

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



ITEM: 3.48
(ID # 24642)

MEETING DATE:
Tuesday, April 30, 2024

FROM : RUHS-BEHAVIORAL HEALTH:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM - BEHAVIORAL HEALTH - Approve the form of the Ground Lease, Facilities Lease, the Bond Purchase Contract and the associated Letter of Representations and deem final the Preliminary Official Statement; Adopt Resolution No. 2024-106 authorizing the issuance of Lease Revenue Bonds by the California Economic Development Authority to finance the Project; Ratify and Approve the First Amendment to the Agreement between RUHS-BH and Meyers Nave for the Retention of Outside Legal Counsel for Advice and Counsel Related to Public-Private Partnerships, where the contract maximum is increasing by \$150,000, for a total of \$950,000; and authorize the Chair of the Board to sign and execute the Amendment on behalf of the County. District 1, [Total Project Cost \$580,150,000 Bond Proceeds 100%].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Ground Lease and Facilities Lease between the County of Riverside and P3 Riverside Holdings, LLC, in substantially the same form as attached, and Authorize the Chairman of the Board to execute the Ground Lease and Facilities Lease in substantially the same and final forms as attached on behalf of the County on the Closing Date following the pricing and issuance of the Lease Revenue Bonds;

Continued on Page 2

ACTION:Policy, CIP


Matthew Chang, Director 4/25/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: April 30, 2024
xc: RUHS-BH

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached Preliminary Official Statement in substantially the same form as attached, and authorize the Chairman of the Board, County Executive Office, or County Director of Finance to execute the same on behalf of the County on the Closing Date following the pricing and issuance of the Lease Revenue Bonds;
3. Approve the Bond Purchase Contract and Letter of Representation in substantially the same form as attached, and Authorize the Chairman of the Board, County Executive Office, or County Director of Finance to execute the Bond Purchase Contract in substantially the same and final forms as attached on behalf of the County on the Closing Date following the pricing and issuance of the Lease Revenue Bonds;
4. Adopt Resolution 2024-106 Authorizing Proceedings and Certain Agreements Relating to the Financing, Refinancing and/or Reimbursing of the Design, Development, Construction, Installation, Furnishing, and Equipping of a New Behavioral Health Facilities Campus, Approving the Issuance and Sale of Lease Revenue Bonds by the California Enterprise Development Authority, Approving Certain Legal Documents to Effect the Issuance of Bonds, and Approving and Authorizing Official Actions that includes a delegation the Authority to execute the final form of the legal documents to the Chair, County Executive Office, or County Director of Finance;
5. Ratify and Approve the First Amendment to the Agreement between RUHS-BH and Meyers Nave for the Retention of Outside Legal Counsel for Advice and Counsel Related to Public-Private Partnerships, where the contract maximum is increasing by \$150,000, for a total of \$950,000; and authorize the Chair of the Board to sign and execute the Amendment on behalf of the County;
6. Authorize the Purchasing Agent, in accordance with Ordinance 459, based on the availability of funding and as approved by County Counsel to: a) to issue a Purchase Order for any goods and/or services rendered b) sign amendments that exercise the options of the agreement including modifications of the statement of work that stay within the intent of the Agreement, and c) sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total contract amount through June 30, 2025; and
7. Authorize the County Executive Officer, or designee, to negotiate and execute any and all documents and to perform any and all ministerial actions necessary to effect the purpose of the Ordinance and the Resolutions and complete the transaction herein authorized.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$100,000	\$ 50,000	\$ 580,150,000 (est.)	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Bond Proceeds 100%			Budget Adjustment: No	
			For Fiscal Year: 23/24 – 59/60	

C.E.O. RECOMMENDATION: Approve

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

BACKGROUND:

Summary

RUHS-BH is pursuing the development of the Mead Valley Wellness Village Project (Project) to enable consumers and their families to move through the campus' continuum of care from intensive oversight and treatment activities, to decreased therapeutic contact enabling consumers to prepare them for a self-sustained recovery grounded in their own community. By delivering the right level of care at the right time and expanding service levels, this model can save cities and the County millions of dollars annually by treating clients at the appropriate level of care, diverting clients from requiring emergency services and/or law enforcement involvement, all while making a long-lasting impact on the community through complete health, balance, and societal reintegration.

The Project will be developed in a partnership with a nonprofit corporation formed to assist the County with design, development, construction, installation, furnishing and equipping of the campus. The County will enter into a ground lease and facilities lease with the nonprofit entity, P3 Riverside Holdings, LLC (P3), to allow for project construction, as a public leaseback pursuant to California Government Code section 54241.

