOT SPRINGS

INCIDENTAL USE ONLY





3D VIEWS - EXTERIOR

COUNTY OF RIVERSIDE EDA LIBRARY SYSTEM

DESERT HOT SPRINGS

3D View - NW 1

3D View - SW 2

JKKWORKS | CANNONDESIG

Architectural Firm for Public Buildings

DESIGNER'S SEAL

EXHIBIT B

LEGAL DESCRIPTIONS AND PLAT MAPS

[To be attached upon completion]

Exhibit B-1 French Valley Legal Description and Plat Map

Exhibit B-2 Menifee Legal Description and Plat Map

Exhibit B-3 Desert Hot Springs Legal Description and Plat Map

Exhibit B-1 French Valley Legal Description and Plat Map

[To be attached upon completion]

Exhibit B-2 Menifee Legal Description and Plat Map

[To be attached upon completion]

Exhibit B-3 Desert Hot Springs Legal Description and Plat Map

[To be attached upon completion]

EXHIBIT C

RENT SCHEDULE

Rent Payment No.	Rent Payment Date	PORTION OF BASE RENT ATTRIBUTABLE TO:									To Operating Contingency Fund or Surplus	TOTAL BASE RENT
		French Valley Library			Menifee Library			Desert Hot Springs Library				
		Principal	Interest	Operating Expenses	Principal	Interest	Operating Expenses	Principal	Interest	Operating Expenses		
1	3/1/21	\$0	\$350,172*	\$103,664	\$0	\$280,697**	\$82,931	\$0	\$210,825*	\$62,198	\$79,513	\$1,170,000
2	9/1/21	\$0	\$350,172*	\$103,664	\$0	\$280,697**	\$82,931	\$0	\$210,825*	\$62,198	\$79,513	\$1,170,000
3	3/1/22	\$0	\$350,172*	\$125,845	\$0	\$280,697**	\$100,676	\$0	\$210,825*	\$75,507	\$158,506	\$1,302,028
4	9/1/22	\$150,000	\$350,172*	\$125,845	\$120,000	\$280,697**	\$100,676	\$90,000	\$210,825*	\$75,507		\$1,503,721
5	3/1/23	\$0	\$347,172	\$111,631	\$0	\$278,297	\$89,505	\$0	\$209,025	\$66,979		\$1,102,409
6	9/1/23	\$250,000	\$347,172	\$111,631	\$200,000	\$278,297	\$89,505	\$150,000	\$209,025	\$66,979		\$1,702,409
7	3/1/24	\$0	\$342,172	\$105,758	\$0	\$274,297	\$87,807	\$0	\$206,025	\$65,855		\$1,085,914
8	9/1/24	\$265,000	\$342,172	\$105,758	\$210,000	\$274,297	\$87,807	\$160,000	\$206,025	\$65,855		\$1,720,914
9	3/1/25	\$0	\$336,872	\$111,055	\$0	\$270,097	\$88,844	\$0	\$202,825	\$66,633		\$1,076,325
10	9/1/25	\$270,000	\$336,872	\$111,055	\$220,000	\$270,097	\$88,844	\$165,000	\$202,825	\$66,633		\$1,731,325
11	3/1/26	\$0	\$330,122	\$112,371	\$0	\$264,597	\$89,896	\$0	\$198,700	\$67,422		\$1,063,108
12	9/1/26	\$285,000	\$330,122	\$112,371	\$225,000	\$264,597	\$89,896	\$170,000	\$198,700	\$67,422		\$1,743,108
13	3/1/27	\$0	\$322,597	\$113,706	\$0	\$258,972	\$90,565	\$0	\$194,450	\$68,224		\$1,049,313
14	9/1/27	\$295,000	\$322,597	\$113,706	\$235,000	\$258,972	\$90,565	\$175,000	\$194,450	\$68,224		\$1,754,313
15	3/1/28	\$0	\$315,622	\$115,062	\$0	\$253,097	\$92,049	\$0	\$190,075	\$69,037		\$1,034,942
16	9/1/28	\$305,000	\$315,622	\$115,062	\$245,000	\$253,097	\$92,049	\$185,000	\$190,075	\$69,037		\$1,769,942
17	3/1/29	\$0	\$307,997	\$116,438	\$0	\$246,972	\$93,150	\$0	\$185,450	\$69,863		\$1,019,869
18	9/1/29	\$320,000	\$307,997	\$116,438	\$255,000	\$246,972	\$93,150	\$190,000	\$185,450	\$69,863		\$1,784,869
19	3/1/30	\$0	\$299,997	\$117,834	\$0	\$240,597	\$94,267	\$0	\$180,700	\$70,701		\$1,004,096
20	9/1/30	\$330,000	\$299,997	\$117,834	\$265,000	\$240,597	\$94,267	\$200,000	\$180,700	\$70,701		\$1,799,096
21	3/1/31	\$0	\$291,747	\$122,168	\$0	\$233,972	\$97,735	\$0	\$175,700	\$73,301		\$994,623
22	9/1/31	\$450,000	\$291,747	\$122,168	\$350,000	\$233,972	\$97,735	\$295,000	\$175,700	\$73,301		\$2,169,623
23	3/1/32	\$0	\$279,497	\$125,066	\$0	\$224,222	\$100,052	\$0	\$168,325	\$75,039		\$972,201
24	9/1/32	\$440,000	\$279,497	\$125,066	\$355,000	\$224,222	\$100,052	\$265,000	\$168,325	\$75,039		\$2,032,201
25	3/1/33	\$0	\$268,497	\$126,526	\$0	\$215,347	\$101,221	\$0	\$161,700	\$75,916		\$949,206
26	9/1/33	\$460,000	\$268,497	\$126,526	\$370,000	\$215,347	\$101,221	\$275,000	\$161,700	\$75,916		\$2,054,206
27	3/1/34	\$0	\$256,997	\$128,008	\$0	\$206,097	\$102,406	\$0	\$154,825	\$76,905		\$925,158
28	9/1/34	\$480,000	\$256,997	\$128,008	\$385,000	\$206,097	\$102,406	\$290,000	\$154,825	\$76,905		\$2,080,158
29	3/1/35	\$0	\$244,997	\$129,513	\$0	\$196,472	\$103,610	\$0	\$147,575	\$77,708		\$899,874
30	9/1/35	\$500,000	\$244,997	\$129,513	\$405,000	\$196,472	\$103,610	\$305,000	\$147,575	\$77,708		\$2,109,874
31	3/1/36	\$0	\$232,497	\$131,040	\$0	\$186,347	\$104,832	\$0	\$139,950	\$78,624		\$873,289
32	9/1/36	\$525,000	\$232,497	\$131,040	\$420,000	\$186,347	\$104,832	\$315,000	\$139,950	\$78,624		\$2,133,289
33	3/1/37	\$0	\$221,997	\$132,590	\$0	\$177,547	\$106,072	\$0	\$133,650	\$79,554		\$851,805
34	9/1/37	\$545,000	\$221,997	\$132,590	\$435,000	\$177,547	\$106,072	\$325,000	\$133,650	\$79,554		\$2,156,809
35	3/1/38	\$0	\$211,097	\$134,163	\$0	\$168,247	\$107,330	\$0	\$127,150	\$80,498		\$829,485
36	9/1/38	\$560,000	\$211,097	\$134,163	\$450,000	\$168,247	\$107,330	\$340,000	\$127,150	\$80,498		\$2,179,485
37	3/1/39	\$0	\$199,897	\$135,760	\$0	\$160,247	\$108,608	\$0	\$120,350	\$81,456		\$806,317
38	9/1/39	\$585,000	\$199,897	\$135,760	\$465,000	\$160,247	\$108,608	\$350,000	\$120,350	\$81,456		\$2,206,317
39	3/1/40	\$0	\$188,197	\$137,380	\$0	\$150,947	\$109,904	\$0	\$113,350	\$82,428		\$782,207
40	9/1/40	\$600,000	\$188,197	\$137,380	\$485,000	\$150,947	\$109,904	\$365,000	\$113,350	\$82,428		\$2,232,207
41	3/1/41	\$0	\$178,197	\$141,942	\$0	\$143,672	\$113,554	\$0	\$107,875	\$85,165		\$771,403
42	9/1/41	\$760,000	\$178,197	\$141,942	\$610,000	\$143,672	\$113,554	\$460,000	\$107,875	\$85,165		\$2,601,405
43	3/1/42	\$0	\$167,797	\$145,504	\$0	\$134,522	\$116,723	\$0	\$100,975	\$87,542		\$753,462
44	9/1/42	\$875,000	\$167,797	\$145,504	\$700,000	\$134,522	\$116,723	\$525,000	\$100,975	\$87,542		\$2,853,462
45	3/1/43	\$0	\$154,672	\$147,598	\$0	\$124,022	\$118,079	\$0	\$93,100	\$88,559		\$726,030
46	9/1/43	\$895,000	\$154,672	\$147,598	\$720,000	\$124,022	\$118,079	\$540,000	\$93,100	\$88,559		\$2,881,030
47	3/1/44	\$0	\$141,247	\$149,315	\$0	\$113,222	\$119,455	\$0	\$85,000	\$89,591		\$697,854
48	9/1/44	\$920,000	\$141,247	\$149,315	\$740,000	\$113,222	\$119,455	\$555,000	\$85,000	\$89,591		\$2,912,854
49	3/1/45	\$0	\$127,447	\$151,065	\$0	\$102,122	\$120,852	\$0	\$76,675	\$90,639		\$668,799
50	9/1/45	\$945,000	\$127,447	\$151,065	\$755,000	\$102,122	\$120,852	\$570,000	\$76,675	\$90,639		\$2,938,799
51	3/1/46	\$0	\$108,547	\$152,837	\$0	\$87,022	\$122,270	\$0	\$65,275	\$91,702		\$627,652
52	9/1/46	\$980,000	\$108,547	\$152,837	\$785,000	\$87,022	\$122,270	\$590,000	\$65,275	\$91,702		\$2,982,652
53	3/1/47	\$0	\$88,947	\$154,636	\$0	\$71,322	\$123,709	\$0	\$53,475	\$92,781		\$584,869
54	9/1/47	\$1,015,000	\$88,947	\$154,636	\$815,000	\$71,322	\$123,709	\$610,000	\$53,475	\$92,781		\$3,024,869
55	3/1/48	\$0	\$68,647	\$156,462	\$0	\$55,022	\$125,169	\$0	\$41,275	\$93,877		\$540,451
56	9/1/48	\$1,050,000	\$68,647	\$156,462	\$845,000	\$55,022	\$125,169	\$635,000	\$41,275	\$93,877		\$3,070,451
57	3/1/49	\$0	\$47,647	\$158,315	\$0	\$38,122	\$126,652	\$0	\$28,575	\$94,989		\$494,299
58	9/1/49	\$1,095,000	\$47,647	\$158,315	\$875,000	\$38,122	\$126,652	\$655,000	\$28,575	\$94,989		\$3,119,299
59	3/1/50	\$0	\$25,747	\$160,196	\$0	\$20,622	\$128,157	\$0	\$15,475	\$96,117		\$446,313
60	9/1/50	\$1,135,000	\$25,747	\$160,196	\$910,000	\$20,622	\$128,157	\$680,000	\$15,475	\$96,117		\$3,171,313
61	12/1/50	\$195,000	\$1,523	\$54,313	\$155,000	\$1,211	\$43,490	\$120,000	\$938	\$32,588		\$604,022
Total		\$17,520,000	\$13,618,736	\$7,970,009	\$14,045,000	\$10,918,873	\$6,376,608	\$10,550,000	\$8,199,788	\$4,782,006	\$317,333	\$94,297,232

Note: Schedule Assumes Project Substantial Completion in February 2021

* Because of capitalized interest, portions of these amounts will be for Operating Contingency Fund or Surplus. See attached "Cash Flow to 2022."

Cash Flow to 2022

Rent Payment No.	Rent Payment Date	Debt Service Payment Date	Total Base Rent	French Valley Library			Mesquite Library			Desert Hot Springs Library			Total Principal, Interest & Operating Expenses	Capitalized Interest	Deposit to Operating Contingency Fund or Surplus
				Principal	Interest	Operating Expenses	Principal	Interest	Operating Expenses	Principal	Interest	Operating Expenses			
			(a)									(b)	(c)	(a - b + c)	
-	-	5/1/20		30	\$472,732	30	\$0	\$375,941	30	\$0	\$264,614	\$0	\$1,136,287	\$1,136,287	\$0
-	-	11/1/20		30	\$350,172	30	\$0	\$290,697	30	\$0	\$210,825	\$0	\$641,694	\$641,694	\$0
1	3/1/21	5/1/21	\$1,170,000	30	\$350,172	\$103,664	30	\$230,497	\$82,951	30	\$210,825	\$62,195	\$1,090,487	\$641,694	\$921,207
2	9/1/21	11/1/21	\$1,170,000	30	\$350,172	\$103,664	30	\$230,497	\$82,951	30	\$210,825	\$62,195	\$1,090,487	\$641,694	\$921,207
3	3/1/22	5/1/22	\$1,302,028	30	\$350,172	\$125,645	30	\$290,697	\$100,576	30	\$210,825	\$75,507	\$1,143,721	\$641,694	\$1,000,000
4	9/1/22	11/1/22	\$1,503,721	\$150,000	\$350,172	\$125,645	\$120,000	\$290,697	\$100,576	\$90,000	\$210,825	\$75,507	\$1,503,721		\$0
Total			95,145,749	\$150,000	\$2,223,591	\$459,817	\$120,000	\$1,782,425	\$367,214	\$90,000	\$1,335,739	\$275,419	\$6,506,396	\$4,503,062	\$2,542,414

Note: Schedule A Amortize Project Substantial Completion in February 2021

EXHIBIT C-1

CONFIRMATION OF RENT COMMENCEMENT DATE

This Confirmation of Rent Commencement Date is made by and between CFP RIVERSIDE, LLC, as Landlord, and COUNTY OF RIVERSIDE, as Tenant, who agree as follows:

1. Landlord and Tenant entered into a Facilities Lease Agreement dated August 1, 2019 ("**Facilities Lease**"), in which Landlord leased to Tenant and Tenant leased from Landlord the Premises (as defined in the Facilities Lease) in French Valley, the City of Menifee and the City of Desert Hot Springs, all in Riverside County, California.

2. Landlord and Tenant agree to confirm the Rent Commencement Date and Lease Expiration Date as follows:

(a) _____, 20__, is the Rent Commencement Date; and

(b) _____, 20__, is the Lease Expiration Date.

3. Tenant hereby confirms that the Facilities Lease is in full force and effect.

4. Tenant has accepted possession of the Premises as provided in the Facilities Lease.

Executed upon the dates indicated below.

TENANT:

LESSOR:

COUNTY OF RIVERSIDE

CFP RIVERSIDE, LLC

By: _____
Chairman
Board of Supervisors

A Minnesota non-profit limited liability company

By: _____

Date: _____

Name: _____

Title: _____

ATTEST:

Date: _____

Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: _____
Deputy General Counsel

EXHIBIT C-2

BUDGETED OPERATING EXPENSES

Operating Expense ⁽¹⁾	Cost at Base Year ⁽²⁾	\$\$/Sqft/Yr	\$\$/Sqft/Mo
Daily Cleaning Service, Supplies, Window Cleaning	\$ 164,388	2.72	0.23
HVAC Preventative Maintenance	\$ 18,960	0.31	0.03
HVAC Repairs	\$ 13,841	0.23	0.02
Fire/Life/Safety/Security Intrusion (Monitoring & Inspections)	\$ 13,534	0.22	0.02
Fire Sprinkler Repairs	\$ 2,132	0.04	0.00
Parking Lot Sweeping	\$ 4,635	0.08	0.01
Other Building R&M	\$ 7,818	0.13	0.01
Lights - Interior & Exterior Preventative Maintenance	\$ 4,808	0.08	0.01
Plumbing Preventative Maintenance	\$ 10,430	0.17	0.01
Entry Doors Preventative Maintenance	\$ 7,999	0.13	0.01
Miscellaneous	\$ 7,753	0.13	0.01
Landscape Maintenance	\$ 31,879	0.53	0.04
Routine Trash Removal	\$ 16,369	0.27	0.02
Pest Control	\$ 4,431	0.07	0.01
Admin Expense - Postage	\$ 323	0.01	0.00
Property Management Fees	\$ 112,320	1.86	0.15
Insurance - All Risk Premium, Business Interruption, & Earthquake ⁽³⁾⁽⁴⁾	\$ 101,970	1.69	0.14
Insurance - CFP General Liability	\$ 16,274	0.27	0.02
Annual Related Fees (Bond - Borrower, Other)	\$ 49,440	0.82	0.07
Trustee & Issuer Fees	\$ 7,800	0.13	0.01
Total Operating Expense ⁽⁵⁾	\$ 597,104	9.87	0.82

FOOTNOTES:

(1) Operating Expense Budget does not include Capital Expenditures (assets).

(2) Budgeted Operating Expenses represent budgeted costs during year one or commencement of operations. Budgeted Operating Expenses (excluding earthquake--see fns. 3 through 5 below) are then assumed to increase by 1.5% per annum for the duration of this Facilities Lease.

(3) Earthquake insurance (year one budgeted amount \$85,500) is required to be maintained (and will be paid from Budgeted Operating Costs) only during the first 24 months of the operations period. Thereafter, it will be maintained only if the County elects to pay for it separately as an additional Extraordinary Expense.

(4) Without Earthquake Insurance, the figures for Insurance - All Risk Premium & Business Interruption, would be as follows:

Cost at Base Year	\$\$/Sqft/Yr	\$\$/Sqft/Mo
\$ 13,905	0.23	0.02

(5) Without Earthquake Insurance, the figures for Total Operating Expense, would be as follows:

Cost at Base Year	\$\$/Sqft/Yr	\$\$/Sqft/Mo
\$ 509,039	8.41	0.70

EXHIBIT C-3

APPLICABLE PERCENTAGES

The “**Applicable Percentage**” of each Library (see Section 6.2) is:

<u>Library</u>	<u>Applicable Percentage</u>
French Valley	42%
Menifee	33%
Desert Hot Springs	25%
	<hr/>
	100%

EXHIBIT C-4

FORM OF NOTICE OF ELECTION

OF PURCHASE OPTION OR PARTIAL PURCHASE OPTION

To: Landlord

You are hereby notified that COUNTY OF RIVERSIDE (“**Tenant**”) has elected to exercise on _____, 20__ [date of payment] its option to purchase:

Check and complete one of the following:

_____ **Purchase Option (all Libraries)**. All of the Library Improvements and leasehold interests (“**Premises**”) currently leased by Tenant pursuant to the Facilities Lease Agreement (“**Facilities Lease**”) by and between Tenant and Landlord dated August 1, 2019. This purchase option is being exercised pursuant to Section 6.1 of the Facilities Lease. Tenant is now, and on the date set forth above for payment will be, in full compliance with all terms and conditions of the Facilities Lease. The purchase price of the Premises shall be determined as provided in Facilities Lease Section 6.1. Tenant confirms that it will deliver the required funds no later than the time and date specified in Facilities Lease Section 6.3.

_____ **Partial Purchase Option (Fewer Than All Libraries)**. The Library Improvements and leasehold interests for the _____ Library [*continue or cross-out as applicable*] and _____ Library (together, “**Purchased Premises**”) currently leased by Tenant pursuant to the Facilities Lease Agreement (“**Facilities Lease**”) by and between Tenant and Landlord dated August 1, 2019. This partial purchase option is being exercised pursuant to Section 6.2 of the Facilities Lease. Tenant is now, and on the date set forth above for payment will be, in full compliance with all terms and conditions of the Facilities Lease. The purchase price of the Purchased Premises shall be determined as provided in Facilities Lease Section 6.2. Tenant confirms that it will deliver the required funds no later than the time and date specified in Facilities Lease Section 6.3.

TENANT:

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

By: _____
Chairman
Board of Supervisors

Date: _____

ATTEST:

Clerk of the Board

By: _____

Deputy

APPROVED AS TO FORM: County Counsel

By: _____
Deputy County Counsel

EXHIBIT C-5

FORM OF NOTICE OF ELECTION

TO

PARTIALLY PREPAY BASE RENT

To: Landlord

You are hereby notified that COUNTY OF RIVERSIDE (“**Tenant**”) has elected to exercise its option to prepay a portion of the Base Rent due under that certain Facilities Lease Agreement (“**Facilities Lease**”) by and between Tenant and Landlord dated August 1, 2019. In accordance with Facilities Lease Section 6.4:

1. the date of prepayment shall be _____, 20__.
2. The principal components of Base Rent to be prepaid on such date are _____, representing the maturities (or portions thereof) identified on the Schedule of Schedule of Principal Components of Base Rent to Be Prepaid and Bonds to Be Redeemed set forth below:
3. Tenant confirms that it will deliver the required funds no later than the time and date specified in Facilities Lease Section 6.5.

TENANT:

COUNTY OF RIVERSIDE,

a political subdivision of the State
of California

By: _____
Chairman
Board of Supervisors

Date: _____

ATTEST:

Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
County Counsel

By: _____
Deputy County Counsel

**Schedule of Principal Components of Base Rent
to Be Prepaid and Bonds to Be Redeemed**

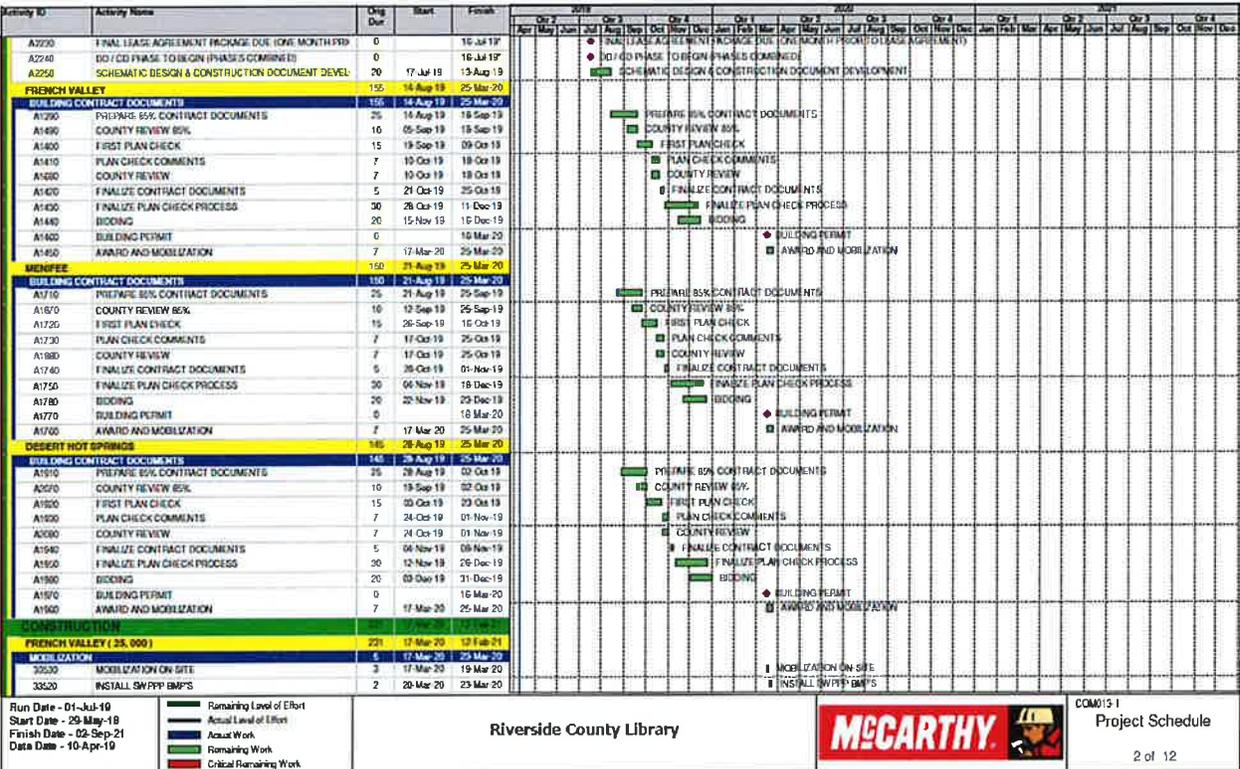
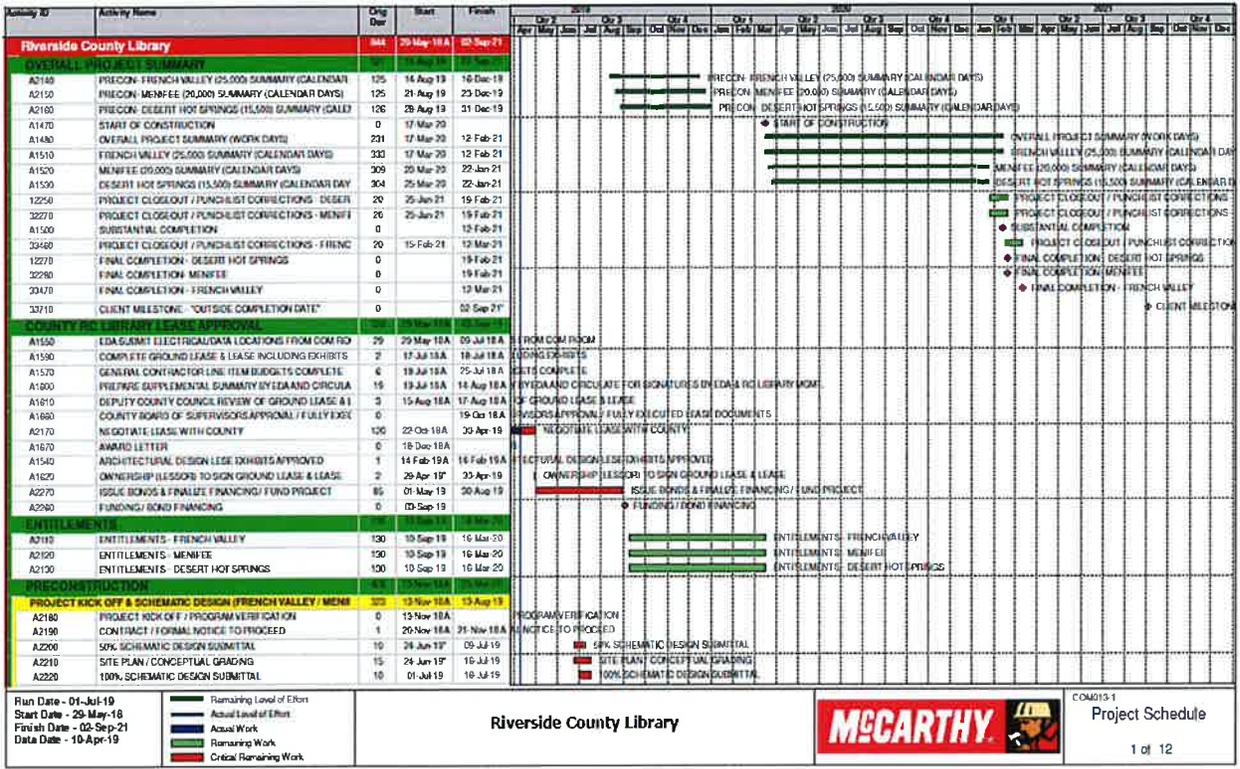
Date Principal Component (of Base Rent) Due	Amount of Principal Component to be Prepaid*
--	---

*Principal may be prepaid only in increments of \$5,000.00.