On March 19, 2024, (Item 19.1) Ordinance No. 989 was introduced and approved. On April 4, 2024, the Debt Advisory Committee, reviewed and recommended approval to the Board of Supervisors the issuance of the California Enterprise Development Authority (CEDA) 2024 Bonds. On April 9, 2024, the Board had the second reading and approved Ordinance No. 989 authorizing the public leaseback of the land. Today's Board action would approve the issuance of tax-exempt bonds by the California Enterprise Development Authority (CEDA) for the financing of the Project. Pursuant to the plan of finance for the Project, the 2024 Bonds would be issued by CEDA in an approximate amount of \$580,000,000. The underlying security for the 2024 Bonds is a County General Fund obligation to make lease payments.

RUHS-BH intends to make the lease payments by combining departmental funding sources. RUHS-BH was awarded two rounds of funding under the Behavioral Health Continuum Infrastructure Funding Program ("BHCIP"). On February 7, 2023, (M.O. 3.23) the Board approved the acceptance of BHCIP Round 3 grant funds in the amount of \$75,954,578 and BHCIP Round 4 grant funds in the amount of \$4,523,681. Recognizing that grant funding can be subject to delay and compliance risk, RUHS-BH will be proceeding at this time to borrow the full amount needed to complete the Project. Upon receipt of grant funds, the funds will be held in escrow and shall be used to redeem 2024 Bonds at the end of construction thereby reducing the County's ongoing lease payments by an amount approximately equal to that of the grant. In an effort to reduce risk to the bondholders during the construction period, the Ground Lease and Facilities Lease will include a provision for the option to terminate the grant funding agreement in the unlikely event that state requirements would slow or stop construction. The ultimate remedy by the state would be to request the return of grants funds previously advanced. In such a case the escrowed grants would be used for that purpose rather than reducing the amount of 2024 Bonds outstanding.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Proceeds of the 2024 Bonds, will be used to: (i) fund the Project, (ii) reimburse the Developer's short-term financing, (iii) pay capitalized interest on the 2024 Bonds for up to 36 months, and (iv) pay certain costs of issuing the 2024 Bonds. Principal payments will commence November 1, 2028, and the Bonds will mature on November 1, 2059. Debt service payments will be structured to escalate 1.5% until 2034 and are level thereafter. Based upon current market interest rates, the average annual debt service on the 2024 Bonds is estimated to be \$32,971,902 for the period 2024 through 2033 and \$34,747,959 for the period 2034 through 2059. The actual debt service will depend on market interest rates at the time of sale thereof.

County Counsel has reviewed and approved the Ground Lease, Facilities Lease, Bond Purchase Contract and Letter of Representation, and the Preliminary Official Statement substantially as to form.

RUHS-BH is also requesting to amend the legal services agreement for Meyers Nave, serving as P3 counsel, serving on the project as outside counsel. The original agreement in the amount of \$800,000 was approved by the Board on July 26, 2022. Due to the complexity and location changes of the Wellness Village, RUHS-BH is requesting to increase the contract amount by \$150,000 to a total of \$950,000 through June 30, 2025. In accordance with Ordinance No. 459, Section 7, Category I Exceptions for special counsel, Meyers Nave is a legal firm with specialized knowledge and project expertise for assistance specific to P3 transactions, without the need of competitive bids.

Impact on Residents and Businesses

The Wellness Village model will provide the County with the means to provide these needed services to some of the County's most vulnerable populations including children, families, veterans, and other individuals. The Wellness Village will provide the community with new health services and other resources to promote wellness. In addition, the Wellness Village will create approximately 600 professional jobs, generate economic growth in the Mead Valley community and help provide community amenities.

Additional Fiscal Information

RUHS-BH will pay the lease payments by combining funding sources including patient revenue, and state and local funds. RUHS-BH is not requesting any General Fund support at this time.

ATTACHMENTS (if any, in this order):

- Attachment A – Form of Ground Lease
- Attachment B – Form of Facilities Lease
- Attachment C – Resolution No. 2024-106 authorizing the issuance of Lease Revenue Bonds by the California Economic Development Authority
- Attachment D – Bond Purchase Contract and Letter of Representation
- Attachment E – Preliminary Official Statement
- Attachment F – Meyers Nave Amendment No. 1

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

Matthew Chang 4/24/2024 *Meghan Hahn* 4/25/2024
Matthew Chang, Director Meghan Hahn, Director of Procurement

Jacqueline Ruiz 4/25/2024
Jacqueline Ruiz, Principal Analyst

Aaron Gettis 4/24/2024
Aaron Gettis, Chief of Deputy County Counsel

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RESOLUTION NO. 2024-106

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING PROCEEDINGS AND CERTAIN AGREEMENTS RELATING TO THE FINANCING, REFINANCING AND/OR REIMBURSING OF THE DESIGN, DEVELOPMENT, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF A NEW BEHAVIORAL HEALTH FACILITIES CAMPUS, APPROVING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, APPROVING CERTAIN LEGAL DOCUMENTS TO EFFECT THE ISSUANCE OF THE BONDS, AND APPROVING AND AUTHORIZING OFFICIAL ACTIONS

WHEREAS, the County of Riverside (the "County") has determined that it is in the public interest to facilitate the design, development, construction, installation, furnishing and equipping of an approximately 450,000 square foot behavioral health facilities campus and related improvements, including parking lots, off-site improvements and other facilities (collectively, the "Facilities"), on an approximately 19.41 acre parcel of real property owned by the County, located at the northwest corner of Harvill Avenue and Water Avenue, south of the City of Riverside and west of the City of Perris, in the unincorporated Mead Valley area of the County, and currently identified as APN 317-260-034 (the "Property" and, together with the Facilities, the "Leased Premises"); and

WHEREAS, P3 Riverside Holdings, LLC, a California nonprofit limited liability company ("P3"), whose sole member is P3 Foundation Inc., a North Carolina nonprofit

FORM APPROVED COUNTY COUNSEL
BY KRISTINE BELL-VALDEZ DATE

04/30/2024 3.48

1 corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Internal
2 Revenue Code of 1986 (the "Code"), as amended, has agreed to undertake and facilitate the
3 design, development, construction, installation, furnishing and equipping of the Facilities (the
4 "Project") and to lease the Facilities to the County pursuant to the terms of a facilities lease
5 agreement (the "Facilities Lease"); and
6

7 WHEREAS, the County will lease the Property to P3 pursuant to the terms of a ground
8 lease agreement (the "Ground Lease") to facilitate the Project; and

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

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

19 WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose
20 of, among others, financing or refinancing the construction of public capital projects; and
21

22 WHEREAS, P3 has requested that the Authority participate in the issuance, from time to
23 time, pursuant to a plan of finance, of its lease revenue bonds for the purpose of (a) financing,
24 refinancing and/or reimbursing the cost of design, development, construction, installation,
25 furnishing and equipping of the Facilities; (b) funding a debt service reserve fund for the Bonds,
26 as defined below, if necessary; and (c) paying capitalized interest, costs of issuance and other
27 related transaction costs in connection with the issuance of the Bonds; and
28

1 WHEREAS, to provide such financing, refinancing and/or reimbursement for the Project,
2 the Authority proposes to issue its lease revenue bonds in an aggregate original principal amount
3 of not to exceed \$580,000,000 (the “Bonds”) under the provisions of Act, including Article 4
4 (commencing with Section 6584) of Act, which are proposed to be payable from lease payments
5 to be paid by the County pursuant to the Facilities Lease; and
6

7 WHEREAS, copies of the Ground Lease, the Facilities Lease and certain other matters
8 has been provided to the County; and

9 WHEREAS, pursuant to Section 147(f) of the Code, the Board of Supervisors is an
10 “applicable elected representative” of the governmental unit, the geographic jurisdiction of which
11 contains the Facilities to be financed with the proceeds of the Bonds, for purposes of holding a
12 public hearing on the issuance of the Bonds and approving the issuance of the Bonds following
13 such hearing; and
14

15 WHEREAS, on March 19, 2024, the Board of Supervisors conducted a noticed public
16 hearing pursuant to Section 6586.5 of the Act and Section 147(f) of the Code and published
17 notice of such public hearing was given in accordance with the Act and Section 147(f) of the
18 Code; and

19 WHEREAS, on March 19, 2024, the Board of Supervisors approved and adopted
20 Ordinance No. 989 approving the lease-leaseback structure evidenced by the Ground Lease and
21 the Facilities Lease; and
22

23 WHEREAS, the Authority has determined that the Bonds should be offered for sale on a
24 negotiated basis by Morgan Stanley & Co. LLC, for itself and as representative of certain other
25 underwriters named in the Purchase Contract identified below (the “Underwriters”); and
26

27 WHEREAS, Section 5852.1 of the Government Code of the State of California (“Section
28 5852.1”) provides that the Board of Directors of the Authority obtain from an underwriter,

1 financial advisor or private lender and disclose, in a meeting open to the public, prior to
2 authorization of the Bonds, good faith estimates of: (a) the true interest cost of the Bonds, (b) the
3 finance charges of the Bonds, meaning the sum of all fees and charges paid to third parties, (c)
4 the amount of proceeds of the Bonds received less the finance charges described above and any
5 reserves or capitalized interest paid or funded with proceeds of the Bonds and (d) the sum total
6 of all payments the Authority will make to pay debt service on the Bonds plus the finance
7 charges of the Bonds described in subparagraph (b) not paid with the proceeds of the Bonds (the
8 “Good Faith Estimates”); and
9

10 WHEREAS, the Underwriters have provided the Good Faith Estimates to the Authority
11 and to the County; and

12 WHEREAS, in accordance with Section 5852.1, the Good Faith Estimates have been
13 provided to the Board of Supervisors and are disclosed in Exhibit A attached hereto.