EXHIBIT D

PROJECT SCHEDULE

[attached]



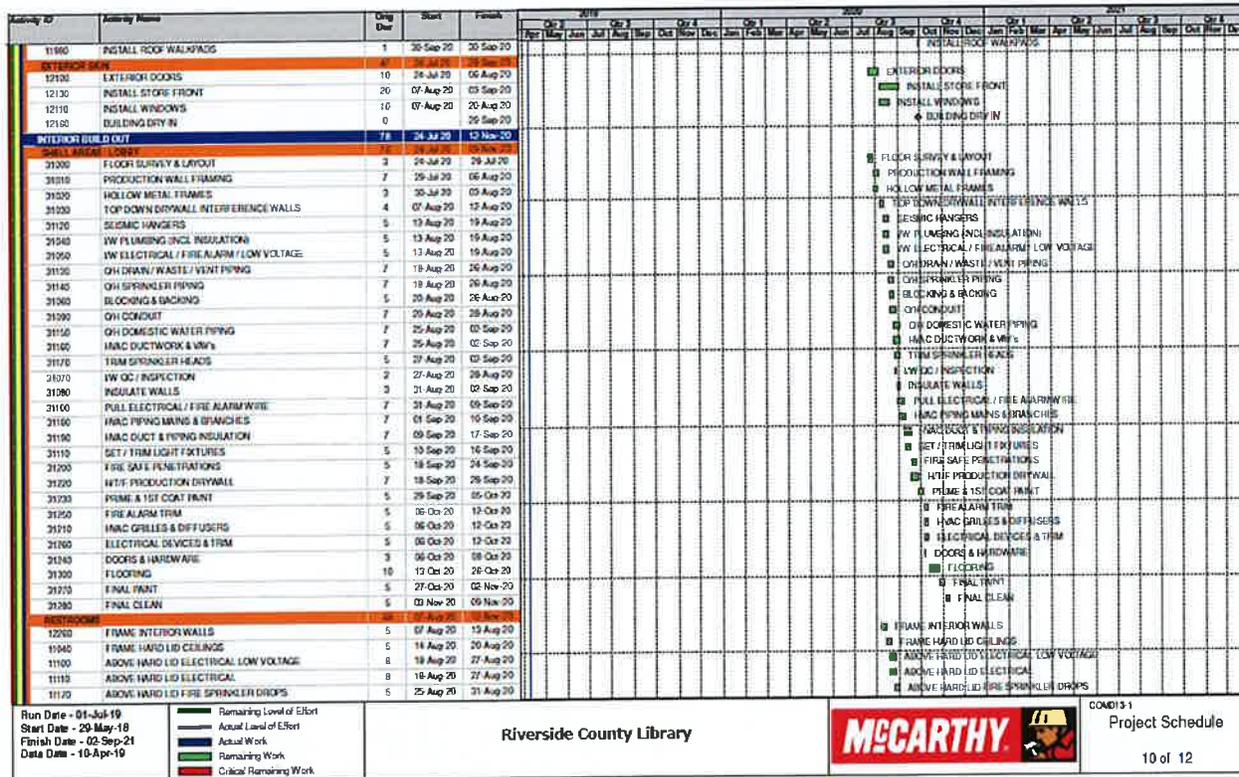
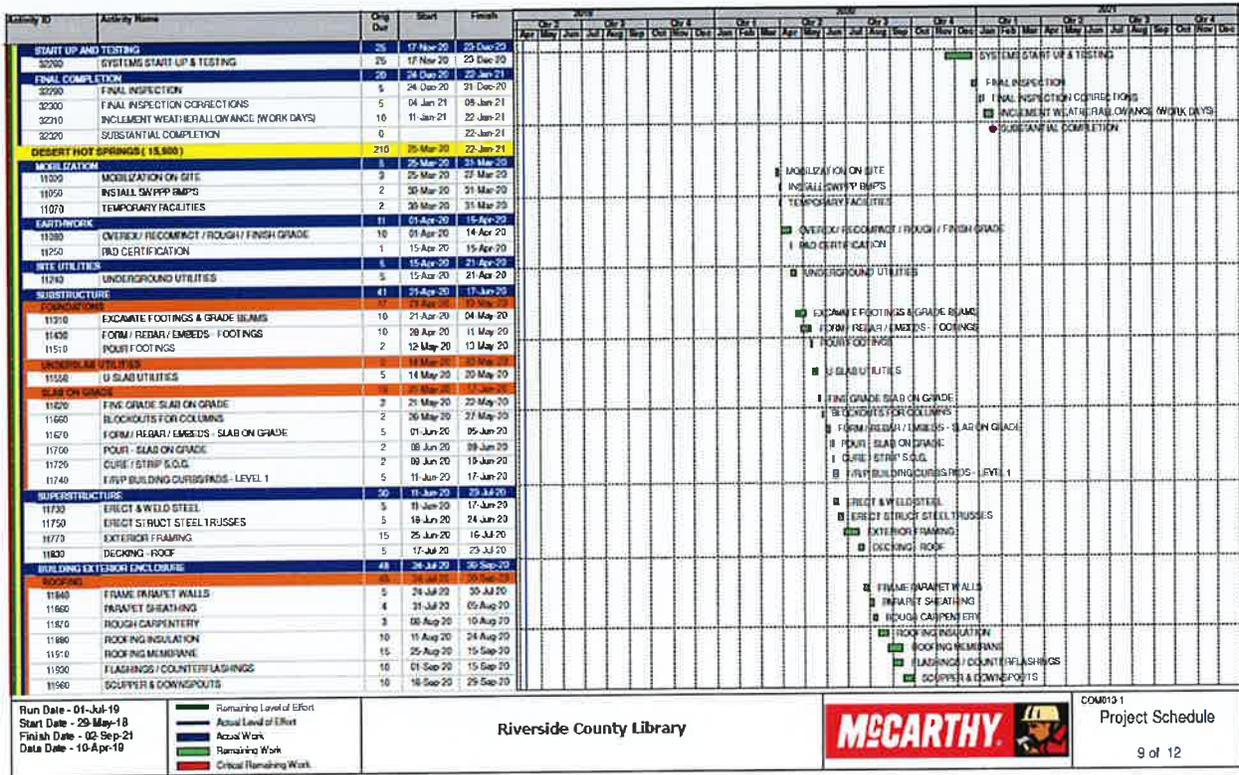


EXHIBIT E

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY REAL ESTATE DIVISION GENERAL CONSTRUCTION SPECIFICATIONS FOR LEASED FACILITIES

A. INTENT

1. It is the intent of these instructions to convey to the Lessor and his bidders the construction requirements for obtaining a complete and usable facility under lease agreement. These instructions apply to all new construction (build-to-suit), alterations and repair and/or renovation in facilities leased to the County of Riverside.
2. All references to the County in this or any other specification means the Director of Facilities Management or his designee.
3. All work in accordance with these specifications or any other specifications and plans must be coordinated with the Director of Facilities Management or his designee. Specifications contained on or with specific plans for construction may contain more stringent provisions than the minimum requirements stated herein. The more stringent requirements shall govern.
4. When fully justified, Lessor may request waiver of any portion of these specifications. Such requests must be submitted in writing to the Economic Development Agency with full justification. All specifications will be enforced unless specifically waived by the Economic Development Agency in writing.

B. COMPLIANCE WITH LOCAL REGULATIONS

1. In the absence of such codes, ordinances or regulations, the Lessor's contractor shall use the latest edition of the "Uniform Building Code". However, when such local, County or State requirements contain more stringent provisions than the minimum requirements stated herein, the more stringent requirements shall govern.
2. The Lessor shall, without additional expense to the County, be responsible for obtaining and paying for any necessary construction fees, licenses and permits required for privately owned buildings. Lessor shall comply with any applicable Federal, State and Municipal laws, codes, and regulations in connection with the prosecution of the work, and shall take proper safety and health precautions to protect work, the workers, the public, and the property of others.
3. All work in accordance with these specifications must be done in strict

compliance with the Americans with Disabilities Act of 1990 and any regulations issued pursuant thereto.

C. **DRAWINGS**

1. A site plan, clearly indicating employee, visitor and open parking spaces, shall be prepared. Floor plans, elevations, mechanical and electrical drawings shall be prepared, preferably at one eighth inch (1/8") scale.
2. The Economic Development Agency shall be provided four (4) complete sets of the aforementioned drawings and specifications for review and approval.
3. Prior to start of construction, two (2) complete approved sets of construction plans and specifications shall be provided to the Economic Development Agency. These sets shall be signed to indicate approval by Information Technology and the user department. One set will be returned to Lessor for construction, the second set shall be retained by Economic Development Agency.
4. Any changes or deviation from the approved plans and specifications will not be accepted without prior written approval from the Economic Development Agency.

D. **CONSTRUCTION**

1. A pre-construction conference with Lessor, contractor and County shall be conducted at a mutually agreed-upon site for reviewing and defining the construction requirements.
2. Inspections by the Economic Development Agency will be conducted at random times during the course of construction. The successful bidder shall maintain, on the job site, a complete set of approved final drawings and specifications marked up to show any changes and as-built conditions. Normally, three (3) unscheduled and one (1) final inspection will be conducted. At the final inspection, a punch list will be developed, and any deficiencies noted will be corrected prior to County's acceptance of the facility.

E. **SPECIFICATIONS**

1. The Lessor shall be responsible, in all cases, for the proper design and coordination of architectural, structural, plumbing, electrical, heating, ventilation, air conditioning, site elements, etc., of the proposed facility. Accessibility for physically handicapped is required, unless specifically waived in writing by the Economic Development Agency.

2. Lessor shall verify the accuracy of all dimensions, and he shall be responsible for correcting and recording any discrepancies.

(SITE REQUIREMENTS)

A. SITE

1. The Lessor shall be responsible for determining site conditions, including sub-surface soil conditions, adequate public utilities and load-bearing characteristics, the installation of retaining walls, demolition, relocation of utilities, and other site improvements.

B. GRADING

1. The finish grades and contours shall be correlated with street and sidewalk grades established by the local municipality. Floors, driveways, etc., shall be adjusted by the Lessor's architect as necessary, to insure property clearances, surface drainage, slope gradients, storm and sanitary sewer gradients and connections. All paved areas shall be graded as necessary to provide positive drainage of surface runoff water away from the buildings.

C. DRAINAGE

1. Walks, parking areas, driveways and maneuvering areas shall be provided with positive natural drainage whenever possible. The floor of the building and adjacent grades may be raised sufficiently to provide natural drainage.

D. RETAINING WALLS

1. The determination of the location and extent of retaining walls required is the responsibility of the Lessor.

E. LANDSCAPING

1. Suitable regionally appropriate, water conserving, low-maintenance planting shall be provided. Preservation of existing vegetation and the providing of additional landscaping shall meet local environmental requirements.

F. CLEANUP

1. Upon completion of the facility and prior to move-in and acceptance for lease by the County, the Lessor shall clean, seal and wax floors, clean windows, fixtures and finishes, interior and exterior, and remove surplus materials and debris from the site.

(ARCHITECTURAL REQUIREMENTS)

A. **FLOORS**

1. Floor elevations shall be at least eight inches above finished exterior grade whenever possible. When floor slab is below grade, it shall be waterproof.
2. Floors shall be designed in accordance with uniform, concentrated and special loads given in the "Uniform Building Code", chapter 23.
3. Carpet — One hundred percent (100%) continuous filament nylon or olefin with static control; minimum yarn weight - 28 oz. Require statement of pile weight from vendor or manufacturer. Minimum five (5) year warranty excluding the use of protective chair pads against ten percent (10%) surface wears when properly maintained. Four inch (4") rubber cove base shall be used for base in all carpeted areas. Colors/patterns must be approved by the Economic Development Agency.
4. Carpet tiles may be used. Pile weight 28 oz. static control 2.0 K.V. or less. Color shall meet County color standards.
5. Non-carpeted floors - rest rooms, coffee rooms, etc., shall have sheet vinyl covering, including base. Vinyl tile may be used in other non-carpeted areas. Vinyl shall be commercial grade with colors and patterns full depth. Colors/patterns of sheet vinyl and vinyl tile must be approved by the Economic Development Agency.

B. **WALLS**

1. Interior walls - all interior partition construction shall comply with applicable Federal, State, County and City codes. The types of interior partitions to be used must be approved by the Economic Development Agency. Systems furniture may be used.
2. Toilet room walls adjacent to occupied spaces shall be sound insulating double-wall construction and filled with sound-absorbing materials.
3. Exterior walls - Exterior walls constructed of wood or steel stud shall be insulated to R-11 specifications.

C. **ROOF AND INSULATION**

1. Roof construction and insulation shall be appropriate to the overall design of the building and prevailing weather conditions. Light colored materials are encouraged.
2. All roof designs shall include a minimum one-half inch (1/2") to one foot (1') slopes for positive drainage.

3. Roofs on existing buildings shall be subject to (a) an inspection by a licensed roofing contractor, (b) County's review of roofing contractor's findings and (c) proof of corrective action.

D. TIMBER AND WOOD

1. All lumber used structurally shall be stress-graded with the stamp of the Lumber Association indicated on each piece showing the stress grade.

E. CEILING CONSTRUCTION

1. All ceilings shall be placed at nine feet (9'0") above finish floor level, unless otherwise specified.
2. A suspended acoustical ceiling system with integrated lighting shall be installed in all occupied areas.
3. Rest rooms and coffee rooms shall have solid ceilings (drywall, etc.).

F. WINDOWS

1. Windows shall generally be limited to the lobby area and offices.
2. Glazing that extends below thirty-two inches (32") above the floor shall be protected with a horizontal railing or similar safety barrier. Individual windows may be metal or wood of commercial quality. All window openings shall be properly flashed to prevent moisture intrusion.
3. Low energy and reflective glazing shall be used in high heat gain areas.

G. DOORS

1. Exterior doors - all wood doors will be solid core. Exterior doors will be weather-stripped and have stops. Exterior doors to be not less than thirty-six inches (36") wide. Appropriate metal doors are acceptable.
2. Exterior doors shall have automatic closers.

H. CABINET WORK

1. Cabinet work shall conform to the standards as defined in the Woodwork Institute of California, Manual of Millwork, (reference "WIC #102", standard cabinet design).
2. Acceptable cabinet work quality is laminated plastic covered deluxe (D) grade, or wood factory finished deluxe (D) grade, except utility (U) grade in utility storage areas.

3. Countertops and splashes shall be laminated plastic, custom grade, self-edge trim. Minimum four inch (4") high splashes where abutting vertical wall surfaces.
4. Cabinet work to be complete with knobs, pulls, hinges, catches, etc.
5. Colors/patterns of laminated plastic and finishes of casework must be approved by the Economic Development Agency.

I. **HARDWARE**

1. Hardware will be of good commercial quality grade and type. Automatic door closers shall be provided on public and employee entrance doors, toilet room doors, and coffee room doors. Public entrance and glazed partition lobby doors shall be equipped with push bars with integral PUSH AND PULL signs. Toilet and coffee room doors will have push plates and door pulls. When public entrance, lobby, toilet or coffee room doors are wood or metal with enameled finish, kick plates shall be provided. At buildings where only one (1) toilet is provided, the door closer will be omitted and the door fitted with a privacy lockset. Door locks will be operable by a master key system. Panic hardware must be installed where required by code. Simplex cipher locks (or equal) may be used in lieu of keyed locks when approved by the Economic Development Agency.
2. Exterior doors with hinges exposed to the public (out- swinging doors) will be equipped with door butts that have "fast" pins to prevent removal or tampering.
3. All doors to be provided with adequate hardware. Interior door locksets to be provided only where indicated on plans. Interior doors to be provided with doorstops.
4. Double doors (pair) - shall be avoided on exterior openings wherever possible. When pair is required by design, use removable mullion, unless specifically approved otherwise.
5. Exterior doors - all exterior doors must have a deadbolt lock, except where panic hardware is required.
6. Door lock keying - Simplex or equal may be substituted for keyed locks when approved by the County.
 - a. All keyed locks shall be equipped with six (6) pin keyways.
 - b. Three (3) keys shall be furnished for each lock.

- c. All locks shall be keyed as specified by County, except that all locks within the following individual groups shall be keyed alike:
 - (1) Mechanical equipment rooms.
 - (2) Janitor's closets.
 - (3) Employee entrances (interior & exterior).
 - (4) Bulletin boards.
 - (5) Electrical panel boxes.
- d. A master key system shall be provided and three (3) master keys shall be furnished, unless otherwise specified.
- e. Keying - locks will incorporate a security system to assure that keys used during construction will not open doors after County occupancy. The key side of all locks will be on the public side.

J. **TOILET ENCLOSURES AND ACCESSORIES**

Facilities must comply with all existing codes.

1. All toilet and urinal enclosures shall be secured to the floor and ceiling.
2. Doors shall be installed in men's and women's restrooms. Entrance doors to toilet enclosures shall be fitted with specific locking devices. Toilet enclosures for non ADA stalls shall be 34" wide, or more, on all new construction.
3. Each toilet compartment shall be provided with a metal coat hook and double roll toilet paper holder, suitable for dispensing rolled tissue.
4. Install one single-fold paper towel or roll towel dispensing cabinet for each multiple of two (2) lavatories or less in all rest rooms. Towel dispensers shall be designed to dispense paper towels.
5. Each pair of lavatories in all rest rooms shall be provided with soap dispensers.
6. Each lavatory in all rest rooms shall be provided with a 24" x 30" wall-mounted mirror. Provide a stainless steel shelf at each mirror.
7. Women's rest rooms shall be provided with feminine napkin dispenser. Women's toilet compartments shall be provided with one (1) feminine napkin disposal container.
8. Trash bins shall be provided in rest rooms.
9. Both men's and women's toilets shall be designed and constructed to accommodate the physically handicapped. One water closet compartment

shall be sized to meet handicapped requirements, provided with out swinging door and grab bars. The toilet fixtures, lavatory, mirrors, etc., shall be located at the correct height for handicapped.

K. **Paint grade?** painted surfaces shall be given a minimum of two (2) coats. Colors must be approved by the Economic Development Agency.

1. Interior surfaces and trim shall be given two (2) coats minimum. One hundred percent (100%) coverage required. Prefinished acoustical ceiling shall not be painted. Finish coat shall be in accordance with colors as prescribed by County and shall match color chips.
2. Paint colors must be approved by the Economic Development Agency.
3. All interior painted surfaces shall receive two (2) coats of semi-gloss enamel.
4. Wall coverings other than painted surfaces (i.e., wood paneling, vinyl material, etc.) shall be permitted. Location and colors must be approved by the Economic Development Agency.
5. Parking strips four inches (4") wide of highway traffic paint are to be provided.
6. Street number - Minimum six inches (6") high number - by Lessor.

L. **WINDOW TREATMENT**

1. Minimum treatment - Vertical blinds or other as specified by the Economic Development Agency.

M. **SIGNS**

1. Identification sign to be installed on exterior of building. Sign will be specifically identified by the Economic Development Agency. Placement and specific size of letters will be determined according to layout and location of structure. Letters will be black injection molded plastic, Helvetica in style.
2. Interior signs to be black phenolic material laminated with white letters. Signs will be specifically identified by the Economic Development Agency.
3. Lettering on entrance doors will be specifically identified by the Economic Development Agency.

N. ASBESTOS & LEAD BASED PAINT

1. All buildings constructed prior to 1978 will have asbestos and lead based paint check to ascertain that no friable asbestos or flaking lead based paint is in evidence. A copy of the report is to be filed with the Economic Development Agency.

O. PLUMBING FIXTURES AND FITTINGS

1. All rest room lavatories shall have self-closing faucets.
2. All toilets and urinals shall be equipped with flush valves.
3. Refrigerated water fountains - provide refrigerated water fountains at location indicated.
4. "Water-Saver" toilets will not be acceptable.
5. Provide hot water in rest rooms and break rooms.
6. Health Clinics-provide hot water in examination rooms, labs, restrooms and break rooms.
7. All work in accordance with these specifications must be done in strict compliance with the Americans with Disabilities Act of 1990, the California Title 24 section which implements it, and any regulations issued pursuant thereto.

P. FIRE PROTECTION

1. Provide all necessary fire extinguishers as required by local fire regulations.
2. Provide sprinkler inspection and test prior to occupancy.
3. Provide all other necessary protective devices and equipment as required by local fire regulations.
4. Building alarms and fire monitoring equipment shall not be installed in the telephone/data room without written permission of the IT Department.

Q. ELEVATORS

1. Provide documentation of inspection and routine maintenance prior to and during occupancy.

R. **WATER STATIONS**

1. Provide electric water coolers with bottle filling capability and drinking fountains throughout facility at locations to be specified by County. ELKAY EZH2O Bottle Filling Station with Bi-Level Filtered LZ Cooler Models LZSTL8WS & LZSTLDDWS.

SPACE CONDITIONING

(Heating, Ventilation and Air Conditioning)

A. **GENERAL REQUIREMENTS**

1. Space conditioning shall be considered the year-round control of temperature, humidity, air circulation, ventilation and air cleaning to the degree required to assure satisfactory and efficient use of the space for occupants and equipment. Follow good accepted practices as reflected in the latest issue of the American Society of Heating, Refrigeration and Air Conditioning Engineer's Guide (ASHRAE).

B. **VENTILATION**

1. Ventilation for air-conditioning system - Provide ventilation makeup air in the amount of 10% of total air requirement for cooling or two (2) air changes per hour, whichever is greatest, plus all exhaust air requirements.
2. Prior to construction of office space over 5,000 square feet, existing systems over ten (10) years of age shall be inspected by a licensed HVAC company and a statement of condition detailing the reliability and efficiency of the systems shall be provided.

C. **EXHAUST SYSTEMS**

1. Exhaust toilet areas - the exhaust fan shall be connected to the light switch or interconnected with the air conditioning time clock.
2. Air shall not be directly exhausted, except in the following instances:
 - a. Air used to make up exhaust for toilet rooms.
 - b. Air exhausted specifically for cooking, food preparation or removal of excessive heat generated by vending or various other machines.
 - c. When specified for coffee rooms.

D. **SPACE TEMPERATURE CONTROLS**

1. Central control system for the various areas or provide a thermostat for each heating and/or air-conditioning system. Use separate slide lever

adjustments for heating and cooling with lock covers.

2. All systems shall be controlled by seven (7) day, twenty-four (24) hour time clocks set to the Economic Development Agency requirements.
3. Thermostats controlling space conditions during occupied hours shall be adjustable from sixty eight degrees (68°) to eighty degrees (80°) with the normal set at seventy degrees (70°) for heating and seventy-six degrees (76°) for cooling.
4. Simultaneous heating and cooling will not be acceptable.
5. Lessor shall comply with existing codes.
6. Heat-generated equipment shall be of adequate capacity to heat the building under design conditions.
7. All gas furnaces shall be approved by the American Gas Association.
8. All electric components shall be UL-approved and comply with the California Electric Code.
9. Electric strip heating is not acceptable.

E. **AIR FILTERS**

1. All recirculated and outside air shall pass through filters before entering air-handling units.
2. Filters shall be replaceable types and changed a minimum of four (4) times a year.
3. A location map showing filter locations shall be provided to County.

F. **PIPING**

1. Piping in finished areas, such as lobbies and offices, shall be concealed. No water piping of any description shall be installed near electrical switchgear. Provide shutoff valves at all locations necessary to isolate separate zones of the system served.
2. All hot and chilled water piping shall be insulated.

G. **AIR DISTRIBUTION**

1. Ductwork shall be provided, as required, for proper air distribution with supply outlets spaced so as to avoid excessive throws and dead spots. In order to maintain sound privacy, door louvers will not be used to return air

from offices. Sound-attenuating, acoustically lined transfer ducts or return air ducts must be used. All supply and return air ductwork shall be constructed and installed in accordance with ASHRAE Standards and shall comply with state and local building codes.

2. All air handling units, except unit heaters, must be provided with outside air intakes. Intakes shall be located to avoid the introduction of boiler flue gases or vehicle and condenser unit exhausts.
3. Diffusers shall be selected and spaced so that, at the occupied level, the movement of air will be uniform and not be less than ten (10) cubic feet per minute, nor more than fifty (50) cubic feet per minute when measured at four feet (4") above the floor. They shall be selected so that the throw from an air diffuser does not impinge on walls, columns, or the throws from other diffusers based on a terminal velocity of one hundred feet (100') per minute. Diffusers located in offices shall be of the fully adjustable air pattern type.

H. **BALANCING AND ADJUSTING**

1. Space conditioning equipment shall be balanced and adjusted by persons certified to perform such functions prior to occupancy.
2. Copy of air balance report shall be provided to the Economic Development Agency.

I. **NOISE AND VIBRATION**

1. Particular care shall be exercised in the design, selection and installation of all mechanical equipment and components to attain reasonable noise levels in occupied space. In general, sound levels for various spaces shall be maintained in accordance with the recommendations of the ASHRAE Guide.

J. **OPERATING INSTRUCTIONS**

1. The Lessor shall provide simplified consolidated equipment and control diagrams with specific operating instructions posted on a readily accessible label on each utility system, such as furnaces, refrigeration equipment, air handling systems, and pumping systems. These instructions shall clearly indicate how to stop and start systems, what adjustments must or may be made by County personnel to assure proper operation, and what action shall be taken in emergencies.

(ELECTRICAL)

A. GENERAL REQUIREMENTS

1. All electrical work shall be designed and installed in accordance with the plan requirements.
2. Codes and ordinances - shall conform to standards of the National Electrical Code (NEC), O.S.H.A., serving public telephone company, State Fire Marshal and local ordinances.
3. Service equipment shall be located in separate electrical/mechanical room with proper working clearances and grounding, All breakers shall be clearly identified.

B. INTERIOR LIGHTING

1. Fluorescent lamps shall generally be 34 watt, 430-milli-amp, rapid-start, cool-white, including energy efficient ballasts.
2. The lighting shall be designed to maintain a uniform level of illumination of the minimum foot -candles designated. Lighting levels shall be based on working plan thirty inches (30") above floor, appropriate coefficient of utilization for the fixture and maintenance factor. Conform to Title 24, Division 9 for lighting requirements. Provide not less than ten foot-candles in halls, thirty foot-candles in rest rooms and fifty foot-candles in all other areas, unless specifically noted otherwise. (eighty foot-candles in drafting room areas).
3. Each working space, utility or storage room shall have at least one receptacle. Each office shall have a minimum of one (1) receptacle on each twelve feet (12') of wall space. See plans for additional and/or special outlets.
4. Provide twenty-four (24) hour lighting for security.
5. Emergency lighting - Shall be provided where required by applicable codes, or natural lighting will not provide sufficient lumens for emergency exiting of building.

C. EXTERIOR LIGHTING

1. Install sufficient lighting to provide a minimum of five (5) foot-candles of illumination at each building entrance, around the perimeter of the building, in the parking and maneuvering areas and on driveways.
2. All exterior lighting shall be high or low-pressure sodium as specified by the County. Fixtures shall be controlled by photocell, time clocks, or

combinations of both.

(TELEPHONE AND COMMUNICATIONS)

(Updated November 10, 2008)

A. GENERAL REQUIREMENTS

1. All communications requirements shall conform to the standards of Riverside County Information Technology (RCIT) and the serving public telephone company as noted below.
2. **The RIVERSIDE COUNTY INFORMATION TECHNOLOGY (RCIT) COMMUNICATIONS BUREAU TELECOMMUNICATIONS ENGINEER shall be** consulted during the Programming, Conceptual Design, Design Development, and Construction Design stages to plan the design and provide input for the Telecommunications Infrastructure.

B. TELECOMMUNICATIONS ROOM SPECIFICATIONS

1. **Dedicated Use: Telecommunications Rooms must be dedicated to the telecommunications function and related support facilities.** Equipment not related to the support of the Telecommunications Room, such as piping, duct work, and distribution of building power, must not be located in, or pass through the room. The Telecommunications Room may not be shared with building or custodial services. Cleaning materials such as mops, buckets or solvents must not be located or stored in the Telecommunications Room. Building alarms, fire monitoring equipment and building automation equipment shall not be installed in the Telecommunications Room without written permission of the RCIT Communications Bureau Telecommunications Engineer. In the event the RCIT Communications Bureau Telecommunications Engineer grants such permission, all building alarms and fire-monitoring equipment shall be installed only in the location designated.
2. **Room Physical Specifications - the room must be completed a minimum of thirty (30) days prior to occupancy.** Large projects (more than 20,000 sq. ft.) will require the Telecommunications Room (s) to be completed a minimum of 45 days or as directed by RCIT Communications Bureau Telecommunications Engineer prior to beneficial occupancy. All specifications for said room as outlined in this agreement shall be completed, including, but not limited to, installation of plywood, lighting, electrical circuits, HVAC, ceiling tiles, ground, floor tile and door with lock and three (3) sets of keys.

It should be understood that the contractor will have to schedule various trades in sooner than the normal construction schedule to complete the Telecommunications Room (HVAC, Electrician, Painter,

etc.) as required by the RCIT Communications Bureau Telecommunications Engineer.

a. **Location:** The Telecommunications Room shall be as close to the geographic center of the occupied space as possible. **Maximum distance from the center of the Telecommunications Room to the farthest WAO location shall not exceed a radius of 175 feet** unless reviewed by RCIT Communications Bureau Telecommunications Engineer. If occupying more than one floor of a building, **a separate Telecommunications Room shall be required on each floor**, preferably stacked above one another. Provisions shall be made available for easy access into the Telecommunications Room for telephone and data wiring and shall be dedicated for telephone and data use only. Telecommunications Rooms should not be planned next to elevators, restrooms, electrical rooms, air shafts, mechanical rooms, and outside walls. If occupying more than one building, each building will require Telecommunications Rooms that meet the above requirements.

b. **Minimum Room Sizes:** The Telecommunications Room shall be rectangular in shape and conform to the following inside room dimensions:

<u>Leased Premises — sq. ft.</u>	<u>Room Size</u>
5,000 sq. ft. or less	12' x 9' 12' x 12' x 14' 12' x 14'
5,000 — 10,000 sq. ft.	
10,000 — 30,000 sq. ft.*	
30,000 sq. ft. or larger**	

* May require more than one room
** Will require more than one room.

c. **Plywood Wall Lining:** All walls will be lined with AC grade or better, void-free, 4'x8' sheets of 'A' plywood. Plywood sheets shall be mounted vertically from ceiling height towards floor. Plywood must be painted on all sides with one coat of primer and two coats of white fire resistant paint. The plywood should be installed with the grade "C" surface facing the wall.

d. **Doors:** The door will be a minimum of three (3) feet wide and 80 inches tall and be located as near as possible to a room corner. The door shall be equipped with a lock. Where practical, the door should open outward to provide additional usable space.

- e. **Air Conditioning:** The environmental control systems for the Telecommunications Room should be able to maintain a room temperature between 18°C and 24°C (64°F and 75°F) at all times (24 hours per day, 365 days per year). All building supplied HCAC inlets to the Telecommunications Room shall be controlled using a Variable Air Valve (VAV) with its own thermostat to prohibit heating the Telecommunications Room. The VAV will be installed in such a fashion to introduce conditioned air if the primary split NC unit fails to cool the room. It will serve two purposes:

1. Provide ventilation air to the room, cooling only.
2. Serve as an additional backup.

If a building's HVAC system cannot ensure continuous operation (including weekends and holidays), provide a standalone HVAC unit with independent controls for the Telecommunications Room. If an emergency power source is available in the building, connect the HVAC system that serves the Telecommunications Room to the emergency power source. Sensors and controls must be located in the Telecommunications Room, ideally placed 5 feet AFF (thermostat location will be specified on the Telecommunications Room drawing provided by RCIT Communications Bureau Telecommunications Engineer). If an in-room air conditioner is installed, the air conditioner will be hard wired to the thermostat and the location must be approved by RCIT Communications Bureau Telecommunications Engineer before installation. If remote-monitoring equipment is available, this room should have its own independent sensor. Average heat load for equipment is approximately 150 BTU/SQ Ft of Telecommunications Room space (specific heat load will be provided for each room).