14 NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the
15 Board of Supervisors of the County of Riverside, in regular session assembled on April 30, 2024
16 at 9:30 a.m., or soon thereafter, in the meeting room of the Board of Supervisors, located on the
17 first floor of the County Administrative Center, 4080 Lemon Street, Riverside California, as
18 follows:
19

20 Section 1. Findings and Determinations. The Board of Supervisors finds, determines
21 and affirms that it is in the prudent management of the fiscal affairs of the County that the
22 County proceed with the design, development, construction, installation, furnishing and
23 equipping of the Facilities.
24

25 Pursuant to the Act, the Board of Supervisors hereby finds and affirms that the issuance
26 of the Bonds by the Authority will result in more efficient delivery of local agency services to
27
28

1 residential and commercial development and thereby result in significant public benefits within
2 the meaning of Section 6586 of the Act.

3 Section 2. Approval of Bonds. The Board of Supervisors hereby approves of the
4 issuance of the Bonds by the Authority for purposes of Section 147(f) of the Code and under and
5 pursuant to the Act provided that the maximum aggregate principal amount of the Bonds shall
6 not exceed \$580,000,000 and provided that the maximum annual base rent payment shall not
7 exceed \$36,000,000.
8

9 Section 3. Approval of Certain Documents. The Board of Supervisors hereby
10 approves each of the following documents in substantially the respective forms on file with the
11 Clerk of the Board of Supervisors, together with such additions thereto and changes therein as
12 the County Counsel shall deem necessary, desirable or appropriate, the execution of which by
13 the Chair of the Board of Supervisors, the County Executive Officer or County Director of
14 Finance shall be conclusive evidence of the approval of any such additions and changes:
15

16 (a) the Ground Lease;

17 (b) the Facilities Lease, including the Work Letter attached as an exhibit
18 thereto;

19 (c) the Purchase Contract among the Underwriters, the Issuer and P3, and
20 acknowledged by the County as to the pricing and terms of the Bonds;
21

22 (d) the Letter of Representations by the County in connection with the
23 issuance of the Bonds by the Authority; and
24

25 (e) the Continuing Disclosure Certificate by the County.
26

27 Each of the Chair of the Board of Supervisors, the County Executive Officer or County
28 Director of Finance is hereby authorized to finalize and execute, and the Clerk of the Board of

1 Supervisors is hereby authorized and directed to attest and affix the seal of the County to, the
2 final forms of each of the above-mentioned documents for and in the name and on behalf of the
3 County on the closing date of the Bonds following the pricing thereof, the execution of which by
4 the Chair of the Board of Supervisors, the County Executive Officer or County Director of
5 Finance shall be conclusive evidence of the approval of the final terms and provisions of such
6 documents.
7

8 Section 4. Official Statement and Continuing Disclosure Agreement. The Board of
9 Supervisors approves the preparation and distribution of, and hereby authorizes the County
10 Executive Officer and County Director of Finance to deem final within the meaning of Rule 15c2-
11 12 of the Securities and Exchange Commission except for permitted omissions, the portions of the
12 Preliminary Official Statement relating to the County, among other things, the form of which is
13 presented to this meeting. The County Executive Officer and County Director of Finance are
14 hereby directed to approve the portion of the Final Official Statement relating to the County and
15 to provide such necessary certification as to the accuracy and completeness of information
16 pertaining to the County in the Preliminary and the Final Official Statement. The Board of
17 Supervisors has reviewed and approved the Continuing Disclosure Certificate and the County
18 Executive Officer and the County Director of Finance are further authorized to sign the Continuing
19 Disclosure Certificate on behalf of the County in such form as may be approved by the officer
20 executing the same.
21
22

23 Section 5. Official Actions. The County Executive Officer, or designee, the
24 Clerk of the Board of Supervisors and any and all other officers of the County are hereby
25 authorized, for and in the name and on behalf of the County, to do any and all things and take any
26 and all actions, including negotiation, execution and delivery of a tax regulatory agreement related
27 to the Bonds, an estoppel certificate and consent, a subordination, non-disturbance and attornment
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1 agreement, a property management agreement in connection with the management of the Leased
2 Premises, and any and all assignments, certificates, requisitions, agreements, notices, consents,
3 instruments of conveyance, warrants and other documents, subject to approval as to form by
4 County Counsel, which they, or any of them, may deem necessary or advisable in order to
5 consummate the transactions as described herein in connection with the Project and the issuance
6 and sale of the Bonds.
7

8 THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors
9 of the County of Riverside this April 30, 2024, by the following vote:

10
11 AYES: Jeffries, Washington, Spiegel, Perez, and Gutierrez
12
13 NOES: None
14
15 ABSENT: None
16
17 ABSTAINING: None

18 
19 _____
20 Chuck Washington, Chair
21 Board of Supervisors

22 **ATTEST:**
23 Kimberly Rector
24 Clerk of the Board

25 By 
26 _____
27 Deputy

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EXHIBIT A

PUBLIC DISCLOSURES RELATING TO LEASE REVENUE BONDS

Pursuant to California Government Code Section 5852.1, Morgan Stanley & Co. LLC, for itself and as representative of certain other underwriters (the “Underwriters”), has provided the following required information to the California Enterprise Development Authority (the “Authority”) and the County of Riverside (the “County”) in connection with the issuance by the Authority of its Lease Revenue Bonds (Riverside County - Mead Valley Wellness Village Project) Series 2024 (the “Bonds”).

1. The Underwriters have provided the following required good faith estimates relating to the Bonds as follows:

A. The true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds (to the nearest ten-thousandth of one percent): 4.75%.

B. The finance charge of the Bonds, which means the sum of all fees and charges paid to third parties: \$6,918,904.

C. The amount of proceeds received by the public body for sale of the Bonds less the finance charges of the Bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Bonds: \$479,759,421.

D. The total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds plus the finance charge of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total

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payment amount shall be calculated to the final maturity of the Bonds):
\$1,128,631,753.

2. The good faith estimates provided above were based on the information in the attached Schedules which were presented to the governing boards of the Authority and the County, or presented to the official or officials or committee designated by the governing boards of the Authority and the County to obligate the Authority and the County in connection with the Bonds or, in the absence of a governing board, presented to the official or officials of the Authority and County having authority to obligate the Authority and the County in connection with the Bonds.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Bonds and the actual amortization of the Bonds will depend on market interest rates at the time of the issuance of the Bonds. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority and the County are authorized to make this document available to the public at meetings of the Authority and the County.

CLERK'S COPY

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

FIRST AMENDMENT TO LEGAL SERVICES AGREEMENT

THIS FIRST AMENDMENT TO LEGAL SERVICES AGREEMENT
("Amendment") is entered into on this 30 day of April, 2024, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, by and through its Riverside University Health System- Behavioral Health ("COUNTY"), and MEYERS NAVE, a California Professional Corporation ("ATTORNEY"). COUNTY and ATTORNEY are collectively referred to herein as the "Parties."

RECITALS

WHEREAS, the Parties entered into certain Legal Services Agreement dated on or about July 26, 2022 ("Agreement") wherein ATTORNEY agreed to provide legal services to the COUNTY related to the development and construction of Behavioral Health villages in Riverside County, now titled the Behavioral Health Wellness Village ("Project"). Any capitalized terms not defined herein shall have the meaning ascribed to such term in the Agreement;

WHEREAS, the term of the Agreement was from May 12, 2022 to June 30, 2023 or completion of the last work assignment, and the maximum contract price set forth in the Agreement is Eight Hundred Thousand Dollars (\$800,000);

WHEREAS, the volume of legal issues presented to ATTORNEY in connection with the development of the Public Private Partnership (P3) for the Project has not been complete;

WHEREAS, the Parties desire to extend the term one (1) additional year as permitted under Section 1 of the Agreement, so the term does not expire until June 30, 2025;

WHEREAS, the COUNTY desires to amend the Agreement to increase the maximum annual contract price set forth in the Agreement by One Hundred and Fifty Thousand Dollars (\$150,000) to cover legal costs and to allow ATTORNEY to continue to provide legal services under the extended term;

WHEREAS, the Parties desire to amend the Agreement as specified below.

APR 30 2024 3.48

1 **NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency
2 of which is hereby mutually acknowledged, the Parties hereto do hereby agree as follows:

3 1. **Recitals**. The Recitals and attachments referenced above are incorporated herein by this
4 reference and adopted by the Parties to be true and correct.