- f. If fire sprinklers are located in the Telecommunications Room, the sprinkler shall have a high temperature standard response full circle head with a heavy-duty cover. Sprinkler lines located inside the TR shall not be "charged" under normal conditions. Coordinate placement of the sprinklers with RCIT Communications Bureau Telecommunications Engineer. Sprinkler heads must be a minimum of 10 ft. AFF.

- g. **Room Lighting** — Lighting to provide a minimum of 500 lux (50 foot candles) measured 3 ft. AFF. Coordinate placement of light fixtures with RCIT Communications Bureau Telecommunications Engineer to avoid interference with low voltage equipment. Light fixtures must be a minimum of 10 ft. AFF. Use white paint on the walls and ceiling to enhance room lighting. Power for the lighting should not come from the power panel located inside the Telecommunications Room.

- h. **Emergency Lighting** — Emergency lighting within the Telecommunication Room shall be provided to ensure that the loss of power to normal lights will not hamper an emergency exit from the room.
- i. **Floors:** The floor shall be capable of supporting a minimum load bearing of one hundred (100) pounds per square foot and maximum concentration loading of 2,000 lbs. per foot. Standard VCT floor covering shall be installed unless otherwise specified.

Ceiling: If a ceiling will be installed in the Telecommunications Room it must be installed at a **minimum of 10' AFF**. Ceiling protrusions (e.g. sprinkler heads) must be placed to assure a minimum clear height of 10 feet that is clear of obstructions, to provide space over the equipment frames for cables and suspended cable trays. Ceiling finish must minimize dust and be light colored to enhance the room lighting. A hard ceiling shall not be allowed in the Telecommunications Room.

C. ELECTRICAL REQUIREMENTS

- a. **Dedicated Power Feeder** — The Telecommunications Room will have its own dedicated power feeder terminated in an electrical panel located inside the room and flush mounted in the wall. **Location of this electrical sub-panel shall be closely coordinated with RCIT Communications Bureau Telecommunications Engineer to ensure it does not impact the overall design and use of the space within the room. Power required for other equipment in the room (e.g. fluorescent lighting, motors, air conditioning equipment) should be supplied by a separate feeder, conduit, and distribution panel.** If an emergency power source is available, connect the Telecommunications Room electrical sub-panel **into** it.
- b. **General Purpose Outlets:** Provide 110 Volt, 20 Amp duplex outlets installed at standard height on all walls of the Telecommunications Room; maximum spacing between outlets shall not exceed 12 feet.
- c. **Telephone System:** Install one (1) dedicated 208 VAC, 20 Amp circuits terminated into a single surface mounted 4S electrical box with a NEMA L6-20 outlet at a height of 18 inches AFF from center. The circuit will have its own separate hot, neutral, and ground wire all the way back to **the** power distribution panel. The circuit will be clearly labeled on the cover plate and sub-panel.
- d. **Equipment Racks:** Install two (2) dedicated 20 Amp, 110 VAC circuit with isolated ground for each equipment rack (9' x 12' room

— 2 racks, 12' x 12' room — 3 racks, 12' x 14' room — 4 racks). Install one (1) dedicated 30 Amp, 208 VAC circuit with isolated ground for every two equipment racks. The breaker number shall be identified on each of these outlets. Terminate each circuit on double duplex outlets in a surface mounted 4S box in the vertical cable manager 23" above the floor. Equipment Rack locations, circuit locations and quantity will be specified in the room layout provided by the RCIT Communications Bureau Telecommunications Engineer.

- e. **Paging — NV: If required, install** one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on a double duplex outlet in a 4S box. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- f. **Security:** Install one dedicated 20 Amp, 110 VAC circuit with isolated ground. Terminate on double duplex outlets in a 4S box. The location of the outlet(s) will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- g. **Emergency Air Conditioner Outlet (To Support IT Telephone System):** Install one dedicated 208/220 VAC, 20 Amp circuit terminated on a single NEMA 6-20 receptacle. The location of the outlet will be specified in the Telecommunications Room layout provided by the RCIT Communications Bureau Telecommunications Engineer.
- h. **Grounding —** A Telecommunications Main Grounding Busbar (TMGB) shall be installed in the Telecommunications Room at the location specified in the room layout that will be provided by the RCIT Communications Bureau Telecommunications Engineer. **The Grounding Busbar must be CPI Chatsworth Products, part #13622-020.** The Busbar shall be insulated from its supporting structure by at least two inches of separation. Bond the Busbar to the building AC grounding electrode system. The minimum size of the bonding conductor should be #3 AWG and be sized to carry the maximum short time rating Amps of the building grounding electrode conductor. A supplemental bonding connection is required to be Exothermically Welded to the structural steel of the building and local AC sub-panel located inside the Telecommunications Room. Resistance should be no more than .1 ohms between the TMGB and the building main grounding source measured following the two-point bonding test method using an earth ground resistance tester. All grounding conductors shall be

run in rigid conduit.

D. CONDUIT REQUIREMENTS

1. Work Area Outlets (WAO):

- a. **General Specifications:** Each WAO shall consist of one 4 in. by 4 in. by 2.5 in. deep outlet box with a 2 in. by 4 in. reducing adapter installed.
- b. **Height Requirements:** Each WAO shall be installed at the same height as the adjacent electrical outlet. The height of jacks for wall telephones shall conform to any ADA rules pertaining to handicapped use. This height is typically 44 inches **AFF** to the center of the outlet box.
- c. **Conduits Specifications:**
 - (1) **Accessible Ceilings:** When there is an accessible ceiling such as suspended acoustical tile, provide a rigid trade size 1 conduit (**flex not allowed**) stubbed into the ceiling space from the outlet box. Ceiling must be accessible from the WAO location back to the Telecommunications Room. If a WAO location is at wall phone height (+44"), install an additional outlet box at standard floor height. Connect a rigid 1-inch conduit from the bottom of the wall height box to the top of the standard floor height box. Ream all conduit ends and fit with insulated bushings.
 - (2) **Non-Accessible Ceilings:** When the ceiling is not accessible, provide a rigid 1¹/₄-inch conduit (**flex not allowed**) run from the WAO location all the way to the Telecommunications Room or to the nearest accessible ceiling space. Runs cannot have more than the equivalent of two 90-degree bends without installing a pull box (pull box must be accessible upon completion of construction). **All conduits will have a pull string installed.** Where multiple outlets are installed, each location will have its own dedicated conduit run; no daisy chaining is allowed.

2. **System Furniture Wall In-feeds:** Wall in-feeds will be one rigid 1.25 in. conduit per 3 WAO locations of systems furniture. The conduit shall be stubbed into the ceiling area from a 4 in. by 4 in. by 2.5 in. deep outlet box. Ream all conduit ends and fit with insulated bushings. In-feed location will be accessible either by cutout or access panel in furniture or placed next to furniture where location will be accessible for service. Consult RCIT Communications Bureau Telecommunications Engineer for

location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.

3. **System Furniture Floor Poke-Thru In-feeds:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC9FFTC Poke-Thru's with EMT 1.25 in. conduit per 3 WAO locations of systems furniture. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed, J-Box for furniture supplier power whip connections to be anchored to the ceiling of the floor below with unistrut. J-Box must be with-in 6' of furniture whip connection. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
4. **System Furniture Power and Data Floor Boxes:** Floor Box locations requiring power/voice/data will require Wiremold P/N RFB4-C1-1 Floor Box with EMT 1.25 in conduit per 3 WAO locations of systems furniture for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed. All boxes shall be configured for dual service which will require accessory items for separation of power and data. **All** boxes shall include (1) internal duplex receptacle for power, **(1)** Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S28BBTCAL. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.
5. **Hard Wall Office Floor Poke-Thru:** Poke-Thru locations requiring power/voice/data will require Wiremold P/N RC4ATC Poke-Thru's with the optional Communications Adapter P/N Com75 installed for Voice and Data conduits. Install two (2) EMT 0.75 in. conduits per location. The conduits shall be continuous and stubbed into the ceiling area of that floor being serviced with pull sting installed. No more than two 90's will be allowed. Ream all conduit ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, quantity, and size of in-feeds. Exact location will be verified with furniture vendor.
6. **Hard Wall Power and Data Floor Boxes:** Floor Box locations required power/voice data will require Wiremold PIN RFB4-C1-1 Floor Box with (1) EMT 1.25 in. conduit for communications. Color to be specified by Architect. The conduit shall be continuous and stubbed into the ceiling area of that floor being serviced with pull string installed. No more than two 90's will be allowed. **All** boxes shall be configured for dual service

which will require accessory items for separation of power and data. All boxes shall include (1) internal duplex receptacle for power, (1) Wiremold P/N RFB-2-SSRT for communications and (1) flanged cover P/N S38BBTCAL. Ream all conduits ends and fit with insulated bushings. Consult RCIT Communications Bureau Telecommunications Engineer for location, and quantity. Exact location will be verified with furniture vendor.

7. Backbone Pathways:

- a. **Telecommunications Rooms On the Same Floor:** When two or more Telecommunications Rooms exist on the same floor, provide two (2) rigid metallic trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree sweeps without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**
- b. **Telecommunications Rooms On Different Floors:** When two or more Telecommunications Rooms exist on different floors, provide a minimum of two (2) rigid trade size 4 conduits between the main Telecommunications Room and each secondary Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.** In multi-level buildings with **stacked Telecommunications Rooms**, sleeves shall be provided from the ceiling of the lowest level to the floor of the top level. Size, quantity, and location will be provided by the RCIT Communications Bureau Telecommunications Engineer.
- c. **MPOE:** If the MPOE (minimum point of entry) is not physically located in the Telecommunications Room it shall be necessary to install two (2) trade size 4 conduits from the MPOE to the Telecommunications Room. Conduits are to be run in the most direct route possible with no more than the equivalent of two 90-degree bends without a pull box. The minimum size of a pull box shall be 24" W x 36" L x 12" D. Ream all conduit ends

and fit with insulated bushings. Conduits are to be bonded to ground in accordance with all local and national requirements. Location of conduits will be identified on drawings provided by the RCIT Communications Bureau Telecommunications Engineer and provided on a site-by-site basis. The bend radius of the conduit shall be 10 times the outside conduit diameter. **Install a pull string with minimum tensile strength of 30 lbs in each conduit.**

d. Telecommunications Rooms in Multiple Buildings on Same or Adjacent Properties: The number of conduits will be determined by the **size and scope of each project. The items listed below are BASIC** requirements only as the scope of the project increases, some or all of the items listed below may undergo major changes:

- (1) Conduits shall be rigid and shall be four (4) trade size 4. A **minimum** of two (2) conduits will be installed from the primary Telecommunications Room and each building as defined by the RCIT Communications Bureau Telecommunications Engineer. Conduits shall be installed in the most direct route possible.
- (2) Conduits shall be buried a minimum of 36 inches below finish grade.
- (3) Conduits shall be encased in 2,000 PSI concrete where vehicle traffic occurs and encased in slurry everywhere else for the entire length.
- (4) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING — FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
- (5) No more than the equivalent of two (2) 90-degree bends shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
- (6) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer. All sweeps shall have a minimum bending-radius of 10 times the diameter of the conduit.
- (7) All four inch conduits should have a minimum 1/4-inch nylon pull rope. All four inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope

of the project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

8. **Firewalls:** If any firewalls are present, conduit/sleeve access through the wall must be provided by the contractor. The ends of any conduit/sleeve penetrating a firewall will be sealed with the appropriate fire stop. Identification of the areas that must be sealed shall be identified by the contractor at the time of wiring. Size and location of the sleeves will be determined by the RCIT Communications Bureau Telecommunications Engineer. Sleeves should penetrate the wall a minimum of 3 inches. Ream each end of conduit and fit with insulated bushing.

9. **Primary Service Conduit Requirements (New Construction):**

- a. The number of all primary service conduits will be determined by the **size and scope of each project. The items listed below are BASIC** requirements only and as the scope of the job increases, some or **all** of the items listed below may undergo major changes:

- (1) Entrance conduits shall be rigid and shall be four (4) trade size 4. **A minimum** of two (2) conduits will be installed into the Telecommunications Room. Conduits shall be installed in the most direct route possible.
- (2) Conduits shall be buried a minimum of 36 inches below finish grade.
- (3) Conduits shall be encased in slurry for sections identified by RCIT Communications Bureau Telecommunications Engineer as no traffic or low risk.
- (4) Conduits shall be encased in 2,000 PSI concrete for sections not identified in section 5a3.
- (5) Tracer tape shall be installed the entire conduit length. Tracer tape shall be 12 inches wide, flat, and metallic and shall be installed 12 inches above concrete encasement. Tape shall be imprinted with the words "WARNING — FIBER OPTIC CABLE" spaced at a minimum of 24 inches on center.
- (6) No more than the equivalent of two (2) 90-degree sweeps shall be installed without the addition of a pull box, vault, or maintenance hole, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer.
- (7) Conduit runs in excess of 500 feet shall have a pull box, vault, or maintenance hole installed, which size and requirements will be defined by the RCIT Communications Bureau Telecommunications Engineer. All bends shall have a minimum-bending radius of 10

times the diameter of the conduit.

- (8) All four-inch conduits should have a minimum 1/4 inch nylon pull rope. All four-inch conduits over 400 feet should have a minimum 3/8-inch nylon pull rope. The size and requirements of pull boxes, vaults, or maintenance holes can only be determined by the scope of the project and will be defined by the RCIT Communications Bureau Telecommunications Engineer.

E. CABLE TRAYS:

1. If the structural ceiling height is greater than 16' AFF or the occupied space is greater than 25,000 square feet, a cable tray system will be required to support the voice and data wiring. Consult with the RCIT Communications Bureau Telecommunications Engineer requirements to assist in the design of the cable tray system. A structural Engineer will be required to design the cable tray system to code and manufacturer specification and submit design to the RCIT Communications Bureau Telecommunications Engineer for approval.

**RCIT
System's Furniture
Telecommunications Standards
June 16, 2004**

1. Work Area Outlets

Definition: Work Area Outlet (WAO) — consists of a telecommunications faceplate and its component (s) — what telephones and PC's are plugged into at a user's desk location or work area.

1.2. Furniture communications outlet openings shall accommodate the installation of an industry-standard, single gang faceplate, with a minimum opening of 2 inches by 3 inches.

1.2.1. Two (2) factor or field-installed threaded openings shall be provided for single gang faceplate mounting and shall accommodate a 10x22 screw.

1.3 Furniture communications outlet openings shall provide a minimum mounting depth of 44.5 mm (1.75 in).

1.4. Extender plates shall be provided for WAO's (Work Area Outlet's) within furniture system — one for each workstation space, fax location, and printer location.

1.4.1. Extender plates shall be a minimum 7/8 inch deep.

2. Cabling Pathways

2.1. Furniture pathways shall have capacity for a minimum of (12) communications cables with an outside diameter of .25 inches and not exceed 40% of pathway capacity.

2.1.1. Remaining pathway capacity will be utilized to accommodate future moves, adds, and changes (MAC's).

2.1.2. This requirement applies to ALL areas of the furniture pathway INCLUDING corners, panel to panel pathways, etc.

2.1.3. Consideration will include space used in furniture for connecting hardware.

2.2. Furniture system shall completely conceal all communications cabling in all cabling pathways.

2.3. Entire communications cabling pathway shall contain a continuous and rigid support infrastructure within each panel.

2.4. When communications cabling pathways run parallel to electrical pathways:

2.4.1. A metallic barrier shall be provided (i.e. metallic divider, conduit, corrugated or solid) and shall be bonded to ground.

2.4.2. Electrical components shall not impede on communications cabling pathways so as to restrict in any way **the** fill requirements noted above.

2.5. The minimum size pathway shall not force the cable bend radius to be less than 25 mm (1 in) under conditions of maximum cable fill.

2.6. Metallic pathway edges shall utilize protective bushings.

2.7. All panels shall be equipped with at least one (1) of the following raceways and shall singularly conform to all of the above noted cabling pathway requirements:

2.7.1. Base Raceway

2.7.2. Top Raceway

3. Furniture In-Feeds

3.1. Furniture in-feeds shall have capacity for a minimum of (12) communications cables with an outside diameter of .25 inches and not exceed 40% of pathway capacity.

- 3.1.1. Remaining pathway capacity will be utilized to accommodate future moves, adds, and changes (MAC's).
- 3.1.2. Consideration will include space used in furniture for connecting hardware.
- 3.2. Furniture in-feeds shall have the ability to provide for separate entry points for power and communications cabling.
 - 3.2.1. Where entry points are closer than 6 inches, a physical / mechanical barrier shall be provided to separate cabling entry points.
- 3.3. Metallic in-feed edges shall utilize protective bushings.
- 3.4. One furniture in-feed shall be provided for every four (4) WAO's (Work Area Outlets).
- 3.5. Placement of furniture in-feeds shall be coordinated and verified by County IT.

EXHIBIT F

[Omitted]

EXHIBIT G

MEDIATION PROCEDURES

Landlord or Tenant shall provide 30 days written notice to the other party of the desire to mediate. The mediation shall be conducted in Riverside County, California. Landlord and Tenant shall choose a mutually agreeable mediator within fifteen days of notice of the desire to mediate and shall thereafter attend the mediation in good faith. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. Mediation fees will be divided evenly between parties. By agreeing to mediate, the parties are not waiving their right to a jury trial or to bypass the mediation process and directly pursue remedies in law or equity.

The parties recognize that mediation proceedings are settlement negotiations, and that all offers, promises, conduct and statements, whether written or oral, made in the course of the proceedings, are inadmissible in any arbitration or court proceeding, to the extent allowed by applicable state law. The parties agree to not subpoena or otherwise require the mediator to testify or produce records, notes or work product in any future proceedings, and no recording or stenographic record will be made of the mediation session. Evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation session. In the event the parties do reach a settlement agreement, the terms of that settlement will be admissible in any court or arbitration proceedings required to enforce it, unless the parties agree otherwise. Information disclosed to the mediator in a private caucus shall remain confidential unless the party authorizes disclosure.

If mediation is unsuccessful, either the Landlord or the Tenant may file litigation or any other legal action or proceeding pursuant to California law.

EXHIBIT H

WORK LETTER AGREEMENT FOR DEVELOPMENT OF PROJECT - TERMS AND CONDITIONS ("Work Letter")

This Work Letter is attached to and incorporated into the Facilities Lease and also makes reference to that certain Ground Lease dated concurrently with the Facilities Lease, between the County of Riverside, as Ground Lessor, and Landlord, as Ground Lessee (the "**Ground Lease**").

1. **Definitions.** As used in this Work Letter, the Ground Lease and Facilities Lease, the following terms shall have the following meanings:

1.1 "**ADA**" includes the Americans with Disabilities Act of 1990, as amended from time to time, all other federal and state disability laws as amended from time to time, and regulations promulgated under any of the foregoing.

1.2 "**Additional Agreement**" is defined in the Indenture.

1.3 "**Additional Rent**" is defined in Facilities Lease Section 5.

1.4 "**Alterations**" is defined in Facilities Lease Section 11.

1.5 "**Annual Facility Budget**" is defined in Facilities Lease Section 8.6.1.

1.6 "**Applicable Percentage**" is defined in Facilities Lease Section 6.2.

1.7 "**Applicable Requirements**" is defined in Facilities Lease Section 11.1.

1.8 "**Architectural Design Exhibits**" and "**French Valley Architectural Design Exhibits**," "**Menifee Architectural Design Exhibits**" and "**Desert Hot Springs Architectural Design Exhibits**" is defined in the Facilities Lease.

1.9 "**Authority**" means the California Enterprise Development Authority.

1.10 "**Architect**" means CannonDesign, the architect for the Project selected by the Design-Builder and approved by Landlord under the Design-Build Agreement.

1.11 "**Base Building Systems**" is defined in Facilities Lease Section 2.5.

1.12 "**Board**" or "**Board of Supervisors**" means the County Board of Supervisors.

1.13 "**Bonds**" is defined in Facilities Lease Recital J.

1.14 "**Bond Financing Documents**" means 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, Deed of Trust and Deed of Trust Assignment Agreement, entered into in connection with the issuance of the Bonds.

1.15 “**Budgeted Operating Expenses**” is defined in Facilities Lease Section 8.4.

1.16 “**Capital Expenses**” is defined in Facilities Lease Section 8.10.

1.17 “**Capitalized Interest Period**” is defined in the Facilities Lease.

1.18 “**Construction Contracts**” means collectively (i) the Design-Build Agreement and (ii) all other contracts for design or construction services entered into between Landlord and a Contractor for design or construction of Improvements comprising the Project or any other portion of the Project not covered by the Design-Build Agreement.

1.19 “**Construction Documents**” means the Construction Drawings and Detailed Specifications approved by Landlord, attached as Exhibit H-3 with Tenant’s concurrence, for construction of the Project, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Project and providing information customarily required for the use of the building trades.

1.20 “**Construction Drawings**” means Drawings setting forth in detail all of the requirements for the construction of the Project to be attached hereto as Exhibit H-3 upon completion and mutual approval of same by Landlord and Tenant. As used herein, “**Drawings**” include all graphic and pictorial documents depicting all of the design, location and dimensions of the elements of the Project and include plans, elevations, sections, details, schedules and diagrams for the Project, all of which shall be consistent with the Project Requirements.

1.21 “**Construction Failure**” is defined in Facilities Lease Section 5.2.

1.22 “**Continuing Rights**” is defined in Ground Lease Section 2.2.

1.23 “**Contract Documents**” means the Design-Build Agreement, Construction Documents, and the other documents identified as Contract Documents in the Design-Build Agreement.

1.24 “**Contractors**” means the Design-Builder and all subcontractors, material suppliers, fixture, furnishings and equipment vendors, the Architect and any surveyors, engineers, project design consultants and any other third party consultants with whom Design-Builder or Landlord (directly or indirectly) contracts for the Project.

1.25 “**County**” means the County of Riverside, a political subdivision of the State of California.

1.26 “**County Standards**” means (i) the County of Riverside Economic Development Agency Real Estate Division General Construction Specifications for Leased Facilities attached to the Facilities Lease as Exhibit E, and (ii) the specifications to be attached hereto as Exhibit H-3.

1.27 “**Deed of Trust**” means the Deed of Trust, Assignment of Rents, Security Agreement, and Financing Statement, dated as of August 1, 2019, by Landlord in favor of Lawyers Title Company as trustee and Issuer as beneficiary.

1.28 **“Deed of Trust Assignment Agreement”** means the Leasehold Deed of Trust Assignment Agreement dated August 28, 2019 from Issuer to the Trustee.,

1.29 **“Design-Build Agreement”** means the Standard Form of Agreement between Owner and Design-Build – Lump Sum, DBIA Form 525, together with the Standard Form of General Certifications of Owner and Design-Builder, DBIA Form 535 and the Supplement to Standard Form of Agreement between Owner and Design-Builder – Lump Sum, each dated July 24, 2019, between Landlord and the Design-Builder for design, construction and equipping of the Project.

1.30 **“Design-Build Assignment”** means the Assignment of Agreement (Design-Build Agreement) dated August 28, 2019 by Landlord and acknowledged by the Design-Builder.

1.31 **“Design-Builder”** means the Design-Builder for the Project selected by Landlord.

1.32 **“Detailed Specifications”** means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Project to be attached hereto as **Exhibit H-3** upon completion and mutual approval of same by Landlord and Tenant.

1.33 **“Effective Date”** is defined in Facilities Lease Section 4.1.

1.34 **“Emergency Repair Situation”** is defined in Facilities Lease Section 7.5.

1.35 **“Environmental Laws”** means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes relating to the regulation or protection of human health, safety, the environment, and natural resources, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), and any similar or comparable state or local laws, including, without limitation, the California Hazardous Substance Account Act (California Health & Safety Code §§ 25300 et seq.), as such federal, state, and local laws exist as of the Effective Date and as amended in the future.

1.36 **“Excess Operating Expenses”** is defined in Facilities Lease Section 8.6.3.

1.37 **“Excluded Properties,”** as well as **“Excluded French Valley Property,”** **“Excluded Menifee Property”** and **“Excluded Desert Hot Springs Property,”** is defined in Ground Lease Section 2.3.

1.38 **“Expiration Date”** is defined in Facilities Lease Section 4.1.

1.39 **“Extraordinary Expenses”** is defined in the Facilities Lease.

1.40 “**Facilities Lease**” means that certain Facilities Lease Agreement between Landlord and Tenant, as amended from time to time.

1.41 “**FF&E**” means the fixtures, furnishings and equipment for the Project to be designed, procured and installed by Design-Builder and paid for by Tenant as provided in the Work Letter.

1.42 “**FF&E Account**” means the account by that name under the Indenture.

1.43 “**FF&E Budget**” means the agreed upon budget for FF&E Costs, as set forth in **Exhibit H-2** attached hereto and by this reference incorporated herein, as amended from time to time in accordance with this Work Letter.

1.44 “**FF&E Costs**” means the Landlord’s, Project Manager’s and Design-Builder’s fees and costs (as provided in this Work Letter) for designing, procuring and installing all FF&E items (including without limitation the purchase prices, delivery, taxes (if any) and freight for all FF&E items).

1.45 “**Final Acceptance**” means the Tenant’s written approval (not to be unreasonably withheld or delay) that each of the following items shall have occurred with respect to the Project:

1.45.1 The County of Riverside, through its Economic Development Agency, has issued certificate of occupancy (or its substantial equivalent) for the Project permitting Tenant to occupy and use the Library Improvements for each of the Libraries for their intended purposes as described in the Facilities Lease; provided, however, if the delay in the issuance of the final certificate of occupancy is attributable to the Tenant then this condition shall be deemed satisfied;

1.45.2 The Design-Builder shall have issued its “Affidavit of Payment of Debts and Claims” and “Contractor’s Affidavit of Release of Liens” (AIA Forms 706 and 706A) together with final waivers and releases of lien in form satisfactory to Landlord from Contractors and all major subcontractors who have performed work on the Project Site, including without limitation Architect and any Architect consultant or subconsultant;

1.45.3 All Punch List items shall have been completed;

1.45.4 The period for filing construction liens has expired and none have been filed or releases or discharges of construction liens in form and substance reasonably satisfactory to Tenant have been obtained by Landlord from all Contractors in accordance with all Construction Contracts and from such laborers, contractors and subcontractors performing material work on site as Tenant may reasonably require or Landlord shall have provided reasonably acceptable bonding for any such liens filed which Landlord intends to contest;

1.45.5 Architect shall have issued its “Certificate of Final Completion” and Tenant shall have received the certificate of any other architect or engineer requested by Tenant or the Design-Build Agreement;

1.45.6 Design-Builder shall have issued a certificate that (1) the Project has been finally completed in substantial accordance with the Contract Documents, and (2) no Hazardous Substances were incorporated into the Project;

1.45.7 Landlord shall have received and delivered to Tenant an endorsement to its Title Policy dated as of and issued on the date of Final Acceptance, which shall show that (1) no liens for labor or materials, whether or not of record, which may have arisen in connection with the construction of the Project exist, and (2) show no additional exceptions to the Title Policy other than those approved by or arising through Tenant;

1.45.8 Landlord shall have delivered to Tenant its affidavit that the Design-Build Agreement and Construction Contracts for the Project required Design-Builder and the Contractors (including designers as applicable) under those contracts and their subcontractors to pay the prevailing wage as required by this Work Letter;

1.45.9 Landlord shall have submitted the initial applications, supporting documents and other materials needed to obtain the LEED Certification; and

1.45.10 Landlord shall have completed its obligations associated with the development of the Project and delivered all matters as to which Landlord was obligated to deliver at Final Acceptance.

1.46 **“Final Drawings and Specifications”** is the scope of work of the Project as will be set forth in **Exhibit H-3** once finalized.

1.47 **“Force Majeure Delay”** means any delay in the performance by any Party or the Design-Build Contractor of its obligations caused by strikes, lock-outs, governmental moratorium or other governmental or quasi-governmental agency or utility provider action or inaction (including, without limitation, failure, refusal or delay in issuing permits, approvals and/or authorizations or providing sign off on work), acts of God, riots, insurrection, war, terrorism, bioterrorism, fire, earthquake, inclement weather including unusual rain, flood or other natural disaster or casualty, unavoidable casualties, governmental embargo restrictions, subsurface and environmental conditions not reasonably identified by Landlord prior to the date of this Work Letter in the exercise of its commercially reasonable due diligence (or which would reasonably have been expected to have been identified by Landlord if Landlord had exercised commercially reasonable due diligence), or other causes beyond the reasonable control of Landlord or the Design-Build Contractor, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Project. Force Majeure Delays are not delays resulting from (a) any Party’s or the Design-Build Contractor’s failure to comply with the terms and provisions of the Facilities Lease, this Work Letter or the Design-Build Agreement, or to exercise commercially reasonable due diligence, (b) increased prices, or (c) unavailability of funds. Force Majeure Delays will entitle Landlord and the Design-Build Contractor to an extension of Outside Completion Date, but will in no way entitle Landlord to additional compensation unless proven to be attributable to negligent acts or omissions of the Tenant (other than any increase to Total Project Costs resulting from any such Force Majeure Delays).

1.48 **“Ground Lease”** means that certain Ground Lease Agreement between Ground Lessor and Ground Lessee, as amended from time to time.

1.49 **“Ground Lessee”** means CFP Riverside, LLC, a Minnesota nonprofit limited liability company. See also Landlord.

1.50 **“Ground Lessor”** means the County. See also Tenant.

1.51 **“Ground Lessor Contamination”** is defined in Ground Lease Section 32.

1.52 **“Hazardous Substances”** means any material, waste, substance, industrial waste, toxic waste, chemical contaminant, petroleum, asbestos, polychlorinated biphenyls, radioactive materials or other substances regulated or classified by Environmental Laws as hazardous, toxic or lethal to persons or property.