5 2. **Term of Agreement**. Section 1. of the Agreement titled, “Term of Agreement” is
6 hereby deleted in its entirety and replaced with the following:

7 “ 1. **TERM OF AGREEMENT**. This Agreement shall commence on May 12, 2022,
8 and continue until June 30, 2025 (“Term”), unless sooner terminated pursuant to Section
9 4, Section 5, Section 9, or Section 15(E)(3) herein.”

10 3. **Compensation**. Section 6 of the Agreement titled, “Compensation” is hereby deleted in
11 its entirety and replaced with the following:

12 “ 6. **COMPENSATION**. The total amount of compensation paid to ATTORNEY
13 under the terms of this Agreement shall not exceed an amount of Nine Hundred and
14 Fifty Thousand dollars (\$950,000). These amounts may be amended by the parties to this
15 Agreement, provided a written amendment is executed by both parties prior to
16 performance of any additional services. A written amendment shall be a condition
17 precedent to any obligation for payment by COUNTY beyond the approved
18 compensation. ATTORNEY shall notify the COUNTY immediately in writing when
19 ATTORNEY have expended seventy-five percent (75%) of the total compensation.”

20
21 Except as otherwise provided in this Paragraph 3, the remainder of Section 6 of the
22 Agreement shall remain in effect and is not modified by this Amendment.

23 4. **Miscellaneous**.

24 a. **Interpretation**. This Amendment, when combined with the
25 Agreement, sets forth and contains the entire understanding and agreement of the Parties
26 hereto and correctly sets forth the rights, duties and obligations of each to the other as of
27 this date. There are no oral or written representations, understandings, or ancillary
28

1 covenants, undertakings or agreements, which are not contained or expressly referred to
2 within this Amendment or the Agreement.

3 b. **Attachments.** Each of the attachments and exhibits attached hereto are
4 incorporated herein by this reference.

5 c. **Effectiveness of Agreement.** Except as modified and amended by this
6 Amendment, all other terms and conditions of the Agreement remain unmodified and in
7 full force and effect.

8 d. **Counterparts.** This Agreement may be executed in any number of
9 counterparts, each of which will be an original, but all of which together will constitute
10 one instrument. Each party of this Agreement agrees to the use of electronic signatures,
11 such as digital signatures that meet the requirements of the California Uniform
12 Electronic Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for
13 executing this Agreement. The parties further agree that the electronic signatures of the
14 parties included in this Agreement are intended to authenticate this writing and to have
15 the same force and effect as manual signatures. Electronic signature means an electronic
16 sound, symbol, or process attached to or logically associated with an electronic record
17 and executed or adopted by a person with the intent to sign the electronic record
18 pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an
19 electronic signature for transactions and contracts among parties in California, including
20 a government agency. Digital signature means an electronic identifier, created by
21 computer, intended by the party using it to have the same force and effect as the use of a
22 manual signature, and shall be reasonably relied upon by the parties. For purposes of this
23 section, a digital signature is a type of "electronic signature" as defined in subdivision (i)
24 of Section 1633.2 of the Civil Code.

25
26 e. **Effective Date.** The effective date of this Amendment is April 30, 2024.
27
28


1 IN WITNESS WHEREOF, COUNTY and ATTORNEY have executed this
2 Amendment as of the date first above written.

3
4 "COUNTY"

"ATTORNEY"

5
6 COUNTY OF RIVERSIDE, a political
7 subdivision of the State of California, by and
8 through its Riverside University Health
9 System-Behavioral Health

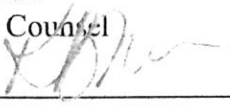
MEYERS NAVE, a California Professional

10 By: 
11 Chuck Washington, Chair
12 Board of Supervisors

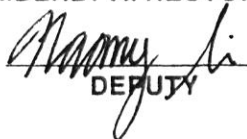
By: _____
Russell E. Morse,
Principal

13 APPROVED AS TO FORM:

14 Minh Tran
15 County Counsel

16 By: 
17 Kristine Bell-Valdez,
18 Deputy County Counsel

19 ATTEST:
20 KIMBERLY A. RECTOR, Clerk

21 By: 
22 DEPUTY
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\$(Par Amount)
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
LEASE REVENUE BONDS
(RIVERSIDE COUNTY - MEAD VALLEY WELLNESS VILLAGE PROJECT)
SERIES 2024

PURCHASE CONTRACT

California Enterprise Development Authority
Sacramento, California

P3 Riverside Holdings, LLC
Riverside, California

Ladies and Gentlemen:

On the basis of the representations, warranties, covenants and conditions contained in this Purchase Contract, the undersigned, Morgan Stanley & Co. LLC, acting on behalf of itself and as representative (the “**Representative**”) of Barclays Capital Inc., Loop Capital Markets LLC and Raymond James & Associates, Inc. (each an “**Underwriter**” and collectively, the “**Underwriters**”), and not acting as fiduciary or agent for the California Enterprise Development Authority (the “**Issuer**”) or P3 Riverside Holdings, LLC, a nonprofit limited liability company duly organized and existing under the laws of the State of California (the “**Landlord**”), hereby offers to enter into this Purchase Contract (this “**Purchase Contract**”) with the Issuer and the Landlord for the purchase by the Underwriters and sale by the Issuer of \$(Par Amount] aggregate principal amount of California Enterprise Development Authority Lease Revenue Bonds (Riverside County - Mead Valley Wellness Village Project) Series 2024 (the “**Bonds**”). This offer is made subject to written acceptance by the Issuer and the Landlord prior to 6:00 p.m., California time, on the date hereof, and upon such acceptance, as evidenced by signatures in the spaces provided therefore below, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the Landlord and the Underwriters. If this offer is not so accepted and approved, it is subject to withdrawal by the Underwriters upon written notice delivered to the Issuer and the Landlord, at any time prior to such acceptance and approval. Capitalized terms not defined herein shall have the meanings ascribed to them in the Preliminary Official Statement (as hereinafter defined).

The Issuer and the Landlord acknowledge and agree that: (i) the primary role of the Underwriters, each as an underwriter, is to purchase securities, for resale to investors, in an arm’s-length commercial transaction among the Issuer, the Landlord and the Representative in which the Underwriters are acting solely as principals and not acting as municipal advisors, financial advisors or fiduciaries to the Issuer or the Landlord and that the Underwriters have financial and other interests that differ from those of the Issuer and the Landlord; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer or the Landlord with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer or the Landlord on other matters); (iii) the only obligations the

Underwriters have to the Issuer or the Landlord with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the Issuer and the Landlord have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent they deem appropriate.

The Bonds will be issued pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “*State*”), an authorizing resolution adopted by the Issuer on [____], 2024, and an Indenture of Trust, dated as of [____] 1, 2024, among the Issuer, the Landlord, and Wilmington Trust, National Association, as trustee (the “*Trustee*”).

1. Public Offering. The Underwriters agree to make a bona fide offering of the Bonds to the public at the respective initial offering prices as set forth in the Final Official Statement (as hereinafter defined). The Underwriters reserve the right to change such initial offering price or prices as the Underwriters shall deem necessary in connection with the offering of the Bonds without any requirement of prior notice and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering price or prices set forth in the Final Official Statement.

2. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Attachment 2, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Attachment 2 attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “*10% test*”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Issuer the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (1) all Bonds of that maturity have been sold or (2) the 10% test has been satisfied as to the Bonds of that maturity, provided that the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Issuer or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “*initial offering price*”), or at the corresponding yield or yields, set forth in Attachment 2 attached hereto, except as otherwise set forth therein. Attachment 2 hereto also sets forth, as of the date of

this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “*hold-the-offering-price rule*”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Issuer, the Landlord and the County promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) (1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public; and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10%

test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

The Issuer acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) The Representative, on behalf of the Underwriters, acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Representative to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50%

common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Contract by all parties.

3. Preliminary Official Statement and Final Official Statement. (a) In connection with the sale of the Bonds, there has been prepared a Preliminary Official Statement, in electronic form dated [____], 2024 (including any and all exhibits thereto, the “**Preliminary Official Statement**”), and a final Official Statement (in printed or electronic form) with respect to the Bonds, to be dated the date hereof (such final Official Statement, including the front cover page and all exhibits, appendices, reports and statements included with or attached to it and any amendments and supplements that may be authorized by the Issuer, the Landlord and the County and to which the Underwriters do not reasonably object, and any amendments and supplements which may be reasonably required by the Underwriters, for use with respect to the Bonds, is hereinafter referred to as the “**Final Official Statement**”) in connection with the public offering and sale of the Bonds. The Issuer confirms that it has authorized the use of Preliminary Official Statement and the Final Official Statement and has approved the information contained therein with respect to the Issuer under the headings “INTRODUCTION – The Authority,” “THE AUTHORITY” and “NO LITIGATION – The Authority” (referred to herein as the “**Issuer Sections**”). The Landlord hereby confirms that it has authorized the use of the Preliminary Official Statement and the Final Official Statement, and any amendment or supplement thereto, in connection with the offer and sale of the Bonds by the Underwriters. The Landlord hereby represents and warrants that (i) the Preliminary Official Statement was “deemed final” by the Landlord as of its date for purposes of Rule 15c2-12 (“**Rule 15c2-12**”) promulgated by the Securities and Exchange of the United States (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) except for the omission of such information as is specified in Rule 15c2-12(b)(1) and (ii) the Final Official Statement as of its date is, and as of the Closing Date will be, accurate in all material respects. The Issuer hereby represents and warrants that the Issuer Sections in the (i) Preliminary Official Statement were “deemed final” by the Issuer as of its date for purposes of Rule 15c2-12 except for the omission of such information as is specified in Rule 15c2-12(b)(1) and (ii) Final Official Statement as of its date are, and as of the Closing Date will be, accurate in all material respects.