1.53 **“Indenture”** means the Indenture of Trust, dated as of August 1, 2019, between the Authority and Trustee, pursuant to which the Authority will cause the issuance of the Bonds.

1.54 **“Landlord”** means CFP Riverside, LLC, a Minnesota limited liability company. See also Ground Lessee.

1.55 **“Laws”** means any constitution, statute, ordinance, regulation, rule, resolution, judicial decision, administrative order or other requirement of any federal, state, Tenant, municipal or other governmental agency or authority having jurisdiction over the Parties or the Premises, including without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities) and all rules, laws and regulations issued thereunder, as the same may be amended from time to time.

1.56 **“Lease Year”** is defined in Facilities Lease Section 4.1.

1.57 **“Lease Assignment Agreement”** means the Lease Assignment Agreement, dated August 28, 2019 from the Landlord to the Trustee and acknowledged by the Tenant.

1.58 **“Leases”** means the Ground Lease and the Facilities Lease.

1.59 **“Leased Premises,”** as well as **“French Valley Leased Premises,”** **“Menifee Leased Premises”** and **“Desert Hot Springs Leased Premises,”** is defined in Facilities Lease Recital A and the Ground Lease.

1.60 **“Legal Requirements”** means all requirements relating to land and building design and construction (including those specifically applicable to Tenant’s contemplated use of the Premises), including, without limitation, planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, accessibility, and other governmental approvals, permits, licenses and/or certificates as may be necessary from time to time to comply with all the foregoing and other applicable statutes, rules, orders, regulations, laws, ordinances, and covenants, conditions and restrictions, which now apply to and/or affect the design, construction, existence, intended use, operation and/or occupancy of the Premises; provided, however, in all events, Landlord shall only be responsible for compliance with Legal Requirements relative to

the design, construction, equipment, operations and maintenance of the Premises, and Tenant shall be responsible for compliance with Legal Requirements pertaining to Tenant's use and/or occupancy of the Premises.

1.61 **"Library Improvements"** is defined in the Ground Lease and Exhibit H-3.

1.62 **"Library Improvements Completion Date"** is the actual date Substantial Completion of the Library Improvements has occurred pursuant to the terms of the Facilities Lease.

1.63 **"Library System"** means the Riverside County Library System.

1.64 **"Lump Sum Price,"** or **"LSP,"** means the lump sum cost for final design and construction for the Project, as guaranteed by the Design-Builder pursuant to the terms of the Design-Build Agreement. The Lump Sum Price is paid by Landlord. Tenant is not responsible for the payment of the Lump Sum Price.

1.65 **"Off-Premises Improvements"** means the Project facilities, improvements and other work (if any) located on the Excluded Properties (if any).

1.66 **"Operating Contingency Fund"** is defined in the Facilities Lease.

1.67 **"Operating Expenses"** is defined in Facilities Lease Section 8.4.

1.68 **"Optional Prepayment Date"** is defined in Facilities Lease Section 6.1.

1.69 **"Outside Completion Date"** means September 1, 2021, the date Landlord is required to achieve Substantial Completion of the Project as set forth in the Project Schedule set forth in Exhibit D. The parties acknowledge that the Outside Completion Date includes a sixty (60) day contingency period or extension period from the estimated date of Substantial Completion as set forth in the Project Schedule. To deliver the Project by the Outside Completion Date, Landlord must achieve Substantial Completion of the Project as defined in Exhibit H.

1.70 **"Party"** and **"Parties"** are defined in the Leases.

1.71 **"Permits"** means all land use approvals, permits and approvals required for construction of the Project, and shall expressly exclude all approvals and permits related to Tenant's use and occupancy of the Premises.

1.72 **"Permitted Use"** is defined in the Ground Lease.

1.73 **"Pre-Existing Contamination"** is defined in Ground Lease Section 32.

1.74 **"Premises,"** as well as **"French Valley Premises,"** **"Menifee Premises"** and **"Desert Hot Springs Premises,"** is defined in the Facilities Lease.

1.75 **“Project Schedule”** means the agreed upon schedule for development, design, construction and equipping of the Project set forth in Exhibit D, as amended from time to time in accordance with this Work Letter, provided, however, that in no event shall the Project Schedule provide for Substantial Completion of the Project to occur later than the Outside Completion Date.

1.76 **“Project”** is defined in Ground Lease Recital M, and Facilities Lease Exhibit H-3.

1.77 **“Project Budget”** means the agreed upon budget based upon the estimated Project Costs for development, design and construction of the Project (excluding FF&E Costs), calculated based on the estimated costs for the approximately 25,000 square foot French Valley Library, approximately 20,000 square foot Menifee Library and approximately 15,000 square foot Desert Hot Springs Library, other Library Improvements and Off-Premises Improvements, as set forth in Exhibit H-1 attached hereto and by this reference incorporated herein, as amended from time to time in accordance with this Work Letter.

1.78 **“Project Contingency”** means a contingency or reserve line item in the Project Budget for unknown Project Costs, as identified in Exhibit H-1.

1.79 **“Project Costs”** means all costs for the completion of the development, planning, entitling, designing, building, financing, and equipping of the Project, including without limitation all Library Improvements, including all demolition costs, all site work and offsite work, including utility relocation and installation and connection of utility lines and equipment (including transformers, meters and the like) as required to serve the Project, all roadway improvements (if any), sidewalks, drive aisles, parking areas, curbing, exterior lighting and landscaping and related equipment, all application, plan check, permit and impact fees (excluding FF&E Costs to be paid by Tenant to Landlord separately as provided in this Work Letter), all costs of architectural services provided by the Architect, all other professional design and other services provided by Contractors or other professionals engaged by Landlord or the Design-Builder, costs of reproductions of plans, specification, reports, manuals and similar materials, all amounts paid to Design-Builder under the Design-Build Agreement including all labor, material, and equipment used or incorporated in such design and construction, all amounts paid to other Contractors and subcontractors, if any, under any other Construction Contract or subcontract entered into by Landlord upon the written approval of Landlord, including all labor, material, equipment used or incorporated in such design and construction, services provided by engineers, environmental consultants, surveyors and other professionals and consultants retained by Landlord in connection with the Project, reasonable travel costs incurred by Landlord in connection with the performance of its services under this Work Letter, including, but not limited to reasonable mileage charges, meals and lodging, Landlord’s overhead allowance, Landlord’s fees (including Landlord’s development fees and any performance fee, if any), commissions, and reimbursement to Landlord for advancing certain Project Costs, insurance costs including insurance premiums and deductibles, applicable state and local retail sales taxes, financing fees, costs and interest, but specifically excluding furniture, furnishings, fixtures, equipment, art, signage, way finding, audio and visual equipment, security, cabling,

1.80 **“Project Manager”** means Omni West Group, Inc., in its capacity as project manager under the Project Manager Agreement.

1.81 **“Project Manager Agreement”** means the Project Manager Agreement, dated August 1, 2019, between the Landlord and the Project Manager, a copy of which is attached to the Facilities Lease as **Exhibit I.**

1.82 **“Project Manager Assignment”** means the Assignment of Agreement (Project Manager Agreement), dated August 1, 2019 by Landlord and acknowledged by the Project Manager.

1.83 **“Project Requirements”** means the Architectural Design Exhibits, County Standards, Legal Requirements related to development and completion of the Project and any other requirements for the Project specifically agreed to by Tenant and Landlord.

1.84 **“Property”** and **“Properties,”** as well as **“French Valley Property,” “Menifee Property,” “Desert Hot Springs Property”** is defined in the Ground Lease.

1.85 **“Property Manager”** means Omni West Group, Inc., in its capacity as property manager under the Property Management Agreement.

1.86 **“Property Manager Assignment”** means the Assignment of Agreement (Property Manager Agreement), dated August 28, 2019 by Landlord and acknowledged by the Property Manager.

1.87 **“Property Management Agreement”** means the Management Agreement for Real Property, dated August 1, 2019, between the Landlord and the Property Manager, a copy of which is attached to the Facilities Lease as **Exhibit J.**

1.88 **“Purchase Option”** and **“Partial Purchase Option”** are defined in the Facilities Lease.

1.89 **“Punch List”** means a list of items required to be completed prior to Final Acceptance that are minor items which do not affect Tenant’s ability to use the Premises for the intended uses.

1.90 **“Operations and Maintenance Account”** is defined in the Facilities Leases.

1.91 **“Rent Commencement Date”** is defined in the Facilities Lease.

1.92 **“Schedule of Performance”** means the Project Schedule set forth in **Exhibit D.**

1.93 **“Site”** or **“Project Site”** is defined in the Ground Lease.

1.94 **“Site Plans”** and **“French Valley Site Plan,” “Menifee Site Plan”** and **“Desert Hot Springs Site Plan”** is defined in the Ground Lease.

1.95 **“State”** means the State of California.

1.96 “**Substantial Completion**” or “**substantially complete**” shall mean that each of the following events shall have occurred with respect to the Project:

1.96.1 Landlord shall have notified Tenant in writing when the Project is Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items (or as otherwise agreed by Tenant);

1.96.2 Architect shall have issued its “Certificate of Substantial Completion” (AIA Document G704) stating that the work under the Design-Build Agreement is sufficiently complete in substantial accordance with the Contract Documents;

1.96.3 Each of the County of Riverside, through its Economic Development Agency, the City of Menifee, and the City of Desert Hot Springs, has issued a final or temporary certificate of occupancy or other approval for the French Valley Library Improvements, Menifee Library Improvements and Desert Hot Springs Library Improvements, respectively (such as final sign-off by the applicable building inspector(s)) sufficient for occupancy of the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises, respectively).

1.96.4 Landlord has obtained the Fire and Life Safety permit(s) from the applicable City or County Fire Departments who have also issued their approvals for occupancy such that Tenant is permitted to and could, pursuant to such issued Fire and Life Safety permits and certificates of occupancy or comparable approval, physically occupy the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises.

1.96.5 [omitted]

1.96.6 The Design-Builder shall have executed a “Certificate of Substantial Completion” in a form satisfactory to Landlord;

1.96.7 [omitted]

1.96.8 Tenant shall have accepted the Project as Substantially Complete (which acceptance shall not be unreasonably withheld, conditioned or delayed and will presumptively be granted if items 1.96.1 through 1.96.6 have been satisfied), subject to completion of the Punch List items agreed upon by Tenant and items and activities required for the LEED Certification; and

1.96.9 Landlord shall have caused Noticed of Completion under California Civil Code Section 3093 to be recorded for each of the French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises; and

1.96.10 The Project has been constructed and equipped in substantial accordance with the Contract Documents and: (a) all elements required for the functioning of the Project are operational and in good working order and condition including satisfying applicable ADA building requirements, as well as regulations adopted thereunder; (b) all facilities are weather tight and waterproof; (c) the fire and life safety systems within the Project are operational and in good working order and condition; (d) [omitted]; (e) the mechanical and electrical systems,

including but not limited to the HVAC system, have been individually tested and verified that they are in good working order and able to support the intended uses of the Project by the Tenant, and have been tested to assure that the Project systems operate on an integrated basis; (f) all FF&E has been installed and all equipment including therein has been tested and determined to generally work as intended; (g) the finish work has been substantially completed, including, but not limited to public lobby, HVAC, plumbing, fire and life safety, sprinkler and electrical systems, doors, partitions, cabinetry, carpet and base, including removal of all construction debris; and (h) all roadway improvements, site utilities, sidewalks and landscaping have been substantially completed and construction barricades and equipment have been removed, except in each case minor Punch List items which do not materially affect use and occupancy of the Project for its intended use by Tenant.

1.97 **“Taxes and Assessments”** is defined in Facilities Lease Section 2.6.

1.98 **“Tenant”** means the County. See also Ground Lessor.

1.99 **“Tenant-Caused Delay”** means any period of delay in the overall progress of design, construction, and completion of the Project that is (i) caused by Tenant-initiated change orders to the Design-Build Agreement, (ii) caused by Tenant-initiated changes to the Construction Documents, (iii) caused by Tenant’s failure to approve, disapprove, decide, or otherwise respond to, Landlord with respect to a particular item for which Tenant’s response is required hereunder or under the Design-Build Agreement, or (iv) due to Tenant’s failure to deliver plans, information, specifications, or other information within the time frames required under this Work Letter or arising out of any interference or other acts or omissions of Tenant. However, a Tenant Caused Delay shall not include: (x) delay to the extent caused by Landlord’s or Design-Builder’s failure to provide, within the time frames allowed hereunder, architect’s certifications, progress completion certifications, copies of change orders and supporting documentation, shop drawings, schedules, costs, invoices, job progress reports, or other documents or information which Tenant is entitled to receive hereunder or which is reasonably requested by Tenant in connection with any such decision or response, or (y) delay to the extent caused by the existence of reasonable cause to suspect that design or construction of the Project or any other services provided by Landlord hereunder have not been performed in accordance with Contract Documents or Construction Documents and other requirements hereunder, in which case Tenant-Caused Delay shall not include the amount of additional time reasonably needed by Tenant to determine whether such design or construction or other services conform to all requirements hereunder.

1.100 **“Title Policies”** shall mean any leasehold policy of title insurance issued to Landlord upon its acquisition of a leasehold interest in the Leased Premises pursuant to the Ground Lease or closing of the financing for the Project, and any lender’s policy of title insurance issued to Landlord’s Lender (Trustee) upon the recording of the Deed of Trust or Lease Assignment Agreement with respect to the Leased Premises in favor of the Lender (Trustee).

1.101 **“Total Project Costs”** shall mean the total final Project Costs set forth in the Project Budget , and subject to Tenant change orders.

1.102 “**Trustee**” means U.S. Bank National Association, as trustee under the Indenture, or any successor national bank or other financial institution with trust powers selected by Landlord to serve as the bond trustee under the Indenture or any duly authorized successor thereto appointed pursuant to the Indenture.

1.103 “**Utility Costs**” is defined in Facilities Lease Section 10.

1.104 “**Utility Lines**” is defined in Ground Lease Section 7.3.

1.105 “**Warranty Period**” means the various warranty periods as defined in each systems warranty provided for the Project.

1.106 “**Work Letter**” is this Work Letter, including all exhibits, as amended from time to time.

2. **Duty to Develop.** Promptly following execution of the Leases, Landlord, at its sole expense (except for FF&E Costs as provided herein), shall plan, entitle, permit, design, construct, equip, operate and maintain, or cause to be planned, entitled, permitted, designed, constructed, equipped, operated and maintained, upon the Premises and (as applicable) Excluded Properties, the Project, including without limitation all buildings, FF&E, parking facilities, roadways, landscaping, walkways, and utility improvements in accordance with the Project Requirements all the terms and conditions of the Facilities Lease and the parties’ agreed upon design, plans and specifications of the Project. Design of the Project shall commence at such time as the Design-Build Agreement is finalized and complete. Actual construction and equipping of the Project shall commence at such time as Landlord has obtained the required approvals from all governmental and regulatory agencies, including the required Permits to commence construction activities on any portion of the Project Site. In order to assure timely communications between Landlord and Tenant during the design, construction and equipping process, any notice from Landlord to Tenant requiring or permitting a response by Tenant, shall specify the outside date by which Tenant’s response must be received to be effective, which response date shall not be less than five (5) business days. Should the Tenant need additional time to adequately respond to such notice, then Tenant shall inform Landlord of the need for additional time within such five (5) business day period. Landlord shall use commercially diligent efforts to achieve Substantial Completion of the Project by the date set forth in the Project Schedule. No less than twenty (20) days before commencing construction activities on any portion of the Project Site, Landlord shall give Tenant written notice thereof so that Tenant can post Notices of Non-Responsibility.

3. **Diligent Efforts; Relationship of the Parties.** Landlord accepts the relationship of trust and confidence established with Tenant by the Facilities Lease and this Work Letter and agrees that in providing the services and work set forth in this Work Letter, Landlord shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and oversee, the Design-Builder, Architect, all other Contractors, all other engineers, design consultants, managers and other persons retained in connection with the design, permitting, development and construction of the Project so as to cause Substantial Completion of the Project in an expeditious and economic manner consistent with the best interests of Tenant, and otherwise in a good and workmanlike manner and in substantial

accordance with the Contract Documents, on or before Outside Completion Date, free and clear of all liens. Landlord shall perform its services in accordance with the terms of the Facilities Lease and this Work Letter.

4. **Project Budget; Final Drawings and Specifications; Project Contingency.** The Project Budget, which sets forth a detailed itemization and category of all estimated Project Costs (excluding FF&E Costs), including Project Contingency based on a five percent (5%) of the estimated Total Project Costs, is attached hereto as **Exhibit H-1**. After completion of the design, Landlord shall provide the Final Drawings and Specifications, as set forth in Section 7.5.1 of this Work Letter.

4.1 **Project Contingency.** Landlord shall be fully entitled to draw upon the Project Contingency line item of the Project Budget and use the Project Contingency in its entirety, if necessary to pay Project Costs. Tenant shall enter into the Ground Lease and the Facilities Lease, but shall not be responsible for any financing for the Project nor shall Tenant be a guarantor or signatory in connection with any financing for the Project. If upon completion of the Project a surplus of funds exists in the Project Budget or Project Contingency and/or there are any savings based on actual costs for the developing, planning, entitling, designing, equipping and constructing the Project, such amounts shall be applied as otherwise provided in the Facilities Lease.

4.2 **Use of Project Contingency.** The amounts set forth in the various line items of the Project Budget are estimates only of Project Costs to be incurred. Throughout the timeline of the Project and the course of construction, to the extent the actual Project Costs in any line item of the Project Budget exceed the amount shown for such line item, Landlord shall first allocate amounts in other line items, in which the known actual Project Costs shall have been less than the amount in the Project Budget, to the line item in which the excess actual Project Cost(s) has occurred. Following the allocation by Landlord as set forth in the preceding sentence with respect to all line items, except Contingency, Landlord shall be fully entitled to draw upon the Contingency line item of the Project Budget and use the Project Contingency in its entirety, if necessary to pay the actual Project Costs and any line item cost overruns.

4.3 **Final Acceptance.** Upon Final Acceptance, Landlord shall provide Tenant with an accounting of the actual Total Project Costs. Any surplus shall be applied as otherwise provided in the Facilities Lease.

5. **Inspection of Premises.** Tenant, through its duly authorized agents, shall have, at any time, the right to enter the Premises for the purpose of inspecting, monitoring and evaluating the obligations of Landlord hereunder and for the purpose of doing any and all things which it is obligated and has a right to do under this Work Letter.

6. **Contracts.** Landlord shall enter into Contract Documents directly with the Design-Builder and other Project vendors as needed.

7. **Preconstruction Obligations; FF&E.** Landlord shall be responsible for and take all actions reasonably necessary to occur to ensure the design and development of the Project including, but not limited to:

7.1 Construction Services. Landlord shall contract directly with all Contractors used to satisfy Landlord's obligations under this Work Letter. Landlord shall cause all Contractors to be paid in a timely fashion such that no liens are recorded against the Premises. Landlord shall be solely responsible for all services and work performed in relation to the Project whether by Landlord or Contractors. Landlord shall provide all management oversight of the Design-Builder and any other Contractor engaged directly by Landlord and shall complete all necessary contracts and agreements with the Design-Builder and other Contractors to ensure proper completion of the Project on time and prior to the Outside Completion Date. Landlord shall be fully responsible for any costs exceeding the Project Budget.

7.2 Final Drawings and Specifications. Landlord shall cause the Design-Builder to cause the Architect to prepare the Construction Drawings and Detailed Specifications for the Project for Landlord's review and Tenant's approval, which shall be consistent with the Architectural Design Exhibits and all previously approved designs, and following approval thereof shall be attached hereto as **Exhibit H-3**. The intention of the parties is to cooperate in good faith to provide a completed design which meets the mutual objectives of the parties, all Legal Requirements and is consistent with all Project Requirements and the building quality reflected therein. The Final Drawings and Specifications for the Project shall include, at a minimum, all mutually approved architectural services as may be necessary to provide Construction Documents for the Project.

7.3 Final FF&E Items and Payment. Landlord shall cause the Design-Builder to design, procure, and install the FF&E. Landlord shall also cause the Design-Builder to design and propose final FF&E items for Landlord's review and Tenant's approval. The final FF&E items shall include, at a minimum, the items identified on **Exhibit H-2A** (Preliminary List FF&E Items) with an initial estimated total FF&E Budget of \$5,000,000 and consistent with the FF&E Budget which is attached hereto as **Exhibit H-2**. The final list of FF&E items shall be attached hereto as **Exhibit H-4** upon completion and mutual approval of same by Landlord and Tenant. Costs charged by the Landlord, Project Manager and Design-Builder and other Contractor's costs for designing, procuring and installing FF&E shall not exceed the amounts charged for other similar or comparable Project work. The total FF&E Cost shall not exceed the FF&E Budget without Tenant's approval, which may be withheld for any reason in Tenant's sole discretion. County shall deliver \$5,000,000 (or other agreed amount), plus any agreed FF&E Budget increase, to the Trustee for deposit into the FF&E Account, to be held and administered by the Trustee pursuant to Indenture Section 3.04(c) and **Exhibit C-3** thereof, and this Section 7.3. Notwithstanding any provision of this Work Letter or the Indenture, Landlord may not requisition or utilize any portion of the FF&E Account until mutual approval of the Construction Drawings and Detailed Specifications as provided in Section 7.2 above. If upon completion of the Project a surplus of funds exists in the FF&E Account, such amounts shall be applied as otherwise provided in the Facilities Lease. Subject only to Tenant's payment of FF&E Costs as required, FF&E will at all times be and remain Tenant's property.

7.4 ADA Compliance. The Design-Build Agreement and each design contract shall include a provision requiring that upon Substantial Completion of that portion of the work covered by that design contract, the work and the portion of the Project as designed or engineered shall comply with the ADA.

7.5 Tenant's Review. Tenant may participate in any and all design meetings with Design-Builder, Landlord, Architect, and other design professionals as appropriate in the course of the development of the final drawings and specifications and all Construction Documents in order to facilitate the approval of such Construction Documents in accordance with the terms of this Work Letter. Landlord shall submit to Tenant, and Tenant shall promptly review, the Final Drawings and Specifications to be set forth in Exhibit H-3, which consist of all Construction Drawings and Detailed Specifications submitted in accordance with this Work Letter and shall give Landlord written notice within thirty (30) business days following its receipt of the Construction Drawings and Detailed Specifications, of its approval or disapproval thereof, specifying in the case of its disapproval, its reason therefor. Tenant shall have the right to disapprove such Construction Drawings and Detailed Specifications which (i) do not meet the Project Requirements, (ii) do not comply with Legal Requirements, (iii) with respect to drawings, are not consistent developments of the previous drawings approved by Tenant, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Project.

7.5.1 If objections or comments are submitted in writing within the time frame and in accordance with the requirements set forth in the preceding subsection, Landlord shall cause the Architect to make changes in the Construction Drawings and/or Detailed Specifications consistent with reasonable objections or comments made by the Tenant and shall resubmit the same to Tenant in accordance with the foregoing schedule for further review. The process of resubmittal and review shall continue until the submittals have been approved by all the parties. The final Construction Drawings and Detailed Specifications setting forth in detail the requirements for the construction of the Project which have been approved by Tenant are called the Construction Documents. There shall be no material change in the Construction Documents except as set forth in Section 17 below.

7.6 Permit and Construction Documents. Landlord shall cause the Design-Builder to cause the Architect and other design professionals to prepare Construction Documents as required for submittal of the application for building permits and other permit applications as required for construction of the Project by Design-Builder and other Contractors.

7.7 Permits. Landlord shall obtain all Permits necessary to construct the Project through the County of Riverside, through its Economic Development Agency and the Department of Environmental Health, the Cities of Menifee and Desert Hot Springs (fire department permits only for the cities), the Riverside County or applicable City Fire Department, and all other agencies and quasi-governmental agencies and utility providers from which approvals and permits are required to commence and complete the Project. Tenant shall have at least five (5) business days to respond to any requests by Landlord for review and approval by Tenant. In the event that Tenant's review shall take more than thirty (30) days to review any Permit application Landlord submits to Tenant, Tenant shall provide notice to Landlord pursuant to Section 2 of this Work Letter. Tenant shall join in any application for Permits, where required, at the expense of Landlord as part of Project Costs. Landlord shall pursue issuance of such Permits with all due diligence and Tenant shall diligently cooperate with Landlord to provide input to and provide approvals for issuance of the Permits. All costs associated with issuance of the Permits, including the cost of any required Off-Premises Improvements, shall be included in

the Project Budget and as part of Project Costs unless mutually agreed upon in writing by the Parties.

7.8 Architect. Landlord shall cause the Design-Builder to oversee all design work done by Architect and other design professionals for the design and development of the Project. Landlord shall expeditiously review design documents during their development and Landlord shall advise Tenant on proposed site use and improvements, selection of materials, building systems and equipment and methods of Project delivery. Landlord shall consult with Tenant regarding the Construction Documents and make recommendations whenever design details adversely affect constructability, cost or schedules.

7.9 Administrative Lot Splits/Parcel Maps. If not completed by the Effective Date, Landlord shall take all actions required to obtain administrative lot splits or new parcel maps of the French Valley Property, Menifee Property and Desert Hot Springs Property, to confirm the final French Valley Leased Premises, Menifee Leased Premises and Desert Hot Springs Leased Premises, respectively, as part of Project Costs. Tenant will reasonably cooperate with those efforts.

8. Leed Certification. Landlord shall obtain a Leadership in Energy and Environmental Design – NC 2009 (“LEED”) Silver certification from the U.S. Green Building Council (“USGBC”) for the Project (“LEED Certification”). Tenant acknowledges that the design decisions made by it will have an impact on the LEED certification received and will work in good faith with Landlord when making those decisions to consider their potential impact on achieving the required LEED Certification. Landlord shall keep Tenant apprised throughout the design process of any design decisions that may affect the LEED Certification for the Project and with respect to any preliminary determinations made by the USGBC with respect to the LEED certification of those facilities and improvements. It is anticipated that the final determination by the USGBC of the LEED certification of the Project will not occur until after Final Acceptance. Landlord shall use commercially reasonable, good faith and diligent efforts to obtain the LEED Certification no later than one hundred eighty (180) days after Final Acceptance.

9. Construction and Procurement Management Services. Landlord shall provide Tenant with all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Project on or before the Outside Completion Date, all in a good and workmanlike manner and in substantial accordance with the Contract Documents, including, without limitation, the following:

9.1 Landlord shall notify Tenant of any Project schedule issues that may impair Landlord’s ability to substantially complete the Project prior to the Substantial or Outside Completion Date.

9.2 Landlord shall consult with the Tenant regarding the Construction Documents and make recommendations whenever design details adversely affect constructability, cost or schedules.

9.3 Landlord shall cause the Design-Builder to establish the assignment of responsibilities for temporary utility facilities and equipment, materials and services for common

use of the Contractors. Landlord shall verify that such requirements and assignment of responsibilities are included in the proposed Contract Documents.

9.4 Landlord shall cause the Design-Builder to review the Construction Documents as required to provide that (1) the work of the Contractors is coordinated; (2) all requirements for the Project have been assigned to the appropriate Construction Contract; (3) the likelihood of jurisdictional disputes has been minimized; and (4) proper coordination has been provided for sequenced construction.

9.5 Landlord shall cause the Design-Builder to design, procure and install all FF&E in a prompt and efficient manner consistent with proper procurement practices.

9.6 Landlord shall require Design-Builder to prepare all schedule updates required by the Design-Build Agreement, and promptly provide copies to Tenant.

9.7 Landlord shall work with the Design-Builder to expedite and coordinate the ordering and delivery of materials and FF&E requiring long lead times.

9.8 Landlord shall select and coordinate the professional services of surveyors, special consultants, testing laboratories, and commissioning agents required for the Project.

9.9 Landlord shall cause the Design-Builder to provide an analysis of the types and quantities of labor required for the Project and shall review with the Design-Builder the availability of appropriate categories of labor required for critical phases. Landlord shall make recommendations for actions designed to minimize adverse effects of labor shortages.

9.10 Landlord shall cause the Design-Builder to schedule and coordinate the sequence of design, construction and procurement so as to cause Substantial Completion of the Project to occur on or before the date of Substantial Completion set forth in the Project Schedule, however, no later than the Outside Completion Date.

9.11 Landlord shall dutifully administer and enforce the Design-Build Agreement and cause the Design-Builder to dutifully administer and enforce all Construction Contracts with designers, subcontractors, material suppliers and furniture, fixture and equipment vendors. Landlord shall notify and consult with Tenant regarding any material breaches or defaults by any party to a Construction Contract relating to the Project. Landlord shall, with respect to such breach or default by such contracting party, follow the instructions or directions of Tenant so long as such instructions or directions are consistent with the contract terms and do not, in the reasonable professional judgment of Landlord, restrict, delay, impair or otherwise jeopardize attaining Substantial Completion of the Project by the date of Substantial Completion set forth in the Project Schedule, however, no later than the Outside Completion Date.

9.12 Landlord shall assure that the Design-Builder is responsible for the purchase, delivery and storage, protection and security of all materials, systems and equipment that are part of the Project until such items are incorporated into the Project.

9.13 Landlord shall develop and implement procedures for the review and processing of applications by Contractors for progress and final payments.

9.14 Based on Landlord's observations and evaluations of each Contractor's Application for Payment, Landlord shall review and certify the amounts due the respective Contractors. Landlord shall prepare Project Applications for Payment based on the Contractors' Applications for Payment.

9.15 Landlord shall supervise the final testing and start-up of utilities, operational systems and equipment (including FF&E as applicable), and project commissioning, in the presence of Tenant's maintenance personnel if so requested by Tenant.

9.16 When Landlord considers each Contractor's work or a designated portion thereof substantially complete, Landlord shall prepare for the Contractor a list of incomplete or unsatisfactory items (Punch List) and a schedule for their completion. Landlord shall participate in inspections to determine whether the work or designated portion thereof is substantially complete.

9.17 Landlord shall cause the Design-Builder to coordinate the correction and completion of the work, including all Punch List items, and shall evaluate the completion of the work of the Contractors and make final recommendations to the Design-Builder when the Project or any designated portion thereof has achieved Final Acceptance. Landlord shall maintain a database of all punch list items or otherwise unsatisfactory items observed and record the resolution of these items. Landlord shall participate in conducting final inspections of the work.

9.18 Landlord shall take such other and further action as may be necessary or desirable to cause the Project to be Substantially Completed on or before the date of Substantial Completion set forth in the Project Schedule, however, no later than the Outside Completion Date.

9.19 Landlord shall reject all work which does not conform to the requirements of the Contract Documents and cause corrective action to be taken.

9.20 Landlord or Design-Builder shall transmit to Architect requests for interpretations of the meaning and intent of Construction Drawings and Detailed Specifications and assist in the resolution of questions that arise.

9.21 Landlord or Architect shall expedite the processing and approval of shop drawings, product data, samples and other submittals.

9.22 Landlord shall cause the Design-Builder to submit written monthly progress reports, including without limitation, updated information relative to permit approvals and construction, and photographs of construction progress to Tenant, Project Manager, and Landlord, including information on the Design-Builder and the Design-Builder's work, as well as the entire Project, showing percentages of completion. Landlord shall maintain or cause the Design-Builder to maintain a daily log, containing a record of weather, each Contractor's work on the site, number of workers, identification of equipment, work accomplished, problems encountered and such other information as Tenant may require.

9.23 Landlord shall maintain at the Project site or at Landlord's offices in Newport Beach, California, for Tenant, one record copy of all Contract Documents, all drawings,

specifications, addenda, change orders and other modifications, in good order and marked currently to record changes and selections made during construction together with approved shop drawings, product data, samples and similar required submittals. Landlord shall require the Design-Builder to maintain records, in duplicate, of principal building layout lines, elevations of the bottom of the footings, floor levels and key site elevations certified by a qualified surveyor or professional engineer. All such records shall be made available to Architect and Tenant upon request and, upon completion of the Project, duplicate originals shall be delivered to Tenant.

10. Delays. The estimated date for Substantial Completion and the Outside Completion Date set forth in the Project Schedule shall be extended to the extent of (i) Force Majeure Delays, provided, however, that extensions due to Force Majeure Delays shall not exceed ninety (90) days, unless the Force Majeure Delay results from a casualty or condemnation subject to Sections 13 and 14 of the Facilities Lease; and (ii) Tenant-Caused Delays. The existence of Force Majeure Delays of up to ninety (90) days (or longer if the Force Majeure Delay results from a casualty or condemnation subject to Sections 13 and 14 of the Facilities Lease or Tenant-Caused Delay) shall excuse Landlord for resulting delays and changes in the Project Schedule. In the event of any Force Majeure Delays, Landlord shall provide Tenant with periodic progress reports (no less frequently than monthly) including updated schedules and identifying actions being taken to address the resulting delays.

11. Remedies for Late Completion (Construction Failure). If Landlord fails to achieve Substantial Completion of the Project by the estimated date for Substantial Completion as set forth in the Project Schedule, or by the Outside Completion Date (as such dates may be extended by Force Majeure Delay or Tenant-Caused Delay), Tenant shall have the remedies set forth in Facilities Lease Section 5.2.

12. Construction Contracts. Landlord shall cause the Design-Build Agreement and all other Construction Contracts to include recitations or provisions requiring the following:

12.1 Provisions requiring all Contractors and subcontractors employed on the Project to be responsible to pay the prevailing rate of wages as defined in California Labor Code Sections 1700 et seq. and available on the Department of Industrial Relations websites (but expressly excluding the Davis-Bacon Act and any rules and regulations promulgated thereunder if not legally required), to satisfy reporting requirements regarding the payment of such prevailing wages in accordance with Labor Code Section 1771.4 and related sections, and to indemnify Tenant, any tenant of the Project, and Landlord for claims arising out of failure to pay proper wages;

12.2 Provisions requiring all Contractors and subcontractors employed on the Project to be responsible for registering and maintaining its annual registration with the Department of Industrial Relations pursuant to Labor Code Section 1771.1 and 1725.5 for the duration of the Design-Build Agreement and any other Construction Contracts;

12.3 Provisions for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project;

12.4 Provisions for indemnifying Tenant, tenants, and Landlord for claims arising out of the acts or omissions of such Contractor and its employees, agents and subcontractors; and

12.5 The Design-Build Agreement shall contain customary performance and payment bonds, each in the amount of 100% of the Lump Sum Price, and each identifying both Landlord and Tenant as beneficiaries.

12.6 The Design-Build Agreement shall require payment of liquidated damages to Landlord in the event of a Construction Failure.

12.7 Tenant shall have the right to review and approve these provisions before the Design-Build Agreement and other Construction Contracts are executed.

13. Warranties. Landlord shall cause the Design-Builder to secure for the benefit of Landlord all warranties and guarantees of the work by Contractors, suppliers and manufacturers of components of the Project (other than FF&E, for which all warranties shall be for the benefit of the Tenant), and to cause Tenant to be a third-party beneficiary thereon. Landlord shall cause the Design-Builder to assign such FF&E warranties to Tenant (subject to Landlord's rights as a third-party beneficiary). During the Warranty Period, Landlord shall enforce any warranties or guarantees (other than FF&E warranties) upon Tenant's request. The Design-Build Agreement shall provide a minimum of a one (1) year warranty for workmanship with respect to every facility constructed by Landlord, and longer warranties for the fixtures, services, or subcontracts specified in the Design-Build Agreement.

14. Correction of Work. During the Warranty Period, Landlord shall cause the applicable Contractor to promptly correct or cause to be corrected work properly rejected by Tenant or known by Landlord to be defective or failing to conform to the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed, and shall cause to be corrected work found to be defective or non-conforming within the Warranty Period. Such costs (to the extent not borne by insurance or covered by any contractor warranty) shall be charged against, and paid for by, Landlord, except to the extent specifically chargeable to Tenant under other provisions of the Facilities Lease.

15. As Built. Within thirty (30) days following the completion of the Project and any other improvements, Landlord shall submit to Tenant: (1) a complete set of "As-Built" drawings together with CD copies, showing every detail of the Project, of such improvements and fixtures, including, but not limited to, electrical circuitry and plumbing; and (2) copies of lien waivers from all contractors, subcontractors, suppliers and materialmen involved in construction of the Project.

16. Project Off-Premises Improvements.

16.1 It is understood by the parties hereto that sewer, water, telephone, fiber, gas, electrical and other utilities are available nearby the Premises, but may not reach the Premises. Therefore, in order for the constructed Project to be fully usable and operational, Landlord, at its expense as part of the Project Budget, shall extend and/or connect or cause to be extended and/or connected in the name of the County of Riverside, to the Library Improvements, such utility service facilities that may be required or desired by Tenant in the use, operation and maintenance

of Library Improvements. After such extensions and/or connections have been made, Landlord shall be responsible for payment for the use of such utility services on behalf of Tenant as part of Total Project Costs to the extent costs are incurred prior to the Rent Commencement Date under the Facilities Lease and (ii) borne by Tenant as described in the Facilities Lease to the extent such costs were incurred from and after the Rent Commencement Date.

16.2 Landlord shall also provide at its expense as part of the Project Budget all other off-Premises improvements required by Riverside County plan check for the constructed Project to be fully usable and operational (if any), including without limitation (as applicable) curb, gutter, sidewalk and roadway improvements.

16.3 The Off-Premises Improvements referred to in Section 16.1 and 16.2 shall be completed prior to or at the same as time the Library Improvements are completed as provided herein.

17. Changes to Work.

17.1 No Changes without Tenant Approval. Following approval of the Construction Documents by Tenant there shall be no changes in the work except in accordance with this Section 17. Changes in the work covered by the Design-Build Agreement and approved by Tenant shall be processed in accordance with the Design-Build Agreement.

17.2 Landlord Approved Changes in the Work. It is anticipated that there will be field orders and change orders which shall result in changes to the Final Drawings and Specifications as set forth in **Exhibit H-3**. Landlord shall use its reasonable efforts to apprise Tenant of proposed changes and its recommendations regarding them prior to any action being taken. It is anticipated that it may not always be possible to receive Tenant's prior approval to these changes in a timely manner. Therefore, field orders and change orders may be approved by Landlord, without prior Tenant approval, but only if the changes authorized by these field orders and change orders shall not have the effect of extending Outside Completion Date, materially altering the Project or substantially increasing the cost. As soon as practical, Landlord shall provide Tenant with all field orders and/or change orders approved by Landlord. For the purposes of this Section an alteration shall be deemed to be "material" if it would materially reduce the intended quality of the Project, result in a substantial increase to Landlord's operational costs over time, or result in an unequal substitution of any of the systems in the Project (including but not limited to HVAC, plumbing, electrical, roofing, fire and life safety, security systems, infrastructure components and FF&E). In the case of either a material alteration or a change that would result in failure to Substantially Complete the Project by the Outside Completion Date, prior written approval by the Tenant not to be unreasonably withheld of the proposed change must be received.

17.3 Change in the Work Initiated by Tenant. Tenant may initiate changes in the work after Tenant's approval of the Final Drawings and Specifications, provided any increase costs above the Project Budget shall be paid by Tenant.

18. Project Completion.

18.1 Substantial Completion.

18.1.1 Landlord shall exercise all due diligence and commercially reasonable, good faith and diligent efforts to achieve Substantial Completion prior to the Outside Completion Date.

18.1.2 Until Substantial Completion of the Project has occurred, Tenant shall not occupy the Project; provided, however, that limited use of the Project for storage, move-in or installation of personal property by the Tenant other than FF&E when such use is determined by Landlord and the Design-Builder not likely to result in any interference or delay in completing the Project and is approved by Landlord, such approval not to be unreasonably withheld, shall not be deemed to be occupancy.

18.1.3 Notice of Substantial Completion. Landlord shall give notice in writing to Tenant at least thirty (30) days prior to the date upon which Landlord anticipates that the Project shall be Substantially Complete. During the fifteen (15) business day period after the delivery of the estimated completion notice, Tenant, Landlord, Architect, and Design-Builder shall meet on one or more occasions, if necessary, and tour to inspect and review the Project to determine whether it is Substantially Complete. The parties shall prepare the Punch List to be completed prior to Final Acceptance. The completion of the Punch List shall not be required in order for the Project to be Substantially Complete.

18.1.4 Completion of Punch List Items. Following Substantial Completion, Landlord shall cause all Punch List items to be completed promptly in accordance with the Contract Documents. Landlord shall coordinate the performance of any such Punch List work to avoid any unreasonable hindrance to Tenant's installation of personal property and occupancy of the Project.

18.2 Final Acceptance. Landlord shall give notice in writing to Tenant at least thirty (30) days prior to the date upon which the Project shall be ready for Final Acceptance. On or before Final Acceptance of the Project, Landlord shall obtain and submit to Tenant, the following:

18.2.1 As-Built Plans. A complete set of final as-built plans and specifications prepared by the Design-Builder for the Project.

18.2.2 Manuals. All technical and service, instruction and procedure manuals relating to the operation and maintenance of all HVAC systems and other mechanical devices and equipment installed in the Project by Landlord or Design-Builder. Tenant may delay receipt of the Manuals from Final Acceptance to the Termination of the Ground Lease in Tenant's discretion.

18.2.3 Permits and Licenses. The originals (if not posted at the Project) of all Permits, Construction Inspection Cards, Certificate of Occupancy, licenses and other approvals necessary for the occupation of the Project.

18.2.4 As-Built Survey. An as-built Survey of the Premises showing the location of all improvements constructed thereon.

19. Landlord Representations. Upon Substantial Completion of the Project, Landlord shall represent and warrant to Tenant in writing as follows:

19.1 The Project has been completed in substantial accordance with the Contract Documents (as revised by Project change orders set forth in Section 17.2) and to Landlord's knowledge is free from defects in workmanship and materials in connection with the construction thereof.

19.2 Landlord has no knowledge of any structural defects, latent defects or building systems defects within the Project.

19.3 The Project has been constructed in accordance with all Legal Requirements, all Permits and all insurance laws, regulations and requirements in effect at the time of construction of the Project.

19.4 The Project is served by water, storm and sanitary sewage facilities, telephone, electricity, fire protection and other required public utilities adequate to serve the Project at the time of Substantial Completion of the Project.

19.5 The Design-Builder, Architect, and all Contractors, suppliers, materialmen and consultants have been paid in full for work related to construction of the Project billed to date and there are no liens, encumbrances or other defects affecting title to the Premises which has been or will be filed against the Premises and/or the Project with respect thereto, or if any such lien has been filed, Landlord and/or the Design-Builder shall have arranged for a bond to remove such lien in accordance with Section 1.42.4.

19.6 Except as disclosed to Tenant in writing or as otherwise approved by Tenant including pursuant to the easements granted to Landlord pursuant to the Ground Lease and the Facilities Lease, the Library Improvements do not encroach onto adjoining land or onto any easements and there are no encroachments of improvements from adjoining land onto the Premises. The location of the Project does not violate any applicable setback requirements.

19.7 Except as disclosed to Tenant in writing, there is no litigation pending, or to the best knowledge of Landlord, threatened, with respect to the Project for matters undertaken by Landlord under this Work Letter.

19.8 To the best of Landlord's knowledge and except as disclosed in writing, no Hazardous Substances have been incorporated into the structure of the Project except as may be required in construction of the Project and only to the extent permitted by applicable law.

19.9 To the best of Landlord's knowledge, all Permits necessary for the construction of the Project have been obtained and are in full force and effect. All Permits and licenses for use and occupancy of the Project beyond a certificate of occupancy or other final sign off allowing occupancy of the Project Improvements shall be the responsibility of Tenant.

Each of the foregoing warranties with respect to the Project shall expire and be of no further force or effect, unless Tenant shall have made a claim based upon an alleged breach of such warranties by Landlord on or before the expiration of the applicable Warranty Period. In

the event Tenant alleges a breach of any of the foregoing representations or warranties, Tenant shall give Landlord written notice of any such allegation together with a detailed explanation of the alleged breach (“**Tenant’s Claim**”). Landlord shall, within thirty (30) days of receipt of Tenant’s Claim, proceed to commence to cure the circumstances specified in Tenant’s Claim, or provide Tenant with written notice of Landlord’s dispute of Tenant’s Claim. If Landlord commences a cure or correction of the matter alleged in Tenant’s Claim, Landlord shall proceed reasonably diligently and promptly to complete such cure or correction, and the Warranty Period for the particular matter shall be extended for the period necessary to complete cure or correction.

20. Protection of Persons and Property.

20.1 Landlord shall (or shall cause the Design-Builder to) be responsible for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Project.

20.2 Landlord shall (or shall cause the Design-Builder to) take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: (1) all persons working on the Project construction site and all other persons who may be affected thereby; (2) the Project and materials and equipment to be incorporated therein; and (3) other property at or adjacent to the site.

20.3 Landlord shall or shall cause the Design-Builder and all other Contractors to give notices and comply with all applicable laws, ordinances, rules, regulations, and orders of public authorities bearing on the safety of persons and property and their protection from damage, injury or loss.

21. Insurance during Construction. Insurance shall be provided by Landlord, Architect, Design-Builder and Contractors in accordance with the provisions of the Ground Lease, Facilities Lease, and/or Design-Build Agreement.

22. Stop Work by Tenant. If Design-Builder fails to correct defective work as required, or persistently fails to carry out work in accordance with the Construction Documents, Tenant, by written order, may order Landlord and Design-Builder to stop the work, or any portion thereof, until the cause for such order has been eliminated.

FOR DEVELOPMENT OF PROJECT - TERMS AND CONDITIONS

EXHIBIT H-1

Total Project Budget

 County of Riverside, California Riverside County Library System P3 Project French Valley, Menifee, Desert Hot Springs		
PROJECT BUDGET		
	<u>TOTAL</u>	<u>\$\$/Sqft</u>
<u>HARD COSTS</u>		
General Conditions	\$ 2,546,499	\$ 42.44
Construction Bonds	\$ 611,399	\$ 10.19
Building(s) Shell & Core	\$ 23,779,679	\$ 396.33
Insurance	\$ 543,710	\$ 9.06
Design Management & Fees	\$ 2,750,828	\$ 45.85
General Contractor Fee	\$ 2,141,889	\$ 35.70
Hard Cost Subtotal	\$ 32,374,004	\$ 539.57
<u>SOFT COSTS</u>		
Professional Fees	\$ 3,180,619	\$ 53.01
Plan Check, Permits, & Impact Fees	\$ 2,037,802	\$ 33.96
Builders Risk, Insurance	\$ 100,000	\$ 1.67
Soft Cost Subtotal	\$ 5,318,421	\$ 88.64
<u>DEVELOPMENT</u>		
Contingency	\$ 1,821,774	\$ 30.36
Construction Management Fee - CFP	\$ 339,232	\$ 5.65
Project Manager Fee	\$ 1,381,604	\$ 23.03
Project Manager Overhead Fee	\$ 420,000	\$ 7.00
Development Subtotal	\$ 3,962,610	\$ 66.04
TOTAL PROJECT COST	\$ 41,655,035	\$ 694.25

RIVERSIDE COUNTY LIBRARIES

Schedule of Values
5/30/2019

COMBINED COSTS

DESCRIPTION	VALUE
Concrete	\$ 885,315
Reinforcing Steel	\$ 231,940
Masonry	\$ 84,000
Stone	\$ 121,520
Structural Steel	\$ 2,994,000
Miscellaneous Metals	\$ 92,168
Metal Deck	\$ 381,815
Decorative Metals	\$ 153,613
Rough Carpentry-Miscellaneous	\$ 13,645
Finish Carpentry-Interior	\$ 77,205
Joint Sealants	\$ 39,745
Insulation & Firestopping	\$ 52,693
Roofing	\$ 1,242,640
Metal Panels	\$ 104,075
Sheet Metal & Flashing	\$ 234,000
Fireproofing	\$ -
Doors, Frames & Hardware	\$ 185,870
Access Panels	\$ 1,800
Glass & Glazing	\$ 1,679,406
Interior Glass	\$ 912,144
Metal Studs & Drywall	\$ 785,464
Exterior Framing / Plaster	\$ 2,195,107
Tile	\$ 124,260
Acoustical Ceilings	\$ 480,400
Carpet and Resilient Flooring	\$ 485,003
Painting & Wallcovering	\$ 224,810
Misc Specialties	\$ 3,800
Signage	\$ 142,988
Toilet Partitions and Accessories	\$ 30,510
Fire Protection	\$ 350,900
Plumbing	\$ 698,561
HVAC	\$ 1,828,000
Electrical	\$ 2,995,710
Communications	\$ 131,710
Security	\$ 253,285
Earthwork	\$ 1,201,012
Asphalt Paving	\$ 407,053
Site Concrete	\$ 708,150
Site Furnishings	\$ 72,062
Landscaping & Irrigation	\$ 568,000
Site Utilities	\$ 495,509
Design Management and Fees	\$ 2,750,828
General Conditions	\$ 2,846,499
FF & E	\$ 4,672,897
Total	\$ 29,077,006
Sub Guard and Bonds	\$ 354,372
Subtotal	\$ 34,104,275
E&O, GI, and Builder Risk Ins	\$ 543,710
McCarthy Bond	\$ 287,027
Subtotal	\$ 34,905,012
Contingency	\$ 678,000
Subtotal	\$ 35,483,012
Fee	\$ 2,141,889
TOTAL	\$ 37,624,901

**Costs provided by McCarthy Builders

EXHIBIT H-2

FF&E Budget

 <i>County of Riverside, California</i>		
Riverside County Library System P3 Project French Valley, Menifee, Desert Hot Springs		
FF&E BUDGET		
	<u>TOTAL</u>	<u>\$\$/Soft</u>
<u>HARD COSTS</u>		
Furniture, Fixtures, & Equipment	\$ 4,672,890	\$ 77.88
Hard Cost Subtotal	\$ 4,672,890	\$ 77.88
<u>DEVELOPMENT</u>		
Project Manager Fee - OWG (5%)	\$ 233,650	\$ 3.89
Project Management Overhead Fee - OWG (1%)	\$ 46,730	\$ 0.78
Construction Management Fee - CFP (1%)	\$ 46,730	\$ 0.78
Development Subtotal	\$ 327,110	\$ 5.45
TOTAL PROJECT COST	\$ 5,000,000	\$ 83.33

**EXHIBIT H-2A
PRELIMINARY LIST FFE ITEMS**

Desert Hot Springs - FF&C \$1,300,000	Menifee FF&C - \$1,700,000	French Valley- FF&C \$2,000,000
Adult	Adult	Adult
Library Shelving	Library Shelving	Library Shelving
Furniture	Furniture	Furniture
Signage	Signage	Signage
Art/Static Displays	Art/Static Displays	Art/Static Displays
PC Furniture & Equipment	PC Furniture & Equipment	PC Furniture & Equipment
Children	Children	Children
Library Shelving	Library Shelving	Library Shelving
Furniture	Furniture	Furniture
Signage	Signage	Signage
Art/Static Displays	Art/Static Displays	Art/Static Displays
PC Furniture & Equipment	PC Furniture & Equipment	PC Furniture & Equipment
Media	Media	Media
Friends Bookstore	Friends Bookstore	Friends Bookstore
Library Shelving	Library Shelving	Library Shelving
Service Counter/Cash Register	Service Counter/Cash Register	Service Counter/Cash Register
Furniture	Furniture	Furniture
Corridor	Corridor	Corridor
Display Furniture	Display Furniture	Display Furniture
Gallery Wall/Artwork	Gallery Wall/Artwork	Gallery Wall/Artwork
Circ Desk	Circ Desk	Circ Desk
Furniture	Furniture	Furniture
Book Return	Book Return	Book Return
PC Furniture & Equipment	PC Furniture & Equipment	PC Furniture & Equipment
Service Desk (Round)	Service Desk (Round)	Service Desk (Round)
Task Chair	Task Chair	Task Chair
Media	Media	Media
PC Furniture & Equipment	PC Furniture & Equipment	PC Furniture & Equipment
Opportunity Rooms	Opportunity Rooms	Opportunity Rooms
Furniture	Furniture	Furniture
Equipment	Equipment	Equipment
Media	Media	Media
Meeting Room	Meeting Room	Meeting Room
Furniture	Furniture	Furniture
Storage	Storage	Storage
Mini Refrigerator	Mini Refrigerator	Mini Refrigerator
Microwave	Microwave	Microwave
Media	Media	Media
Staff Lounge	Staff Lounge	Staff Lounge
Furniture	Furniture	Furniture
Refrigerator	Refrigerator	Refrigerator
Microwave	Microwave	Microwave
Locker Set	Locker Set	Locker Set
Staff Offices	Staff Offices	Staff Offices
System Furniture	System Furniture	System Furniture
PC Equipment	PC Equipment	PC Equipment
Staff Workroom	Staff Workroom	Staff Workroom
Furniture	Furniture	Furniture
Storage	Storage	Storage
Custodial	Custodial	Custodial
Shelving	Shelving	Shelving
Storage cabinet	Storage cabinet	Storage cabinet

EXHIBIT H-3

Final Drawings and Specifications

[to be attached upon completion]

EXHIBIT H-4

Final FF&E Items

[to be attached upon completion]

EXHIBIT I

PROJECT MANAGER AGREEMENT

[To be attached before signing]

PROJECT MANAGER AGREEMENT

This PROJECT MANAGER AGREEMENT (“**Agreement**”) is entered into as of the 1st day of August 2019 by and between **CFP RIVERSIDE, LLC**, a Minnesota non-profit limited liability company (“**Owner**”), and **OMNI WEST GROUP, INC.**, a California corporation (“**Project Manager**”).

RECITALS:

A. Owner intends, pursuant to a Ground Lease Agreement (“**Ground Lease**”) with the County of Riverside, California (“**County**”), to acquire ground leasehold interests (as lessee) (“**Ground Leasehold Interests**”) in the parcels of real property described on Exhibit A attached hereto (“**Property**”), and to construct certain improvements thereon as described on Exhibit B attached hereto (“**County Improvements**”) for use by the County.

B. This Agreement is intended to evidence Project Manager’s obligations to (i) act as the representative for Owner for the acquisition of the Ground Leasehold Interests in the Property and the design and construction and installation of the County Improvements, (ii) oversee and coordinate the development of architectural plans and specifications, (iii) assist Owner in performing Owner’s obligations to fund the costs of the Property and the County Improvements, and (iv) establish Project Manager’s supervisory authority involving design and construction of the County Improvements.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein the parties hereto agree as follows:

1. Definitions.

“**Architect**” shall mean gkkworks/CannonDesign.

“**Bonds**” shall mean the tax-exempt bonds for the financing of the Project.

“**Budget**” shall mean the Total Project Cost Budget, as approved by the Owner, in connection with the acquisition and construction of the County Improvements in connection with the issuance of the Bonds.

“**Component**” shall mean each respective Component of the County Improvements.

“**County Improvements**” shall mean the improvements to be undertaken for (i) the French Valley Library Component, (ii) the Meniffee Library Component, and (iii) the Desert Hot Springs Library Component, all as more fully described on Exhibit B and summarized below:

“**Desert Hot Springs Library Component**” shall mean a portion of an approximately 13.78 acre parcel of vacant land in the City of Desert Hot Springs.

“**French Valley Library Component**” shall mean a portion of an approximately 11.33 acre parcel of vacant land in unincorporated Riverside County.

“**Meniffee Library Component**” shall mean a portion of an approximately 4.73 acre parcel of vacant land in the City of Meniffee.

“**Design-Builder**” shall mean McCarthy Building Companies, Inc.

“**Design-Build Contract**” shall mean the Standard Form of Agreement Between Owner and Design-Builder – Lump Sum, DBIA Document No. 525, dated July 24, 2019, together with all exhibits thereto, and the Standard Form of General Conditions of Contract Between Owner and Design-Builder, DBIA Document No. 535, dated July 24, 2019, as supplemented by the Supplement, dated July 24, 2019, to Standard Form of Agreement Between Owner and Design-Builder – Lump Sum, dated July 24, 2019, which shall be made and entered into as set forth in Section 6 of this Agreement.

“**Design Documents**” shall mean the plans and specifications prepared by the Architect and approved by Owner and County (to the extent required by the Ground Lease or the Facilities Lease) with respect to each Component of the County Improvements.

“**Facilities Lease**” shall mean that certain Facilities Lease Agreement between Owner and the County pursuant to which Owner leases the Leased Premises (as defined in the Facilities Lease) to the County.

“**FF&E**” or “**County FF&E**” shall mean the fixtures, furnishings and equipment for the Project to be designed, procured and installed by Design-Builder and paid for by County as provided in the Work Letter.

“**Financing Documents**” shall have the meaning ascribed to it in Section 3 of this Agreement.

“**Project**” shall mean the acquisition of the Ground Leasehold Interests in the Property, the design and construction of the County Improvements, the design, procurement and installation of the FF&E, the funding of all required reserves, and the payment of all transaction costs in connection therewith, which may be undertaken in one or more phases and each phase of which shall be separately subject to the terms of this Agreement.

“**Property**” shall mean: with respect to the French Valley Library Component, the real property legally described on Exhibit A under the heading *French Valley Library Legal Description*; with respect to the Meniffee Library Component, the real property legally described on Exhibit A under the heading *Meniffee Library Legal Description*; and with respect to the Desert Hot Springs Library Component, the real property legally described on Exhibit A under the heading *Desert Hot Springs Library Legal Description*.

“**Schedule**” shall have the meaning ascribed to it in Section 9(c) of this Agreement.

2. Delegation of Duties by Project Manager. With the prior written consent of Owner, such consent not to be unreasonably withheld, conditioned or delayed, Project Manager may employ third parties (“**Agents**”) to carry out Project Manager’s responsibilities and obligations hereunder, but despite employment of such Agents, Project Manager shall remain directly liable to Owner for performance of those responsibilities and obligations. The Architect, the Design-Builder, and any other consultants which are engaged on behalf of Owner for purposes of purchasing the Ground Leasehold Interests or constructing the County Improvements shall not be Agents.

3. Financing Documents, Non-Recourse Obligation of Owner, Limited Liability. Owner expects to negotiate or agree to enter into certain documents evidencing the Bonds that will be used to fund Owner’s acquisition of the Ground Leasehold Interests and design and construction of the County Improvements, consisting primarily of an Indenture of Trust, the Ground Lease, the Facilities Lease, a deed of trust, and several assignments of contracts (together with the other documents related thereto, the “**Financing Documents**”). Project Manager shall prepare Budget proposals in conjunction with Owner’s other consultants for approval by Owner, and Project Manager shall work with Owner and Design-Builder to establish a design and construction timetable and design and construction draw procedures under the Financing Documents.

Owner acknowledges and agrees that Project Manager is not registered as a municipal advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”), and does not hold itself out to be a municipal advisor or an advisor as to legal, tax, accounting or regulatory matters in any jurisdiction. Owner further acknowledges and agrees that Project Manager, in connection with its work on the Project and in the performance of its duties under this Agreement, (i) is not acting as a municipal advisor with respect to the Owner or any other municipal entity or obligated person within the meaning of Section 15B of the Exchange Act of 1934 (the “Act”), (ii) is not providing advice or recommendations to the Owner or any other municipal entity or obligated person regarding the structure, timing, terms or other similar matters concerning the issuance of the Bonds or any other municipal financial product within the meaning of Section 15B of the Act; and (iii) does not owe a fiduciary duty pursuant to Section 15B of the Act to the Owner or any other party.

Unless otherwise agreed to in writing by Owner, the total obligations of Owner under this Agreement shall be payable solely from and in amounts held under the Financing Documents and in accordance with the Financing Documents, in no event to exceed the Budget, and Project Manager agrees to recommend or enter into only those contracts and agreements, and to limit the expenditures and other obligations incurred with respect to completion of the County Improvements, so as to enable Owner to meet such limitation. Notwithstanding any other provision in this Agreement or any other agreement to the contrary, Project Manager acknowledges and agrees that all amounts to be paid to Project Manager by Owner pursuant to this Agreement or otherwise in connection with the acquisition of Ground Leasehold Interests in the Property and the design and construction of the County Improvements shall be payable to Project Manager solely from and to the extent of moneys available under the Financing Documents and in accordance with the requirements and terms of the Financing Documents. No recourse shall be had against the Owner, or any affiliate, member, director, officer or agent of the Owner for any amounts payable to Project Manager and Project Manager releases, waives and discharges the

Owner and any affiliate, member, director, officer or agent of the Owner from any liability or obligation to Project Manager pursuant to this Agreement, except for amounts payable to Project Manager in accordance with the Financing Documents. Owner and Project Manager agree that the moneys available under the Financing Documents shall be the only funds available to provide for all amounts to be paid to Project Manager under this Agreement, other than the costs for the County FF&E, which is provided for in the Facilities Lease between Owner and the County, pursuant to which (i) Owner will invoice the County as progress payments for the County FF&E, or (ii) Owner will access amounts already deposited by the County in accordance with the Financing Documents.

Owner and County have approved an estimated payment schedule for all FF&E costs, with an initial estimated total FF&E Budget of \$5,000,000 and consistent with Exhibit H-2 to the Facilities Lease. The final list of FF&E items and an estimated payment schedule shall be attached to the Facilities Lease as Exhibit H-4 upon completion and mutual approval of same by Owner and the County, which will set forth the final FF&E Budget. County shall deliver \$5,000,000 (or other agreed amount), plus any agreed FF&E Budget increase, to the Trustee for deposit into the FF&E Account (as defined in the Facilities Lease, to be held and administered by the Trustee pursuant to Indenture Section 3.04(c) and Exhibit C-3 thereof.

4. Owner's Representative. At Owner's option, Owner may select and directly retain an owner's representative, and if retained such person or entity (the "**Owner's Representative**") shall cooperate and coordinate with Project Manager in connection with the development of the Project. If Owner retains an Owner's Representative, Project Manager shall (i) provide the Owner's Representative with the opportunity to attend all meetings regarding the Project and (ii) use commercially reasonable and good faith efforts to assist the Owner's Representative in keeping current with respect to all aspects of the Project. If Owner retains an Owner's Representative, the Owner's Representative will be paid out of the proceeds of the Bonds.

5. Site Evaluation and Environmental Remediation. Project Manager shall work on behalf of Owner with the County for the purpose of conducting such investigations as may be reasonably necessary to determine the condition of the soils at the Property, including the assessment of any hazardous materials or other substances subject to control by governmental agencies with jurisdiction over hazardous materials at the Project, and the evaluation of ground water, ponding and drainage requirements for the Project. Project Manager shall assist Owner in the preparation and submission of any appropriate applications to governmental regulatory authorities regarding the remediation of any recognized environmental conditions, and in the implementation of any recommendations or requirements thereto. Project Manager shall also work on behalf of Owner with the Architect, Design-Builder and any applicable excavation contractor to analyze all geotechnical soils investigations and to incorporate them into the County Improvements design plans and the Design-Build Contract as amendments thereto. Notwithstanding the foregoing, Owner acknowledges and agrees that Owner is not relying on, and shall not look to, Project Manager in connection with any environmental report regarding the Project. Under no circumstances will Project Manager be liable for any hazardous materials at the Property unless Project Manager introduced such hazardous materials, or unless Project Manager had actual knowledge of such hazardous materials and itself exacerbated the condition of such hazardous materials.

6. Design-Build Contract. Project Manager shall negotiate, with the cooperation of the Owner and its legal counsel, the Design-Build Contract for the purpose of designing, constructing or installing the County Improvements and the FF&E, and the Design-Build Contract shall be executed by Owner. The Design-Build Contract with the Design-Builder shall provide for a lump sum contract amount which shall not exceed the amount provided therefor in the Budget. The contracts with any other contractors shall be negotiated by Project Manager, with the cooperation of the Owner and its legal counsel, and shall be executed by Owner. Owner acknowledges and agrees that any decision to execute the Design-Build Contract and any other contracts shall be in Owner's sole and absolute discretion and at Owner's sole risk. At the request of Owner, the contractor for any construction contract in excess of \$250,000 shall be required to provide for payment and performance bonds, naming Owner, the County and the Trustee under the Financing Documents (the "Trustee") as obligees, for 100% of the price fixed in the applicable construction contract.

7. Relationship with Contractors. Project Manager shall be responsible for the administration of the Design-Build Contract. In providing the services described in this Agreement, Project Manager shall maintain a good working relationship with the Architect, Design-Builder and all other contractors, and shall use commercially reasonable and good faith efforts to supervise the Design-Builder and all other contractors to ensure their compliance with their respective contracts. Project Manager shall be responsible for scheduling and coordinating the development of the County Improvements, and for the oversight and enforcement of the Design-Build Contract and all other contracts to provide for the completion of the County Improvements on a timely basis. The Design-Builder and each contractor will be solely responsible for construction means, methods, techniques and procedures used in the construction of the County Improvements and for the safety of its personnel, property and its operations and for performing in accordance with its respective construction contract. No provision of this Section 7 shall relieve Project Manager from liability to Owner for any failure by Project Manager to perform its obligations under this Agreement, but Project Manager shall only be liable to Owner to the extent Project Manager's failure to perform actually resulted in damages to Owner.

8. Completion of County Improvements, Standards of Service. Project Manager shall supervise and administer the work of the Design-Builder and all other contractors so as to cause the County Improvements and the FF&E to be constructed and installed on the Property in accordance with the terms of this Agreement. Project Manager covenants with Owner to furnish its services hereunder properly, in accordance with the professional standards relating to design and construction supervision, and in accordance with applicable federal, state and local laws, rules, and regulations. Project Manager shall use its best skill and judgment and cooperate with the Design-Builder and all other contractors in representing and furthering the interest of Owner. Project Manager shall use commercially reasonable and good faith efforts to cause the County Improvements to be completed in the most expeditious, timely, and economical manner consistent with the interests of Owner, and in any event by the date set forth in each respective Design-Build Contract for the design and construction of each Component of the County Improvements. Project Manager shall ensure that all contracts entered into in connection with the County Improvements are in compliance with this Agreement, the Financing Documents, the Ground Lease, the Facilities Lease and the other contracts entered into in connection with the respective Components of the

County Improvements. Project Manager shall work with Design-Builder and the Architect for the proper and efficient sequencing of all phases of the County Improvements. Project Manager shall have no authority to enter into a construction contract or to bind Owner in any respect; provided, however, Project Manager agrees that it will review all proposed contracts with Owner prior to Owner entering into such contracts and will advise Owner with respect to such contracts, however Owner acknowledges and agrees that any decision to execute such contracts shall be in Owner's sole and absolute discretion and at Owner's sole risk.

In accordance with the requirements of the Financing Documents, Owner shall deliver to Project Manager a full and complete copy of the Indenture, including all Cost Requisition Exhibits, pursuant to which Project Manager shall be responsible for reviewing, approving and submitting disbursement requests, obtaining related lien waivers, monitoring compliance with the Design-Build Contract and the Budget, and monitoring any change orders so that they can be paid from available monies held under the Financing Documents.

9. Project Development, Construction, and Related Services. Project Manager's services with respect to each Component included in the County Improvements shall include the following:

- a. Development Plan. Project Manager shall provide, and shall obtain Owner's prior approval (not to be unreasonably withheld, conditioned or delayed) to, a development plan for each Component included in the County Improvements. Project Manager may retain, at Owner's cost but subject to the limitations of the Budget, consultants to provide the initial development plan for each Component included in the County Improvements.
- b. Building/Site Design Criteria. Project Manager will supervise the Design-Builder and any respective contractor for each Component in documenting, planning and zoning, and other governmental requirements, and identify and document covenants and other property restrictions.
- c. Schedule. Project Manager shall cooperate with Design-Builder in Design-Builder's preparation and delivery to Owner a schedule for each Component included in the County Improvements and the FF&E (the "**Schedule**") identifying a timetable for completion of each Component included in the County Improvements and the FF&E for its review and approval (not to be unreasonably withheld, conditioned or delayed), including with respect to updates to the Schedule to be prepared by Design-Builder and delivered to Owner at the following times: (i) immediately following any bid letting and prior to Owner's acceptance of the contractors and (ii) upon the occurrence of any other event that would result in a material change in the Schedule; provided, however, that there shall be no changes in the Schedule without the prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned or delayed.
- d. Project Meetings. Project Manager shall attend and/or schedule and conduct regular, periodic project meetings for each Component with the Design-Builder and

any respective contractor, the County and other necessary parties, and shall be sure that pre-construction and project on-site meetings are held. Such meetings shall serve as a forum for the exchange of information concerning the County Improvements and the review of design and construction progress. Project Manager will keep Owner informed concerning matters addressed at the project meetings and the times and locations of all future meetings. Owner's representatives may attend any of such meetings.

- e. Review of Design Documents. Project Manager shall review and approve Design Documents for each Component included in the County Improvements and the FF&E, subject to Owner's right to give final approval to the Design Documents, such approval not to be unreasonably withheld, conditioned or delayed. Project Manager shall make recommendations to Owner as to constructability, cost, value engineering and proposed cost savings, sequencing, scheduling and time of construction, clarity, consistency, and coordination of documentation. Project Manager shall give the Design-Builder and any respective contractor of each Component prompt notice (confirmed in writing) of apparent defects in any of the drawings, specifications, approved submittals, samples, changes, change orders, and other design documents referred to in the Design-Build Contract or any other contract of which Project Manager obtains actual knowledge, but Project Manager shall not be responsible for detecting any such defects or for compliance of the Design Documents with applicable law or design, architectural or construction standards. Project Manager shall, however, be responsible for administering the terms and provisions of the Design Documents and the Design-Build Contract.
- f. Approvals by Regulatory Agencies. Project Manager shall identify for Owner those documents and permits that are required by regulatory agencies. Project Manager shall prepare documents required by regulatory agencies, including the governmental agencies with jurisdiction over hazardous materials, shall coordinate transmittal of documents to regulatory agencies for review, shall work with Owner and its regulatory and environmental consultants to identify potential problems in completion of such reviews, and shall be responsible for obtaining such documents and permits from amounts available in the Budget. Owner shall cooperate as necessary with Project Manager in obtaining documents and permits.
- g. Construction and Design Contracts. Project Manager shall work with the attorneys for Owner, Design-Builder and Architect to prepare, assemble, deliver, and execute or submit to Owner for execution of the Design-Build Contract and all of the Design Documents, including all documents related to the FF&E. Project Manager shall have no authority to enter into contracts on behalf of Owner.
- h. Permits, Bonds, and Insurance. Project Manager shall, from amounts available in the Budget, assist the Design-Builder and any other contractors in obtaining all building permits and special permits, and Owner shall cooperate as necessary with Project Manager in obtaining documents and permits. Project Manager shall verify that the required permits, bonds, and insurance have been obtained and shall obtain

certificates of insurance from each contractor and forward them to Owner and any other parties required pursuant to the Financing Documents. Such action by Project Manager shall not relieve Design-Builder and each contractor of its responsibility to comply with the provisions of the Design-Build Contract and any other contracts. Project Manager shall work with Owner and its risk management and insurance consultants regarding the types and amounts of insurance coverage that Owner should maintain during the period of construction, or as may be required under the Financing Documents.

- i. Construction Administration Procedures. Project Manager shall establish and implement procedures for each Component for coordination among Owner, the Architect, the Design-Builder any other contractors, the County, consultants and Project Manager with respect to each Component of the County Improvements and the FF&E; reviewing and processing requests for clarifications and interpretations of the Design Documents; contract schedule adjustments; change order proposals; written proposals for substitutions; and payment applications. Project Manager shall furnish to Owner copies of the Design-Build Contract, any other contracts and all written notices and communications sent by or received by Project Manager to or from the Architect, the Design-Builder, any other contractors, or any subcontractor, materialman, supplier, vendor, or governmental agency or authority, which relate to the design aspects of for each Component of the County Improvements and the FF&E, including, but not limited to, all amendments to the Design Documents, the Design-Build Contract, drawings, specifications, approved submittals, and change orders. Once Owner has approved the Design Documents, upon the request of the County, it may still require changes therein during the course of construction, and the resulting changes shall be required in the Design-Build Contract; provided, however, that the County will be responsible for any extra costs associated therewith, only if approved in advance, in writing by the County, to the extent that the final, total costs of completing the County Improvements and the FF&E, when added to such extra costs, exceed the Budget.
- j. Coordination of Other Independent Consultants. Project Manager, at Owner's cost, but subject to the limitations of the Budget, shall select and retain professional services of surveyors, engineers, testing laboratories, attorneys, accountants, title companies, and special consultants, and supervise and coordinate such services which are required to complete acquisition of the Ground Leasehold Interests in the Property and design and construction of the County Improvements on a timely basis in accordance with government regulations, the Design Documents, and the Financing Documents. Such costs, if approved in writing in advance by Owner (such approval not to be unreasonably withheld, conditioned or delayed), shall be paid or reimbursed in accordance with the Budget.
- k. Minor Variations in the Work. Project Manager may, subject to receipt of all County approvals (if any) required under the Ground Lease and the Facilities Lease, authorize variations in the work for each Component from the requirements of the Design Documents that do not involve an increase in the Budget to such an extent

that all costs for such Component of the County Improvements under this Agreement, and the Design-Build Contract would not exceed the Budget or the contract time, and which are consistent with the overall intent of the contract documents, and which do not affect the structural integrity or the design criteria for each Component of the County Improvements. Project Manager shall provide to Owner copies of such authorizations. If the proposed minor variation in the work affects the aesthetics of the County Improvements, then Project Manager shall not authorize the variation without first obtaining the permission of County and the consent of the Owner (not to be unreasonably withheld, conditioned or delayed), which can be granted only in writing.

- l. Quality and Conformance Review. Project Manager shall review with Architect the work of the Design-Builder and each respective contractor (and all subcontractors) for defects or deficiencies, and for conformance with the Design Documents and all pertinent government requirements. The Architect shall be responsible for rejecting work and transmitting to the Project Manager and Owner a notice of non-conforming work when it is the opinion of the Architect that the work does not conform with the Design-Build Contract, the Design Documents, or pertinent government requirements. Project Manager will promptly notify Owner of any non-conforming work, and deficiencies in the work or any rejection of the work which is brought to the attention of the Project Manager by the Architect or otherwise discovered by the Project Manager. Owner, County, or their representatives, shall at all times be free to inspect work on the County Improvements.
- m. Substantial Completion. The Owner's Representative, Architect and Project Manager shall determine when each Component of the County Improvements and the Design-Builder's work is substantially complete and shall, prior to issuing a certificate of substantial completion, prepare a punch list of incomplete work or work which does not conform to the Design-Build Contract and the Design Documents. This punch list shall be attached to the certificate of substantial completion.
- n. Final Completion. Upon issuance of a certificate of occupancy (or jurisdictional equivalent) issued by the appropriate governmental entity, the Owner's Representative, Architect and the Project Manager shall determine that each Component of the County Improvements and the Design-Builder's work is finally completed, shall issue a certificate of final completion, and shall provide to Owner a written recommendation regarding final payment to the Design-Builder.
- o. Draw Requests. Pursuant to and in accordance with the requirements of Section 3.04 of the Indenture, Owner's Representative and Project Manager shall develop a proposed procedure for the review, approval, processing, and payment of draw requests by the Design-Builder for the County Improvements and the FF&E, all of which shall be in accordance with the terms and provisions of the Design-Build Contract and the Financing Documents. Draw requests will be prepared and

submitted by Project Manager in accordance with the requirements of Section 3.04 of the Indenture and the other Financing Documents to encompass all payments owed to the Design-Builder and any other contractor. As part of such draw request procedure, Project Manager shall supply or cause to be supplied a complete and accurate sworn construction statement, identifying all parties providing labor or materials for completion of each Component of the County Improvements and the FF&E. All draw requests shall be subject to a five percent (5%) holdback or retainage percentage, or such other amount as agreed to between Owner and Design-Builder, and approved by the County, to be paid upon completion of the work under the Design-Build Contract or any other contract. The Architect and Project Manager shall review the payment applications submitted by the Design-Builder and any other contractor and determine whether the amount requested reflects the progress of the Design-Builder's and contractor's work in each payment application and shall prepare and forward to the Trustee, and the disbursing agent named in the Financing Documents, if any, a report with respect to all draws. The report shall be approved by the Project Manager and shall state the total contract price, payments to date, current payment requested, retainage and actual amounts owed for the current period. Project Manager shall assure that the Design-Builder and any other contractor obtains all necessary lien waivers from subcontractors, and Project Manager shall obtain appropriate lien waivers from such Design-Builder and any other contractor. Project Manager shall assure that such lien waivers are in proper form and shall provide them to Owner, the Trustee, and the disbursing agent, if any, at the time of requests for payment for appropriate work. Unless waived by Owner, no draw request shall be paid if (i) an event or condition is alleged by Owner to have occurred which, either immediately or with the passage of time, would constitute a Project Manager Default or would otherwise allow Owner to terminate this Agreement or (ii) subsequent to the payment of such draw request, there would not be a total amount remaining in the Budget sufficient to pay all remaining costs necessary to complete the County Improvements.

- p. Post Completion Defects. Project Manager will enforce the provisions in the Design-Build Contract and any other contract requiring that the Design-Builder or the contractor under any such other contract will correct, or cause to be corrected, any defects due to faulty materials or workmanship in the County Improvements which are communicated to Project Manager by Owner within one (1) year of the issuance of the certificate of final completion under Section 9(n).
- q. Compliance with Financing Documents Requirements. Notwithstanding anything to the contrary contained herein, Project Manager shall be responsible for compliance with all requirements related to the design and construction of the County Improvements and the design, procurement and installation of the FF&E imposed by the Financing Documents. Project Manager acknowledges that it has received copies of each of the Financing Documents and has reviewed and approved the requirements contained therein related to the design and construction of the County Improvements and the design, procurement and installation of the FF&E.

10. Enforcement of Guarantees and Warranties. Upon request by Owner, Project Manager shall cooperate and assist the Owner in enforcing the guarantees and warranties, assigned to Owner, of the manufacturers and suppliers of the fixtures and equipment installed in each Component of the County Improvements and the FF&E and the Design-Builder, contractors, subcontractors and materialmen hired in connection with the design and construction of such Component of the County Improvements and the FF&E. If any of those guarantees or warranties shall be expressly non-assignable, then they shall not be assigned, but Project Manager shall work with Design-Builder to enforce the same on behalf of Owner. Owner shall indemnify, defend and hold Project Manager harmless from any liability for Owner's performance under contracts giving rise to the guarantees and warranties.

11. Completion by Owner or Trustee. Upon (a) the death or more than thirty (30) days total disability of the President of Project Manager or (b) Project Manager's failure to complete the performance of any of its obligations under this Agreement within thirty (30) days after the event triggering Project Manager's obligations, other than for reasons beyond Project Manager's control (provided that if more than 30 days are reasonably required to cure such failure then Project Manager shall have such additional time as is reasonably necessary to effect such cure so long as it commences to cure within such 30-day period and thereafter diligently prosecutes such cure to completion), then Owner, or the Trustee as Owner's assignee, may, at its sole option and without any obligation so to do, employ Owner's Representative and other contractors, subcontractors and materialmen to perform those obligations, and may pay for their services from all funds remaining in the Development Fee Account of the Project Fund in accordance with Section 3.04 of the Indenture. Notwithstanding the foregoing, if in the event of subparagraph (a) Project Manager has engaged sufficiently qualified personnel to take over the functions of Project Manager, reasonably acceptable to Owner and Trustee, then so long as Project Manager continues to satisfy its obligations under this Agreement, Owner or the Trustee shall have no right to take over management of the Project.

12. Emergency Improvements. Notwithstanding any other provisions of this Agreement to the contrary, Project Manager shall be authorized to immediately undertake emergency improvements and complete same as soon as commercially reasonable thereafter. Project Manager shall give Owner prompt notice of any such emergency improvements, and shall provide an accounting of the costs thereof as soon as such work has been completed.

13. Appearance Before Governmental Bodies. Project Manager shall, at the request of Owner, but at no cost or expense to Project Manager, appear before or meet with governmental bodies, citizen groups, and lessee organizations with respect to the County Improvements.

14. Compensation. Project Manager shall receive compensation for its services hereunder in the amounts set forth in Exhibit C attached hereto.

15. Term. The term of this Agreement shall commence as of the date of this Agreement and, unless earlier terminated as hereinafter provided, shall terminate on the date that is twelve (12) months following the issuance of the certificate of final completion under Section 9.n.

Thereafter, this Agreement may be extended upon the mutual agreement of Owner and Project Manager.

16. Default by Project Manager. The occurrence of any one of the following events or occurrences shall constitute a default by Project Manager of its obligations hereunder (“**Project Manager Default**”): (a) upon the dissolution of Project Manager; and/or (b) the filing of a voluntary petition of bankruptcy by Project Manager (or the filing of an involuntary bankruptcy petition which is not discharged within 90 days of filing); and/or (c) upon conviction or a guilty plea by Project Manager or one of its agents to a felony charge involving fraud or other criminal conduct; and/or (d) unless waived by Owner, Owner’s commercially reasonable and good faith determination that, based on amounts previously disbursed, there is not a sufficient amount remaining in the Budget (after provision for reserves, fees, expenses and other deposits required by the Trustee), to pay the remaining costs necessary to complete the County Improvements; and/or (e) Project Manager abandons the County Improvements or ceases work on the County Improvements for a period of more than 30 days; and/or (f) any other default by Project Manager under this Agreement that is not cured within 30 days of written notice thereof from Owner, provided that if more than 30 days would be required to cure such failure then Project Manager shall have such additional time as is reasonably necessary or required to cure so long as Project Manager commences to cure within such 30-day period and thereafter diligently prosecutes such cure to completion.

17. Remedies.

- a. Remedies Available to Owner. In the event of a Project Manager Default, Owner may terminate this Agreement, and in addition to or in lieu of termination, (i) Project Manager shall not be entitled to any further compensation pursuant to this Agreement, except for compensation paid pursuant to draw requests previously funded as well as compensation for work completed up to the termination date of this Agreement; (ii) Owner and/or the Trustee may exercise its rights under the collateral assignments of this Agreement or the Design-Build Contract and/or use all undisbursed amounts remaining in the Budget to complete the County Improvements; and/or (iii) Owner may exercise any other remedies available to it under law or equity. All of such rights and remedies shall be cumulative, and exercise of any one remedy shall not prevent Owner from exercising other remedies.
- b. Termination by Project Manager. In the event that Owner defaults in its obligations under this Agreement, and such default is not cured within 5 days of written notice thereof from Project Manager with respect to a monetary default, or 30 days of written notice thereof from Project Manager with respect to a non-monetary default, then Project Manager, at its option, may terminate this Agreement. Upon such termination, Project Manager shall be entitled to a termination payment equal to an equitable amount based on Project Manager’s work on the Project and provable lost opportunity costs. All of such rights and remedies shall be cumulative, and exercise of any one remedy shall not prevent Project Manager from

exercising other remedies, whether at law or in equity, including without limitation damages or equitable relief.

- c. Termination. Termination of this Agreement by either party shall not relieve the parties of their respective obligations arising prior to the date of termination nor shall such termination relieve the defaulting party for damages to the non-defaulting party arising out of such non-performance, or preclude any other remedies provided for herein or at law or in equity.

18. Notices. All notices, demands and other communications hereunder shall be in writing and shall be personally delivered; sent by United States certified mail, return receipt requested, postage prepaid; sent by a generally recognized overnight courier regularly providing proof of delivery; or sent by facsimile transmission followed by a hard copy sent by mail or delivered by courier pursuant to this Section 18, addressed as follows (subject to the right of any party to designate a different address for its receipt of notices hereunder by notice duly given):

a. If to Owner: CFP Riverside, LLC
18336 Minnetonka Boulevard, Suite C
Deephaven, Minnesota 55391
Attn: President

With a copy to: Best & Flanagan LLP
60 South Sixth Street, Suite 2700
Minneapolis, Minnesota 55402
Attn: Daniel R. Nelson

b. If to Project Manager: Omni West Group, Inc.
3943 Irvine Blvd. 607
Irvine, CA 92602
Attn: Kip P. Dubbs

With a copy to: Sklar Kirsh LLP
1880 Century Park East, Suite 300
Los Angeles, California 90067
Attn: Matthew P. Seeberger

Any requests for approvals or consents given by Project Manager to Owner at the address provided above shall be responded to within 15 days of receipt thereof. Any notice so given shall be deemed to have been given and received as of the first to occur of (i) actual delivery, even if delivery is refused, or (ii) if sent by overnight courier, on the first business day (a day other than a Saturday, Sunday, or other nationally recognized holiday) after being delivered to such courier; or (iii) if by facsimile, when received, provided receipt of the transmission is confirmed by the transmitting machine no later than 5 p.m. the recipient's time on a business day.

19. Arbitration. In the event of any claim, cause of action, right to relief, or dispute between Owner and Project Manager which relates to or arises out of this Agreement, including

without limitation intended, the meaning or application of any provision of this Agreement or the performance of any obligation under this Agreement, the sole and exclusive remedy shall be arbitration conducted in the County in which the County Improvements are located in accordance with the then existing construction industry arbitration rules (the Arbitration Rules) of the American Arbitration Association. The arbitrator(s) shall be selected in accordance with the Arbitration Rules. The award of the arbitrator shall be specifically enforceable as a judgment in any court of competent jurisdiction.

20. Attorneys' Fees and Disbursements. In the event that any party shall engage an attorney in connection with any action or proceeding (including without limitation intended, any arbitration proceeding) to enforce or construe this Agreement, the prevailing party in such action or proceeding shall be entitled to recover its reasonable attorneys' fees and disbursements. In the event different parties are the prevailing parties on different issues, the attorneys' fees and disbursements shall be apportioned in proportion to the value of the issues decided for and against the parties. This Section 20 shall also apply to any appeals or actions to enforce a judgment.

21. Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto pertaining to the subject matter hereof and supersedes all negotiations, preliminary agreements and prior or contemporaneous discussions and understandings of the parties.

22. No Waiver; Modification in Writing. No failure to exercise, or delay on the part of any party in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. The rights, powers and remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to any party at law or in equity or otherwise. No amendment, modification, supplement, termination, or waiver of or to any provision of this Agreement, nor consent to any departure therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the party to be charged with the enforcement thereof.

23. Severability. In the event any provision of this Agreement is held invalid, illegal, or unenforceable, in whole or in part, the remaining provisions of this Agreement shall not be affected thereby and shall continue to be valid and enforceable. In the event any provision of this Agreement is held to be unenforceable as written, then such provision shall be deemed to be amended to such extent as shall be necessary for such provision to be enforceable and it shall be enforced to that extent.

24. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California but without regard to provisions thereof relating to conflicts of laws or choice of law. Venue and jurisdiction shall be in the courts of Riverside County, California.

25. Relationship. Nothing contained in this Agreement and no action taken by the parties pursuant hereto shall be deemed to constitute the parties a partnership, an association, a joint venture, or other entity.

26. Binding Effect on Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, legal representatives, and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto (and their respective heirs, successors, legal representatives, and permitted assigns) any rights, remedies, liabilities, or obligations under or by reason of this Agreement.

27. Intended Third-Party Beneficiary. The County is an express intended third-party beneficiary of Project Manager's obligations under this Agreement, provided that in the exercise of its rights as a third-party beneficiary the County shall not have greater rights against Project Manager than Owner has under this Agreement. Notwithstanding the foregoing, under no circumstances shall County have any liability or responsibility for any compensation, attorney's fees or other amounts payable to Project Manager hereunder.

*{remainder of page intentionally blank;
signatures on next page}*

IN WITNESS WHEREOF, Owner and Project Manager have executed this Agreement as of the day and year first set forth above.

Project Manager:

OMNI WEST GROUP, INC.,
a California corporation

By: _____
Its: _____

Owner:

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

By: _____
Its: _____

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EXHIBIT A

Legal Description of the Property

French Valley Library Legal Description

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

Menifee Library Legal Description

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

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

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

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

Assessor's Parcel No: 364-152-034

Desert Hot Springs Library Legal Description

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

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

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

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

Assessor's Parcel Number: 656-040-060-1

EXHIBIT B

County Improvements

[See the definition of Library Improvements, as set forth in the Facilities Lease Agreement.]

EXHIBIT C

Project Manager Compensation

Management Fees. In consideration of the performance of Manager's obligations hereunder, and with respect to each payment so long as Manager is not otherwise in Project Manager Default under this Agreement, Owner shall pay management fees to Manager ("Management Fees") at the times and in the amounts set forth in this Exhibit C. The Project Manager Closing Fee is a fixed Management Fee amount due at the time set forth below. The Project Manager Fee shall not be less than the fixed aggregate amount specified below regardless of any cost savings in the total project costs, which includes all soft costs, soft costs contingencies, the Design-Build Contract hard costs contingency and financing costs, including unused monies not drawn from Owner's hard costs contingency or soft cost contingency line items, and regardless of whether the actual time period is more or less months than described below or is extended beyond the number of months described below. The Project Manager Overhead Fee shall not be less than the fixed aggregate amount specified below regardless of whether the actual time period is more or less months than described below or is extended beyond the number of months described below. The FF&E Project Manager Fee and the FF&E Project Manager Overhead Fee may be less than or more than the amounts specified below if the County FF&E change order to the Design-Build Contract or a separate Design-Build Contract is less than or more than, as applicable, the estimated \$4,673,000.00 for FF&E, however such adjusted amount shall not be altered regardless of whether the actual time period is fewer months than described below or is extended beyond the number of months described below, and if the actual time period is fewer months than described below or is extended beyond the number of months described below. Notwithstanding the number of months set forth below for each Management Fee to be paid out, if the certificate of final completion under Section 9(n) is issued prior to the expiration of the full number of months described below, the remainder of such Management Fee shall be due promptly following issuance of such certificate of final completion.

Project Manager Closing Fee. As consideration for Manager's services in connection with the negotiation of the Ground Lease and Facilities Lease, Owner agrees to pay to Manager a fee of \$900,000.00 conditioned upon full execution of the Ground Lease and Facilities Lease of the Project ("Project Manager Closing Fee"), which shall be paid out of the "Project Development Costs Account" under the Indenture. The Project Manager Closing Fee shall be payable upon the later to occur of (a) execution of the Ground Lease and the Facilities Lease and (b) the issuance of the Bonds.

PROJECT MANAGER CLOSING FEE SUBTOTAL: \$900,000.00

Project Manager Fee. Commencing on the later of September 1, 2019 or the issuance of the Bonds and on the first business day of each month thereafter during the Entitlement, Contract Drawings, Pre-Construction and Construction of the Project for a period of seventeen (17) consecutive calendar months (for a total of 18 payments), Owner shall pay to Manager, for services rendered during and in connection with the Entitlement, Contract Drawings, Pre-Construction and Construction of the Project, a fee in the amounts set forth on Exhibit C-1 to this Agreement (with the first payment being payment number 1 on such Exhibit C-1) (for a fixed aggregate amount of \$1,381,604.00) ("Project Manager Fee"), which shall be paid out of the "Project Development Fee Account" under the Indenture.

PROJECT MANAGER FEE SUBTOTAL: \$1,381,604.00

Project Manager Overhead Fee. Commencing on the later of September 1, 2019 or the issuance of the Bonds and on the first business day of each month thereafter during the Entitlement, Contract Drawings,

Pre-Construction and Construction of the Project for a period of seventeen (17) consecutive calendar months (for a total of 18 payments), Owner shall pay to Manager, for services rendered during and in connection with the Entitlement, Contract Drawings, Pre-Construction and Construction of the Project, a fee in the amount of \$23,333.33 per month (for a fixed aggregate amount of \$420,000.00) (the "Project Manager Overhead Fee"), which shall be paid out of the "Project Development Fee Account" under the Indenture. The Project Manager Overhead Fee shall not be subject to the percentages in Exhibit C-1.

TOTAL PROJECT MANAGER OVERHEAD FEE SUBTOTAL: \$420,000.00

FF&E Project Manager Fee. Commencing on the later of September 1, 2019 or the issuance of the Bonds, and on the first business day of each month thereafter during the Entitlement, Contract Drawings, Pre-Construction and Construction of the Project for a period of seventeen (17) consecutive calendar months (for a total of 18 equal payments), Owner shall pay to Manager, for services rendered under this Agreement in connection with the County FF&E for the Project, a fee in the amounts set forth in Section 3.04(c) of the Indenture (for an aggregate amount of \$233,650.00) (the "FF&E Project Manager Fee"), which shall be paid out of the "Furniture, Fixtures and Equipment Account" under the Indenture. Such FF&E Project Manager Fee shall be equal to five (5%) percent of the estimated \$4,673,000.00 County FF&E change order to the Design-Build Contract or a separate Design-Build Contract for the estimated \$4,673,000.00 for the County FF&E if Owner elects to enter into such separate Design-Build Contract. In the event the change order to the Design-Build Contract or separate Design-Build Contract for the County FF&E is more or less than the estimated \$4,673,000.00 for the County FF&E, the FF&E Project Manager Fee amount shall be adjusted accordingly such that such fee is five percent (5%) of the County FF&E following the effectiveness of the change order.

FF&E PROJECT MANAGER FEE SUBTOTAL: \$233,650.00

FF&E Project Manager Overhead Fee. Commencing on the later of September 1, 2019 or the issuance of the Bonds, and on the first business day of each month thereafter during the Entitlement, Contract Drawings, Pre-Construction and Construction of the Project for a period of seventeen (17) consecutive calendar months (for a total of 18 equal payments), Owner shall pay to Manager, for services rendered under this Agreement in connection with the County FF&E for the Project, a fee in the amount of \$2,596.11 per month (for an aggregate amount of \$46,730.00) (the "FF&E Project Manager Overhead Fee"), which shall be paid out of the "Furniture, Fixtures and Equipment Account" under the Indenture. Such FF&E Project Manager Overhead Fee shall be equal to one percent (1%) of the estimated \$4,673,000.00 County FF&E change order to the Design-Build Contract or a separate Design-Build Contract for the estimated \$4,673,000.00 for the County FF&E if Owner elects to enter into such separate Design-Build Contract Design-Build Contract. In the event the change order to the Design-Build Contract or separate Design-Build Contract for the County FF&E is more or less than the estimated \$4,673,000.00 for the County FF&E, the FF&E Project Manager Overhead Fee amount shall be adjusted accordingly such that such overhead fee is one percent (1%) of the County FF&E change order. The FF&E Project Manager Overhead Fee shall not be subject to the percentages in Exhibit C-1.

FF&E PROJECT MANAGER OVERHEAD FEE SUBTOTAL: \$46,730.00

MANAGEMENT FEES TOTAL: \$2,981,984.00

Exhibit C-1

Disbursement Schedule

Funds for the Management Fees noted below shall be disbursed monthly from the revenues from the Bonds in accordance with the following percentages and amounts:

<u>Month</u>	<u>Percentage</u>	<u>Project Manager Fee</u>
1	3.00%	\$41,448.12
2	4.00%	\$55,264.16
3	3.00%	\$41,448.12
4	5.00%	\$69,080.20
5	2.64%	\$36,474.36
6	1.64%	\$22,658.31
7	2.72%	\$37,579.63
8	3.00%	\$41,448.12
9	10.00%	\$138,160.40
10	5.00%	\$69,080.20
11	5.00%	\$69,080.20
12	8.98%	\$124,068.04
13	7.61%	\$105,140.06
14	8.98%	\$124,068.04
15	12.61%	\$174,220.26
16	5.00%	\$69,080.20
17	6.71%	\$92,705.63
18	5.11%	\$70,599.95
	100.00%	\$1,381,604.00

The FF&E Project Manager Fee shall be paid in eighteen (18) substantially equal payments, pursuant to Section 3.04(c) of the Indenture. In the event the change order to the Design-Build Contract or separate Design-Build Contract for the County FF&E is more or less than the estimated \$4,673,000.00 for the County FF&E, FF&E Project Manager Fee will be adjusted accordingly such that such fee is five percent (5%) of the County FF&E following the effectiveness of the change order.

EXHIBIT J

PROPERTY MANAGEMENT AGREEMENT

[To be attached before signing]

MANAGEMENT AGREEMENT FOR REAL PROPERTY

This MANAGEMENT AGREEMENT FOR REAL PROPERTY is made this 1st day of August 2019 by and between CFP Riverside, LLC, a Minnesota non-profit limited liability company (the “Owner”), and Omni West Group, Inc., a California corporation dba ‘Omni West Real Estate’ (the “Manager”).

RECITALS

WHEREAS, the Owner is the ground lease lessee of three real properties situated in the unincorporated area of French Valley and the Cities of Desert Hot Springs and Menifee, County of Riverside, State of California, and is the owner of those certain public library properties which (following design and construction thereof) are expected to be known as County of Riverside French Valley Public Library, County of Riverside Desert Hot Springs Public Library, and County of Riverside Menifee Public Library situated thereon (said ground lease interests and any other improvements now or hereafter located thereon hereinafter collectively referred to as the “Project”); and

WHEREAS, the Project is being financed through the issuance by the California Enterprise Development Authority (the “Issuer”) of its \$42,115,000.00 California Enterprise Development Authority Lease Revenue Bonds (Riverside County Library Facilities Project), Series 2019 (the “Bonds”) which are being issued pursuant to the terms of an Indenture of Trust dated as of August 1, 2019 (the “Indenture”) by and between the Issuer, Owner and U.S. Bank National Association, as trustee (the “Trustee”) (capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture); and

WHEREAS, the Project is being leased by the Owner to the County of Riverside, California (the “County”) pursuant to the terms of a Facilities Lease Agreement, dated as of August 1, 2019 (the “Lease”), which is being assigned to the Trustee pursuant to an Assignment of Lease, dated as of August 1, 2019 (the “Assignment of Lease”) from the Owner to the Trustee; and

WHEREAS, the Owner wishes to retain the services of the Manager as property manager of the Project with responsibilities for managing, operating, maintaining and servicing the Project and for the performance on behalf of the Owner of all obligations of the Owner including the obligations listed below:

- (i) as landlord under the Lease and all present and future leases of space of the Project (excluding any permitted subleases),
- (ii) otherwise as Owner of the Project at direction of Owner,

(all of the aforesaid Indenture, Lease, Assignment of Lease and any other leases together with all amendments and modifications now or hereafter made thereto hereinafter collectively called the “Basic Documents”), and

WHEREAS, the Manager is willing to perform such services with regard to the management, operation, maintenance and servicing of the Project and the obligations of the Owner under the Basic Documents relating thereto, and

NOW THEREFORE, in consideration of the foregoing and of the full and faithful performance by the Manager of all the terms, conditions and obligations imposed upon the Manager hereunder, the parties hereto agree as follows:

1. Appointment of Manager: The Owner hereby appoints the Manager as property manager of the Project with the responsibilities and upon the terms and conditions set forth herein, and the Manager by its execution hereof does hereby accept such appointment.
2. Management Services of Manager:
 - 2.1. Orientation. The Manager hereby acknowledges receipt of certain books and records with respect to the operation of the Project, personal property on the Project belonging to the Owner, all service contracts relating to the maintenance and operation of the Project and the Lease. The Manager acknowledges that it is or will become fully familiar with all matters relating to the operation of the Project, including the layout, construction, location, character and operation of lighting, heating, plumbing and ventilation systems and all other mechanical equipment.
 - 2.2. Management of the Project. The Manager shall devote commercially reasonable, good faith and diligent efforts consonant with professional management to serving the Owner as manager of the Project, and shall perform its duties hereunder in a diligent, careful and vigilant manner so as to manage, operate, maintain and service the Project. The services of the Manager hereunder are to be of a scope and quality not less than those generally performed by a professional manager of other similar properties. The Manager shall make available to the Owner and the County the full benefit of the judgment, experience and advice of the members of the Manager's organization and staff and will perform such services as may be reasonably required by the Owner and the County in operating, maintaining and servicing the Project. The Manager shall act in a fiduciary capacity with respect to the management of the Project including proper projection of and accounting for Owner's assets. Owner acknowledges that Manager will not be devoting all of its time and resources to the Project and agrees that Manager has the right to perform other work, subject to its obligations under this Agreement.
 - 2.3. Use and Maintenance of the Project. The Manager agrees not to permit knowingly the use of the Project for any purpose which does not conform to the requirements of the Basic Documents or which might void or increase

the cost of any policy of insurance held by the Owner or which might render any loss insured thereunder uncollectible, or which would be in violation of any governmental restriction. The Manager shall use commercially reasonable, good faith and diligent efforts to secure full compliance by the County with the terms of the Lease. The Manager shall be expected to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.

2.4. Specific Duties of Manager. Without limiting the duties and obligations of the Manager under any other provisions of this Agreement, the Manager shall have the following duties and perform the following services:

A. Monies Collected. Pursuant to the Lease and the Assignment of Lease, all Base Rent and Additional Rent paid by the County have been assigned to the Trustee and shall be paid to and received by the Trustee for deposit in the Revenue Fund and applied from the Revenue Fund as set forth in Section 5.01 of the Indenture. Manager shall collect and receive from the Trustee all portions of Base Rent paid by the County and intended to be used for Operating Expenses (as defined in the Lease), and all Additional Rent and other sums paid by the County and intended to be used for Capital Expenses (as defined in the Lease), and remitted to the Manager pursuant to Section 5.06 of the Indenture. All Operating Expenses, Capital Expenses and other monies collected by the Manager shall be forthwith deposited in separate accounts (at least one for Operating Expenses and one for Capital Expenses) established by the Manager in the Project's name for such purposes, having such signatories as shall be designated by the Manager and approved by the Owner. Funds in such account or accounts shall not be commingled with any funds of the Manager or funds from other projects managed by the Manager.

B. Obligations Under Basic Documents. Duly and punctually perform and comply with all of the obligations, terms and conditions required to be performed or complied with by the Owner under the Basic Documents relating to management, operation, maintenance and servicing of the Project, including without limitation the timely payment of all sums required to be paid thereunder, to the extent of funds of the Owner are available for payment, all to the end that the Owner's interest in the Project and its interests as landlord under the Lease shall be preserved and no default chargeable to the Owner shall occur under the Basic Documents. Manager shall duly and punctually perform and comply with the provisions of Section 5.07 of the Indenture with respect to the application of the Operating Contingency Fund. After disbursement of all funds specific herein or in any other provision of this Agreement or the Basic Documents,

any balance remaining at the time each quarterly report is forwarded to the Owner (as described in the second subparagraph in the Section entitled, "Accounting, Records, Reports" hereunder) during the term of this Agreement shall be disbursed or transferred to the Owner or to such other person as directed from time to time by the Owner.

- C. Repairs and Maintenance. Make all repairs and perform all maintenance on the buildings, appurtenances and grounds of the Project, including without limitation all capital improvements and replacements, as required to be made by the Owner or the County under the Basic Documents and in accordance with standards acceptable to the Owner and the County, however Manager shall not be required to make advances from its own funds.

- D. Equipment and Supplies. Except to the extent required to be performed by the County, make all arrangements for the furnishing to the Project of utility, maintenance and other services and for the acquisition of equipment and supplies as necessary for the management, operation, maintenance and servicing of the Project as required of the Owner under the Basic Documents, however Manager shall not be required to make advances from its own funds.

- E. Insurance Coverage. Pursuant to the Lease, the County shall cause to be placed and kept in force all forms of insurance required by the Lease for adequate protection, including but not limited to public liability insurance, fire and extended coverage insurance, burglary and theft insurance. The Owner shall cause the County to provide the Manager with a duplicate copy of any such original policies. The Manager shall obtain insurance certificates annually from the County for all insurance coverages required under the Lease, and review the certificates for compliance with the Lease terms. The Manager and Owner shall be named as "additionally insured" on each County policy. The Manager shall promptly investigate and make full timely written report to the County, the Owner and insurance company, if any, as to all accidents, claims or damage relating to the ownership, operation and maintenance of the Project, any damage or destruction to the Project and the estimated cost of repair thereof, and shall prepare any and all reports required by the County, the Owner and insurance company in connection therewith. The Manager shall have no right to settle, compromise or otherwise dispose of any claims, demands or liabilities, whether or not covered by insurance, without the prior written consent of the County. The County and (if any) Owner's insurance policies shall be primary, with any insurance policies to be carried by Manager to be secondary and non-contributing with the County and (if any) Owner's policies.

- F. Personnel. Employ such personnel and employees of the Manager and not of the Owner or the County, as may be necessary in order for the Manager to perform its obligations hereunder. Such employment shall be at the expense of the Manager, subject to reimbursement as provided and limited in the subsection entitled “Expenditure Authorization and Reimbursement.”
- G. Other Services. Perform all other services which are normally performed in connection with the operation of similar properties. Should the County or the Owner authorize the establishment of any additional services to the County, Manager shall provide said services in addition to the above and (to the extent the County is required to pay additionally under the Lease) a separate charge for such “Additional Services” shall be made to the County. All such Additional Services shall be provided by the Manager directly to the County, and all such separate charges shall be retained for the account of the County or the Owner, as applicable. All costs and expenses incurred in connection with furnishing such Additional Services, including service fees to Manager, shall be paid by the Manager on behalf of the County or the Owner and any net profit shall accrue to and any net loss be for the account of the County or the Owner. All amounts received from Additional Services rendered in connection with this paragraph shall be included in Gross Rental Receipts for purposes of the calculation of the Management Fee in accordance with Section 4.
- H. Extraordinary Services. If County or Owner requests in writing that Manager undertake to perform services or work other than such services and work as are to be performed by Manager pursuant to this Agreement, then County (if County is required to pay for such services under the Lease) or Owner and Manager shall agree on the compensation to be provided to Manager by County (if applicable) or Owner for the performance of such services prior to Manager’s performance of the same, which compensation shall not exceed competitive market rates for the services to be provided (and Manager shall deliver estimates of the cost of such performance and otherwise reasonably cooperate with County or Owner in attempting to reach agreement on such compensation).
- I. Compliance with Laws. Take such action as may be necessary to comply with any and all orders or requirements affecting the Project by a federal, state, county or municipal authority having jurisdiction thereover. Manager shall comply with all laws related to the employment by the Manager of its employees, however Manager shall not be required to make advances from its own funds.

- J. Notice. All notices from any mortgagee, ground lease landlord or other party to any of the Basic Documents given pursuant thereto or pertaining thereto and all notices from any governmental or official entity shall be forthwith delivered to the Owner, the Trustee and the County by the Manager.
- K. Cooperation. Should any claims, demands, suits or other legal proceedings be made or instituted by any third party against Owner which arise out of any matters relating to the Project or this Agreement or the Manager's performance hereunder, the Manager shall give the Owner all pertinent information and reasonable assistance (at no cost or expense to Manager) in the defense or other disposition thereof. Manager shall not be authorized to accept service of process on behalf of Owner.

3. Approval of Contracts:

- 3.1. Service Contracts. Manager is authorized to make and enter into for the account of Owner all such contracts and equipment leases as are required in the ordinary course of business for the operation, maintenance, and service of the Project and to pay the same when due; provided, however, Manager shall be required to obtain the prior written consent of Owner before entering into any contract or equipment lease in which the total amount payable exceeds Twenty Thousand Dollars (\$20,000.00) per real property of the Project, unless such contract or lease is made under circumstances which shall be reasonably considered to constitute an emergency (in which event it shall be subject to the limitation on emergency expenditures set forth in Section 3.2 below.)
- 3.2. Emergency Purchases and Repairs. Provided that Manager shall not make any purchase or order any work costing more than the limit on the amount authorized for non-emergency purchases and repairs set forth in Section 3.3 below without Owner's prior written consent, except in circumstances deemed by Manager to be an emergency requiring immediate action for the protection of the Project or tenants or other persons and to avoid the suspension of necessary services (provided that Manager may not spend in excess of Ten Thousand Dollars (\$10,000.00) in such emergency situation without Owner's prior consent, and Manager shall notify Owner by telephone and in writing (which may be by e-mail) as soon as practicable following the occurrence of any such emergency situation to describe the expenditure of funds required thereby). Manager shall immediately notify Owner of the necessity for, the nature of, and the cost of such emergency repairs or compliance. If Owner shall require, Manager shall submit a list of contractors and subcontractors who are performing tenant work, repairs, alterations or services on the Property under Manager's direction. All

repairs, alterations, and replacements shall be of equal quality and workmanship to the original work.

3.3. Limit on Amount Authorized for Non-Emergency Purchases, Repairs and Other Expenditures. Subject to the provisions of Section 3.2 above, with respect to emergency expenditures, in the performance of Manager's obligations under this Agreement, including, without limitation, for non-emergency purchases, repairs and other expenditures, Manager shall not exceed one hundred five percent (105%) of the amount authorized for such line item of expense in the then applicable "Approved Annual Budget" (as hereinafter defined), without the prior written approval of Owner.

3.4. Payments. Any payments made by the Manager in the performance of its duties and obligation under Sections 3.1, 3.2 and 3.3 of this Agreement shall be made out of such funds as the Manager may from time to time hold for the account of the County or the Owner or as may be provided by the County or the Owner. The Manager shall not be required to make advances from its own funds. The Owner shall maintain an amount sufficient to enable the Manager to perform its duties hereunder, and the Manager shall notify Owner in advance of any foreseeable deficiency of the funds in such accounts.

4. Compensation:

4.1 Management Services. Owner and Manager acknowledge and agree that the Project is being financed from the proceeds of a series of tax-exempt Bonds, and as such, this Agreement is intended to constitute a "management contract" within the requirements of Revenue Procedure 2017-13 ("Rev. Proc. 2017-13") of the Internal Revenue Service, such that this Agreement meets the safe harbor requirements in Rev. Proc. 2017-13, and does not constitute private business use. Any provisions herein that do not meet the requirements of Rev. Proc. 2017-13 shall be null and void. In order to comply with such requirements, Owner and Manager agree that Owner shall pay Manager, as compensation for the management services rendered hereunder, an amount (the "Management Fee") equal to the fixed annual fee set forth in Exhibit A attached hereto (payable 1/12th monthly), plus an amount equal to four percent (4.00%) of any Additional Rent, as determined pursuant to the Facilities Lease, provided, however, Additional Rent shall not include any insurance or condemnation proceeds, or any security or other deposits prior to forfeiture thereof, if ever, or amounts paid by the County directly for any goods, services, utilities or taxes related to the Project. The Management Fee is intended to compensate the Manager for: (i) its general and overhead expenses, (ii) all wages, salaries, and compensation of personnel employed by Manager as specified in Section 2.4 herein, and (iii) all expenses incurred by the Manager which are not reimbursable hereunder.

4.2 Additional Services. Manager shall be separately compensated for any extraordinary services that are other than the usual and customary services performed in its capacity as the managing agent for the Project, including but not limited to, the following: (a) after hours property manager service (extraordinary services that require the time of a property manager to handle property emergencies after regular business hours) - \$200 per hour with a two hour minimum; (b) third-party audits - \$200 per hour should this service be required; and (c) court appearances – small claims or other required court appearances on behalf of the Project - \$200 per hour with a two hour minimum plus reimbursement for travel expenses. In addition, if any capital expenditures are made to the Project, Manager shall be entitled to a fee of five percent (5%) of the total cost of such capital expenditures.

5. Accounting, Records, Reports:

5.1. Records. The Manager shall maintain a comprehensive system of office records, books and accounts, which shall belong to the Owner. The Owner, the Trustee, the County and others designated by the Owner shall have at all times access to such records, accounts and books and to all vouchers, files, and other material pertaining to the Project and this Agreement, all of which the Manager agrees to keep safe, available and separate from any records not having to do with the Project.

5.2. Quarterly Reports. On or before the twenty-fifth (25th) day of the month following each calendar quarter during the term of this Agreement, the Manager shall deliver to the Owner, the County and the Trustee all Receipts and a Disbursement Statement showing the results of operations of the Project for such calendar quarter and of the year-to-date. The Manager shall also provide any other statements for the Project required by the Lease or reasonably requested by the Owner, the County and the Trustee, provided that Manager shall be advised of the need for such other statements and what such statements must contain at least thirty (30) days prior to the date such statements are due. The statements shall include but not be limited to:

A. Rent Schedule (including Base Rent, Additional Rent (if any) and any other amounts paid under the Lease); and

B. Balance Sheet & Income Statement.

5.3. Annual Facility Budgets. As required by Section 8.6.1 of the Facilities Lease, no later than 120 days before the end of each Lease Year (as defined in the Facilities Lease), the Manager shall deliver to the Owner, the Trustee and the County a statement setting forth in detail the estimated receipts and the estimated amounts required to be expended during the next calendar year by the Manager in the performance of its duties hereunder, including without limitation the amount of insurance premiums and maintenance and

other expenses (including Capital Expenses) relating to the Project for operations. The Manager shall further provide such other financial information as is reasonably requested by the Owner, the Trustee and the County, provided that Owner shall give Manager at least ten (10) days' notice of the need for such other financial information. The Manager will cooperate with and give reasonable assistance, at no cost or expense to Manager, Owner or Trustee, to any independent public accountant retained by the Owner, the Trustee or the County to examine such statements or other records pertaining to the Project.

6. Expenses:

- 6.1. Expense of Owner. All obligations or expenses incurred hereunder shall be for the account of, on behalf of, and at the expense of the Owner, except as otherwise specifically provided in this Agreement, provided, however, that the Owner shall not be obligated to reimburse the Manager for any expenses for office equipment or office supplies of the Manager, for any overhead expense of the Manager incurred in its general offices, or for any salaries or wages of the Manager allocable to time spent on matters other than the Project.
- 6.2. Payments. Any payments made by the Manager in the performance of its duties and obligations under this Agreement shall be made out of Base Rent and (as applicable) Additional Rent paid by the County under the Lease, amounts held by the Trustee under the Indenture, and such funds as the Manager may from time to time hold for the account of the Owner or as may be provided by the Owner. The Manager shall not be required to make advances from its own funds. The provisions of the Basic Documents are intended to maintain an amount sufficient to enable the Manager to perform its duties hereunder, and the Manager shall notify Owner, the Trustee and the County in advance of any foreseeable deficiency of the funds in such accounts.

7. Indemnities:

- 7.1. Indemnity by Manager. The Manager shall indemnify, defend and hold harmless the Owner and its appointed officers, agents and employees ("Owner Indemnitees") from and against any and all claims arising out of (a) any breach or default in the performance of any obligation on Manager's part to be performed under the terms of this Agreement and/or the failure of the Manager to perform promptly any of the obligations under the Basic Documents, provided such failure was not caused by any Owner Indemnitee, (b) any acts of the Manager beyond the scope of the Manager's authority hereunder not otherwise authorized by the Owner, and (c) any malfeasance or gross negligence of the Manager or any officer or employee, of Manager, and from and against all costs, attorney's fees, expenses and

liabilities incurred in or about any such claim, action or proceeding brought thereon.

- 7.2. Indemnity by Owner. The Owner shall indemnify, defend and hold harmless the Manager and its officers and employees from and against any and all claims, demands, actions, fines, penalties, liabilities, losses, damages, injuries and expenses (including, without limitation, actual attorneys', consultants' and expert witness fees and costs at the pre-trial, trial, and appellate levels and in bankruptcy proceedings) (collectively, "Damages") arising out of (a) any breach or default in the performance of any obligation on Owner's part to be performed under the terms of this Agreement and/or failure of the Owner to perform promptly any of the obligations owed to the Manager under the Basic Documents, provided such failure was not caused by the Manager, its officers or employees, (b) any gross negligence of the Owner, its officers, agents or employees, and (c) from and against all costs, attorney's fees, expenses and liabilities incurred in or about any such claim, action or proceeding brought thereon. Owner shall cause Manager to be included as a party indemnified by the County pursuant to Section 12.1.2 of the Lease for any claims arising out of the County's use or occupancy of the Project. Owner does not hereby agree, and shall not be obligated, to so indemnify Manager from any such loss, cost, damage, liability or expense arising out of any act or omission of Manager, which act or omission constitutes gross negligence, willful misconduct, or is in breach of this Agreement. Nothing contained in this Section 7.2 shall affect Manager's rights to coverage under the insurance policies maintained pursuant to Section 2.4.E above.

The indemnifications provided pursuant to this Section 7 shall survive the termination of this Agreement.

8. Term of Agreement: This Agreement shall be in effect for an initial term of five (5) years commencing on the Rent Commencement Date (as defined in the Lease), and ending on the last day of the fifth Lease year (as defined in the Lease). This Agreement shall be automatically renewed for successive five (5) year periods unless terminated by either party upon written notice sent to the other party not less than six (6) months before any expiration date subject however to the following conditions:
- 8.1. Without Cause. This Agreement may be terminated by either party as of the end of any calendar month, provided at least six (6) months advance written notice thereof is given to each of the parties. Owner and Manager agree that although no cause will be required to exercise the six (6) months termination of the Agreement, each of the parties shall make every effort to notify the other party of any failure by the other to perform a duty or responsibility outlined herein in advance of presenting or delivering a notice of termination. After notice of a failure to perform, the defaulting party

shall have a thirty (30) day period to cure the default. The thirty (30) day period to cure may run concurrently with the six (6) months' notice of termination.

- 8.2. With Cause. Each of the parties shall notify the other party of any failure by the other to perform a duty or responsibility outlined herein in advance of presenting or delivering a notice of termination. After notice of a failure to perform, the defaulting party shall have a thirty (30) day period to cure the default, provided that if more than thirty (30) days are required to effect such cure, the party who has failed to perform shall have such additional time to cure as is reasonably necessary, so long as it commences to cure within such 30-day period and diligently prosecutes such cure to completion.
 - 8.3. Bankruptcy. In the event a petition in bankruptcy is filed by or against either of the parties, unless in the event of a filing against a party such is dismissed within sixty (60) days of the filing, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement immediately, provided prompt written notice of such termination is given to each of the parties.
 - 8.4. Manager's Obligation after Termination. Upon the termination of this Agreement, or the termination of the Manager's services hereunder, as provided above, the Manager shall:
 - A. Deliver to the Owner, or such other person or persons designated by the Owner, copies of all books and records of the Project and all funds in the possession of the Manager belonging to the Owner or received by the Manager pursuant to the terms of this Agreement or of any of the Basic Documents; and
 - B. Assign, transfer or convey to such person or persons all service contracts relating to or used in the operation and maintenance of the Project. Upon any voluntary termination or expiration pursuant to this Section, the obligations of the parties hereto (except those specified as surviving) shall cease as of the date specified in the notice of termination, except that the Manager shall comply with the applicable provisions hereof and shall be entitled to receive any and all compensation which may be due the Manager hereunder at the time of such termination or expiration.
9. Notices: Unless otherwise specifically provided, all notices, demands and statements required hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, including express or overnight mail, if intended for the Owner, addressed to the Owner at:

CFP Riverside, LLC
18336 Minnetonka Blvd.,
Wayzata, MN, 55391

if intended for Manager:

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

if intended for the County:

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

if intended for the Trustee:

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

or to such other addresses as shall from time to time have been designated by written notice by any party to any other party as herein provided. Owner will provide a list of representatives who are authorized to give instruction on behalf of Owner, and Owner will cause County and Trustee to provide a list of representatives who are authorized to give instruction on behalf of the County and the Trustee, respectively.

10. Intended Third-Party Beneficiary: The County is an express intended third-party beneficiary of Manager's obligations under this Agreement, provided that in the exercise of its rights as a third-party beneficiary the County shall not have greater rights against Manager than Owner has under this Agreement. Notwithstanding the foregoing, under no circumstances shall County have any liability or responsibility for any compensation, attorney's fees or other amounts payable to Manager hereunder.
11. Non-recourse Obligations of the Owner: The Manager agrees that, with respect to any and all claims against or liabilities or obligations of the Owner arising from or relating to this Agreement or the Basic Documents (including, without limitation, non-contractual claims or obligations such as statutory and tort claims or obligations) (individually or collectively, the "Claims"), its sole source of satisfactions of such Claims shall be limited to any amounts otherwise payable to

Owner and on deposit in the Revenue Fund or the Operating Contingency Fund under the Indenture, including, without limitation (to the extent otherwise payable to Owner under the Lease and Indenture), the proceeds of the Bonds held in the Revenue Fund or the Operating Contingency Fund under the Indenture, amounts paid or payable by the County under the Lease, and the proceeds of any applicable insurance policies carried with respect to the Project, and shall not constitute a liability or obligation of the sole member of the Owner or any officer, director, agent, attorney or representative of the Owner or its sole member, and the Manager shall not seek to procure payment out of any other assets of the Owner, or seek a judgment for any such Claims; provided, however, that this Section shall not prejudice the rights of the Manager to enforce its claims under the Basic Documents or this Agreement or to exercise any of its remedies at law other than the entry of a personal money judgment against the Owner or the sole member of the Owner or any officer, director, agent, attorney or representative of the Owner or its sole member.

12. Litigation: In the event that litigation shall be brought by either party to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and court costs, including any incurred on appeal or in enforcing a judgment.
13. No Inconsistent Tax Position: In accordance with Rev. Proc. 2017-13, the Manager agrees that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to the Owner with respect to the Project. For example, the Manager agrees that it will not claim any depreciation or amortization deduction, investment tax credit or deduction for any payment as rent with respect to the Project. The Owner similarly covenants that it will not claim any depreciation or amortization deduction, investment tax credit or deduction for any payment of rent with respect to the Project.
14. No Circumstance Substantially Limiting Exercise of Rights: The Owner and the Manager each represents and covenants for the benefit of the County that (a) no more than 20 percent of the voting power of the governing body of the Owner is vested in the directors, officers, shareholders, partners, members, and employees of the Manager, in the aggregate, (b) the governing body of the Owner does not include the chief executive officer of the Manager or the chairperson (or equivalent executive) of the Manager's governing body, and (c) the chief executive officer of the Manager is not the chief executive officer of the Owner or any of the Owner's related parties (as defined in Treas. Reg. 1.150-1(b)).
15. Applicable Law: This Agreement shall be construed in accordance with the laws of the State where the Project is located, without regard to any choice of law or conflicts of laws provisions thereof.

16. Entire Agreement: This Agreement embodies the entire understanding of the parties and there are no further agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.
17. Authorization: Each person executing this Agreement on behalf of a party represents and warrants that it has the full power, authority and legal right to execute and deliver this Agreement on behalf of such party and that this Agreement constitutes the legal, valid and binding obligations of such party, enforceable against such party in accordance with its terms.

*{remainder of page intentionally blank;
signatures on next page}*

IN WITNESS WHEREOF, Owner and Manager have duly executed this Management Agreement for Real Property as of the day and year set forth below.

OWNER:

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

By: _____

Printed Name: _____

Title: _____

Date: _____, 2019

MANAGER:

Omni West Group, Inc.,
a California corporation

By: _____

Printed Name: Kip Dubbs

Title: President

Date: _____, 2019

EXHIBIT A

SCHEDULE OF ANNUAL FIXED MANAGEMENT FEES

RIVERSIDE COUNTY LIBRARIES
Annual Operating Expense and Property Management Fee Schedule

Calendar Year	2020 ⁽¹⁾	2021 ⁽²⁾	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Operating Expense	-	497,586	604,055	535,831	526,840	533,063	539,379	545,789	552,296	558,901	565,604
<i>Property Management Fee Portion ⁽⁶⁾</i>	-	93,600	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000

Calendar Year	2031 ⁽³⁾	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041 ⁽⁴⁾
Total Operating Expense	586,408	600,314	607,324	614,439	621,661	628,990	636,430	643,982	651,647	659,426	681,323
<i>Property Management Fee Portion ⁽⁶⁾</i>	126,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	147,000

Calendar Year	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051 ⁽⁵⁾	TOTAL (32 Yrs)
Total Operating Expense	700,337	708,473	716,730	725,111	733,617	742,251	751,015	759,910	768,939	130,351	19,128,023
<i>Property Management Fee Portion ⁽⁶⁾</i>	158,000	158,000	158,000	158,000	158,000	158,000	158,000	158,000	158,000	27,000	4,020,600

Footnotes:

- (1) Zero operating expense during the construction period
- (2) Represents ten (10) months of operating expenses starting March 1, 2021
- (3) Represents two (2) months of Property Management Fees at first tier rent rate and ten (10) months at second tier rent rate
- (4) Represents two (2) months of Property Management Fees at second tier rent rate and ten (10) months at third tier rent rate
- (5) Represents two (2) months of operating expenses from January 1, 2051 through February 28, 2051
- (6) Annual Property Management Fee equals approximately 4% of annual Base Rent payment

Execution

GROUND LEASE AGREEMENT

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

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 1, 2019

(Riverside County Library Facilities Project)

07.23.19 3.24

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 1st day of August, 2019 (but effective on the “**Effective Date**” as defined in Section 3.3 below) 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 August 1, 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 August 1, 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 \$42,115,000 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 August 1, 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 July 24, 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. The Facilities Lease will be assigned to the Trustee pursuant to a Lease Assignment Agreement, dated as of August 28, 2019 (the “**Lease Assignment Agreement**”);

2. This Ground Lease will be assigned to the Issuer pursuant to a Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Financing Statement, dated as of August 1, 2019, by Ground Lessee in favor of Lawyers Title Company as trustee and Issuer as beneficiary (“**Deed of Trust**”), and the Issuer will assign the Deed of Trust to the Trustee pursuant to a Leasehold Deed of Trust Assignment Agreement, dated as of August 28, 2019 (“**Deed of Trust Assignment Agreement**”);

3. The Design-Build Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Design-Build Agreement), dated August 28, 2019 (the “**Design-Build Assignment**”);

4. The Project Manager Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Project Manager Agreement), dated August 28, 2019 (the “**Project Manager Assignment**”); and

5. The Property Management Agreement will be assigned to the Trustee pursuant to an Assignment of Agreement (Property Manager Agreement), dated August 28, 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** (“**Meniffee 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**,” “**Meniffee 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 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, Meniffee 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** ("**Meniffee 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, Meniffee 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, Meniffee 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, Meniffee 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, Meniffee Property and Desert Hot Springs Property *not* included in the French Valley Leased Premises, Meniffee Leased Premises and Desert Hot Springs Leased Premises (the "**Excluded French Valley Property**," "**Excluded Meniffee 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**" (as defined in the Facilities Lease) 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, 2027 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, Meniffee Leased Premises or Desert Hot Springs Leased Premises pursuant to the terms and conditions provided in the Facilities Lease. To exercise any Option for

Early Termination, Ground Lessor shall provide Ground Lessee written notice within the time period provided in Section 6 of the Facilities Lease and fulfill all closing obligations under Section 6 of the Facilities Lease.

3.4 **Approval of Supervisors.** Anything to the contrary notwithstanding, this Ground Lease shall not be binding or effective until it is fully executed, acknowledged and delivered by Ground Lessor and Ground Lessee following approval by the Board of Supervisors.

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

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

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

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

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

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

16. RIGHT TO ENCUMBER/RIGHT TO CURE.

16.1 **Ground Lessee's Right to Encumber.** Ground Lessor acknowledges and agrees that Ground Lessee has assigned the leasehold estate under this Ground Lease and the Library Improvements to be constructed by Ground Lessee pursuant to this Ground Lease to the Trustee, pursuant to the Indenture, the 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: CT Corporation. 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, Deed of Trust and Deed of Trust Assignment Agreement (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 Ground Lease upon the dates indicated below.

GROUND LESSOR:

COUNTY OF RIVERSIDE

By: 
Chairman
Board of Supervisors

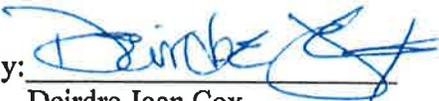
Dated: 8/23/19
ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

BURKE WILLIAMS & SORENSEN, LLP
Deirdre Joan Cox
Special Counsel for the County of Riverside

By: 
Deirdre Joan Cox

GROUND LESSEE:

CFP RIVERSIDE, LLC

A Minnesota non-profit limited liability company

By: 
Name: Steve Collins
Title: President

EXHIBIT A

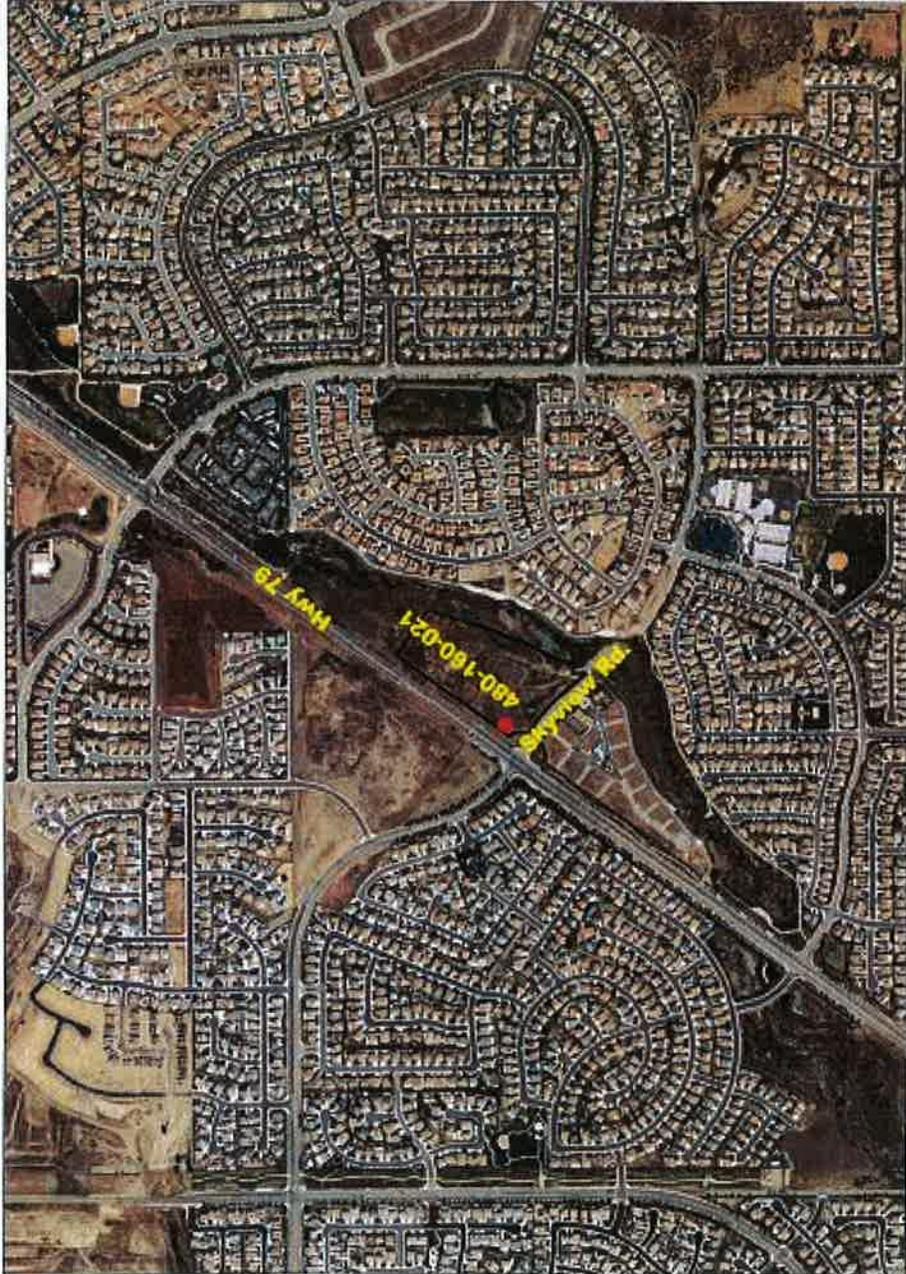
FRENCH VALLEY - LOCATION MAP

[Attached]

French Valley 480-160-021
Exhibit A



Legend



Notes
 Library Facility will be proposed as approximately 25,000 Sq. Ft.

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



REPORT PREPARED ON: 11/07/2017 8:26:32 AM

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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

UPDATED AND AMENDED PRELIMINARY REPORT

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

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

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

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

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

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

SCHEDULE A

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

A Preliminary Report Only OR
CLTA Standard Owners Policy

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

A FEE

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

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

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

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

EXHIBIT "A"

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

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

Assessor's Parcel No: 480-160-021

SCHEDULE B – Section A

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

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

SCHEDULE B – Section B

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

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

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

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

Recording No: In [Book 16, Page 72](#) of Record of Surveys

- 4. Land Conservation Contract

Recording Date: April 24, 1970
Recording No.: as [Instrument No. 38515](#) of Official Records

Notice of Non-Renewal of said Contract

Recording Date: August 10, 1977
Recording No.: as [Instrument No. 1977-154340](#) of Official Records

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

Recording Date: My 2, 1983
Recording No.: as [Instrument No. 1983-083700](#) of Official Records

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

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

Recording Date: November 29, 1984
Recording No.: as [Instrument No. 1984-243731](#) of Official Records

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

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

Recording Date: December 29, 1987
Recording No.: as [Instrument No. 1987-364841](#) of Official Records

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

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

Recording Date: March 5, 1987
Recording No.: as [Instrument No. 1987-061757](#) of Official Records

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

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

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

Recording Date: April 21, 1987
Recording No.: as [Instrument No. 1987-109408](#) of Official Records

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

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

7. Matters contained in that certain document

Entitled: Agreement for Mitigation of School Facility Impacts Between Temecula Valley Unified School District, Dutch Investors, Inc., and The Batavia Land Company
Dated: August 28, 1995
Executed by: Temecula Valley Unified School District, Dutch Investors, Inc., a Nevada corporation and The Batavia Land Company, a California Limited Partnership
Recording Date: August 31, 1995
Recording No: as [Instrument No. 1995-287611](#) 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/plat.
- 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 Civil Code 4210
Dated: March 20, 2014
Executed by: Dutch Village Master Association, a California nonprofit mutual benefit corporation
Recording Date: June 6, 2014
Recording No: as Instrument No. 2014-208719 of Official Records

Reference is hereby made to said document for full particulars.

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

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

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

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

END OF SCHEDULE B EXCEPTIONS

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

REQUIREMENTS SECTION:

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

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

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

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

INFORMATIONAL NOTES SECTION

- Note No. 1:** The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2:** California Insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.
- For wiring instructions please contact your Title Officer or Title Company Escrow officer.**
- Note No. 3:** Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
- Note No. 4:** The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
 - b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
 - c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

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

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

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or 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 as 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 as Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate 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, costs, attorneys' fees, and expenses resulting from:

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

This Exclusion does not limit the coverage described in Covered Risk 8 a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemnation. 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 5 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

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

LIMITATIONS ON COVERED RISKS

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

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

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

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

Attachment One (6-5-14)

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

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

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

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

EXCEPTIONS FROM COVERAGE

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

PART I

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

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

PART II

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

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

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unexpressed 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, easement, C&R's, etc. shown here.

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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), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Communication, 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

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, by phone to (888) 934-3354, or by mail to:

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

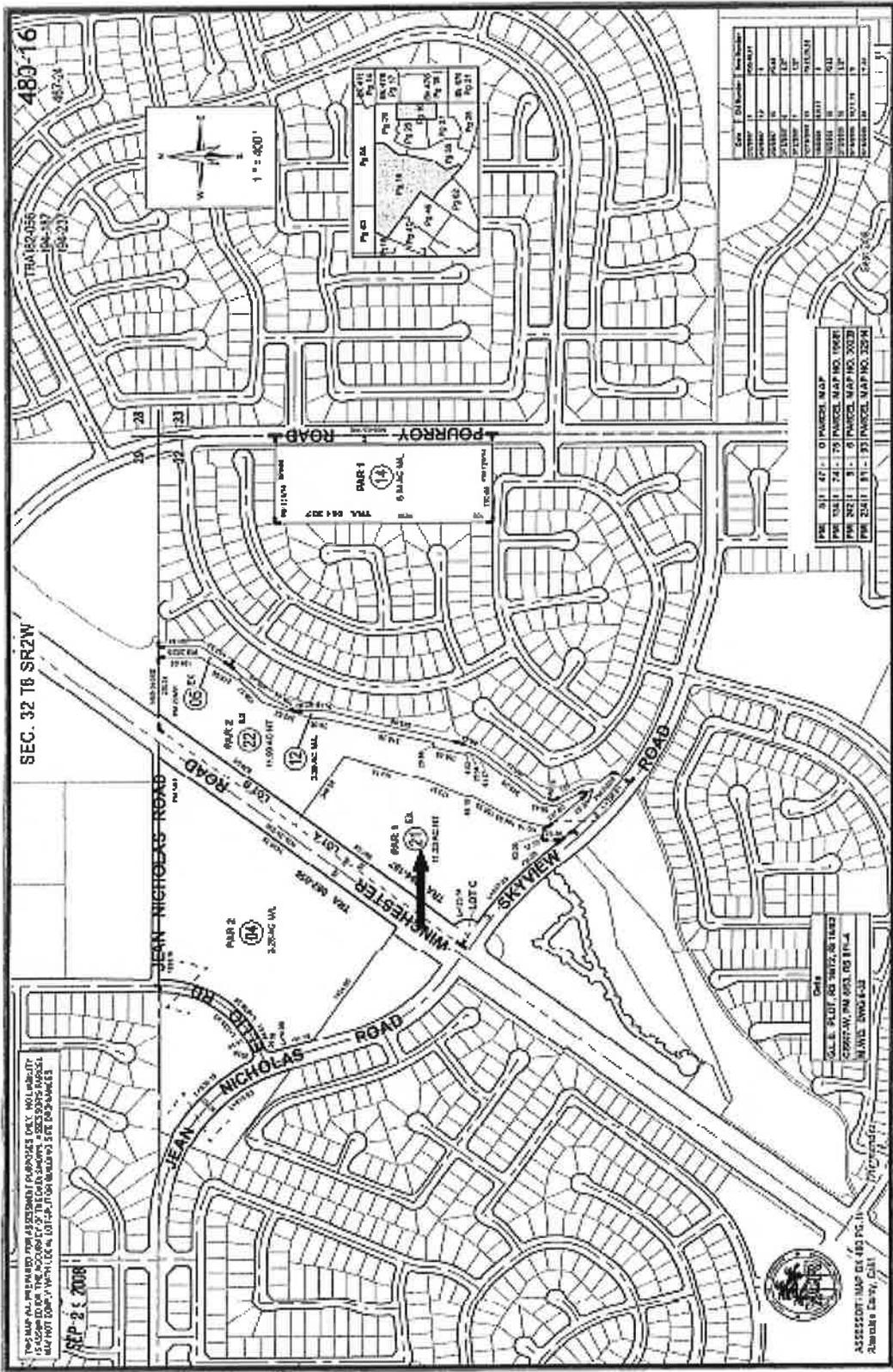


EXHIBIT A-5

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 approximations, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the extent (the source is often not direct), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON: 1/27/2017 9:32:43 AM

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

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

Attn: Bonnie Perez

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

Your Reference No: 364-152-034

Property Address: Riverside, California

UPDATED AND AMENDED PRELIMINARY REPORT

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

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

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

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

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

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

SCHEDULE A

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

A Preliminary Report Only OR
CLTA Standard Policy

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

A FEE

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

County of Riverside

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

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

EXHIBIT "A"

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

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

Except an undivided ½ 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.

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

Page 5

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 Peidra Road

7. Matters contained in that certain document

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

Reference is hereby made to said document for full particulars.

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

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

9. Matters contained in that certain document

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

Reference is hereby made to said document for full particulars.

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

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

Assignment and Assumption of Development Agreement

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

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

Recording Date: December 15, 1988
Recording No.: as Instrument No. 367887 of Official Records

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

Modification(s) of said covenants, conditions and restrictions

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

Modification(s) of said covenants, conditions and restrictions

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

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

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

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

12. Matters contained in that certain document

Entitled: Traffic Signalization Mitigation Agreement
Dated: Not Set Out
Executed by: County of Riverside and 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

4-2-15 CA & 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 an loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

Attachment One (4-2-15) CA & 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, attorneys' fees, and expenses resulting from:
1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

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

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

LIMITATIONS ON COVERED RISKS

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

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

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

Attachment One (4-2-13) 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 created on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

(PART I

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

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

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement created on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

Attachment One (4-2-13) CA & NV

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 created on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection,
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in 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 (#4-02-15)**EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement created on the Land;
 - (iii) the subdivision of land, or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has knowledge that the vendor shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is:
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 23(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

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



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

Order No. 616670742

Notice of Available Discounts

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

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

FNF Underwritten Title Company
 LTC - Lawyers Title Company

FNF Underwriter
 CLTIC - Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

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

EMPLOYEE RATE (LTC and CLTIC)

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

Notice of Available Discount

Mod. 10/21/2011

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

Page 16

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

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

Types of Information Collected

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

Personal Information.

FNF may collect the following categories of Personal Information:

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

Browsing Information.

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

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

How Personal Information is Collected

We may collect Personal Information about you from:

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

How Browsing Information is Collected

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

Other Online Specifics

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

Web Beacons.

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

Do Not Track.

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

Revised May 1, 2018

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Links to Other Sites.

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

Use of Personal Information

FNF uses Personal Information for three main purposes:

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

When Information Is Disclosed

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

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

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

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

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

Security of Your Information

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

Choices With Your Information

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

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

For California Residents:

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

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, 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
1972

C.S.A. 95-400

SEC. 27 65. R. 3W

THIS MAP WAS PREPARED PURSUANT TO THE PROVISIONS OF THE REAL PROPERTY ACT AND THE REAL PROPERTY ACT, AND THE COURT HAS REVIEWED THE SAME AND HAS FOUND THAT THE SAME COMPLY WITH THE REQUIREMENTS OF SAID ACTS.



AS 151731-55 TRACT MAP NO 22183-1
AS 151730-10 TRACT MAP NO 22183

457
6523887 642 8014 R. 3
Frontside, Calif., Calif.

EXHIBIT B-5

MENIFEE – STAGING AREA

EXHIBIT C

DESERT HOT SPRINGS - LOCATION MAP

[Attached]

Desert Hot Springs 656-040-060
Exhibit C



Legend

- landscaping
- highways
- highway
- interchange
- interstate
- freeway
- avenue
- locality
- counties
- cities
- hydrographymics
- water bodies
- lakes
- reservoirs

Notes
 Lettering Facility will be prepared at approximately 10,000 Sq. Ft.

IMPORTANT: Maps and data are to be used for reference purposes only. They do not constitute a warranty or representation of any kind. The County of Riverside, its employees, agents, or contractors, in no way assume any 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.

0 624 1,247 Feet

REPORT PRINTED ON: 11/27/2017 9:05:34 AM

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EXHIBIT C-1

DESERT HOT SPRINGS - SITE PLAN SHOWING LEASED PREMISES

See Facilities Lease Exhibit C-1

EXHIBIT C-2

DESERT HOT SPRINGS - LEASED PREMISES ALTA SURVEY

[to be attached following completion]

EXHIBIT C-3

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

[to be attached following completion]

EXHIBIT C-4

DESERT HOT SPRINGS - PRELIMINARY TITLE REPORT



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

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

Attn: Bonnie Perez

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

Your Reference No: 431ED - DHS Library

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

PRELIMINARY REPORT

Dated as of November 16, 2018 at 7:30 a.m.

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

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

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

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

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

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Page 1

SCHEDULE A

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

CLTA Standard Owners

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

A FEE

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

County of Riverside

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

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

EXHIBIT "A"

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

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

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

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

[Assessor's Parcel Number: 656-040-039-3](#)

SCHEDULE B

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

- A. All or a part of the Land herein described does not appear to be assessed on the Tax Roll for the year(s) 2018-2019. Said Land is subject to the possible assessment and collection of property taxes for current and prior years.
- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.
 - 1. Water rights, claims or title to water, whether or not disclosed by the public records.
 - 2. Easement(s) in favor of the public over any existing roads lying within said Land.
 - 3. Reservations contained in the Patent

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

Which among other things recites as follows:

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

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

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

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

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

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

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

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

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

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

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

9. Matters contained in that certain document

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

Reference is hereby made to said document for full particulars.

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

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

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

In favor of: Southern California Edison Company
Purpose: Public utilities
Recording Date: October 6, 2011
Recording No: [2011-0441787](#) of Official Records
Affects: Said land more particularly described therein

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

In favor of: City of Desert Hot Springs
Purpose: road and public utility
Recording Date: August 28, 2012
Recording No: [2012-0408403](#) of Official Records
Affects: Said land more particularly described therein

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

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

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

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

15. A financing statement as follows:

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

16. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

17. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

18. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

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

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

19. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

20. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

END OF SCHEDULE B EXCEPTIONS

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

REQUIREMENTS SECTION:

NONE

INFORMATIONAL NOTES SECTION

- Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.
- For wiring instructions please contact your Title Officer or Title Company Escrow officer.**
- Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
- Note No. 4: Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note No. 5: Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DDT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note No. 6: Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.
- Note No. 7: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note No. 8: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

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

Processor: slc
Date Typed: November 29, 2018

Attachment One (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

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

EXCLUSIONS

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

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

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

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

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- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
- b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
- 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

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

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

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
- (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

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

EXCEPTIONS FROM COVERAGE

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

[PART I

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

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

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

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

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

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.

5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

File No: 618650490



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

Order No. 618650490

Notice of Available Discounts

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

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

FNF Underwritten Title Company
LTC - Lawyers Title Company

FNF Underwriter
CLTIC - Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

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

EMPLOYEE RATE (LTC and CLTIC)

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

Notice of Available Discount

Mod. 10/21/2011

Wire Fraud Alert

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

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

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

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

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

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

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

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

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

Types of Information Collected

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

Personal Information.

FNF may collect the following categories of Personal Information:

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

Browsing Information.

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

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

How Personal Information is Collected

We may collect Personal Information about you from:

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

How Browsing Information is Collected

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

Other Online Specifics

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

Web Beacons.

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

Do Not Track.

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

Links to Other Sites.

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

Use of Personal Information

FNF uses Personal Information for three main purposes:

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

When Information Is Disclosed

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

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

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

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

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

Security of Your Information

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

Choices With Your Information

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

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

For California Residents:

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

For Nevada Residents:

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

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

For Vermont Residents:

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

Information From Children

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

International Users

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

FNF Website Services for Mortgage Loans

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

Your Consent To This Privacy Notice; Notice Changes

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

Accessing and Correcting Information: Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to privacy@fnf.com, 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 C-5

DESERT HOT SPRINGS – STAGING AREA

EXHIBIT D

EXISTING CONDITIONS INFORMATION

- A. Geotechnical Studies
- B. Phase I Environmental Studies: (i) Burrowing Owl Habitat Suitability Assessments, (ii) WRCMSHCP, NEPSSA and CASSA Survey, (iii) cultural resources assessment and (vi) Native American Consultation Assistance.
- C. French Valley Plant Study
- D. French Valley Endangered Species Study
- E. LSA / Group Delta Phase 1 Reports.

Exhibit E

[Omitted]

Exhibit F

PROJECT SCHEDULE

[See Facilities Lease Exhibit D]

Exhibit G

FINAL DRAWINGS AND SPECIFICATIONS APPROVAL FORM

**APPROVAL CONFIRMATION OF
FINAL DRAWINGS AND SPECIFICATIONS**

COUNTY OF RIVERSIDE, a political subdivision of the State of California, as Ground Lessor and CFP RIVERSIDE, LLC, a Minnesota non-profit limited liability company, as Ground Lessee, have entered into that certain Ground Lease dated _____, 2019 whereby Ground Lessee is obligated to develop, design and construct the Project, which includes the Library Improvements on the Leased Premises as such terms and conditions are defined therein and pursuant and subject to the terms and conditions of the Facilities Lease.

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

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

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

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

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

[Signature Provisions on Following Page]

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

GROUND LESSOR:

COUNTY OF RIVERSIDE

By: _____
Chairman
Board of Supervisors

Dated: _____

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: _____
Deputy General Counsel

GROUND LESSEE:

CFP RIVERSIDE, LLC

A Minnesota non-profit limited liability company

By: _____
Name: Steve Collins
Title: President