(b) The Issuer shall provide, or cause to be provided, to the Underwriters, no later than the earlier of seven business days after the date hereof or three business days prior to the Closing Date, such number of copies of the Final Official Statement as the Underwriters may reasonably request and conformed copies of the Final Official Statement in “designated electronic format” (as defined in MSRB Rule G-32) and in sufficient quantity to permit the Underwriters to comply with Rule 15c2-12, and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the “**MSRB**”).

(c) Each of the Issuer and the Landlord covenants to promptly notify the Representative if, during the period between the date hereof and 25 days following the End of the Underwriting Period (as hereinafter defined), any event shall occur, or information come to the attention of the Issuer or the Landlord, as applicable, that is reasonably likely to contain, or would cause the Final Official Statement (whether or not previously supplemented or amended) to contain, any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Representative such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, to prepare and furnish to the Representative such number of copies of the supplement or amendment to the Final Official Statement, in form and substance mutually agreed upon by the Issuer, the County and the Landlord and approved by the Representative, as the Representative may reasonably request and if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Final Official Statement. For purposes of this Purchase Contract, the “End of the Underwriting Period” shall mean the Closing Date, unless the Landlord and the Issuer have been notified to the contrary by the Representative, on or prior to the Closing Date, that there exists an unsold balance of the Bonds for sale to the public, in which case the end of the underwriting period shall be the earlier of (a) 25 days after the Closing Date and (b) the date on which the “end of the underwriting period” for the Bonds has occurred under Rule 15c2-12.

4. Representations and Warranties.

(a) Representations and Warranties of the Issuer.

(i) The Issuer is, and will be at the Closing Date, duly organized and existing under the Constitution and laws of the State and has the requisite legal right, power and authority to issue the Bonds, to enter into the Transaction Documents (as hereinafter defined) to which the Issuer is a party and this Purchase Contract (the “*Issuer Documents*”) and to perform its obligations under the Issuer Documents, and when executed and delivered by the respective parties thereto, the Issuer Documents will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws related to or affecting creditors’ rights generally and to the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered in a proceeding in equity or law, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities in the State and by matters of public policy;

(ii) When delivered to and paid for by the Underwriters on the Closing Date in accordance with the provisions of this Purchase Contract, the Bonds will have been duly authorized, executed, issued and delivered and, assuming due authentication by the Trustee, will constitute valid and binding limited obligations of the Issuer, enforceable in accordance with their terms and entitled to the benefit and security of the Indenture;

(iii) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has authorized and approved the distribution of the Preliminary Official Statement, approved and authorized the distribution of the Final Official Statement, and authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part (if any) contained in, the Issuer Documents, and the consummation by the Issuer of all other transactions on its part contemplated by the Final Official Statement and this Purchase Contract; and

(iv) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending (with service of process against the Issuer having been accomplished) or known to the Issuer to be threatened against the Issuer (i) to restrain or enjoin the issuance or delivery of the Bonds; (ii) in any way contesting or affecting the authority for the issuance or delivery of the Bonds or the validity when executed and delivered of the Issuer Documents; (iii) in any way contesting the corporate existence or powers of the Issuer; or (iv) which, if determined adversely to it, could reasonably be expected to materially and adversely affect the consummation of the transactions contemplated by the Transaction Documents.

(b) Representations and Warranties of the Landlord.

(i) The Landlord is, and will be at the Closing Date, a duly organized and existing limited liability company and has the requisite legal right, power and authority to enter into the Transaction Documents to which the Landlord is a party and this Purchase Contract (the "**Landlord Documents**") and to perform its obligations under the Landlord Documents, and when executed and delivered by the respective parties thereto, the Landlord Documents will constitute the legal, valid and binding obligations of the Landlord enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws related to or affecting creditors' rights generally and to the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered in a proceeding in equity or law;

(ii) By official action of the Landlord prior to or concurrently with the acceptance hereof, the Landlord has authorized and approved the distribution of the Preliminary Official Statement, approved and authorized the distribution of the Final Official Statement, and authorized and approved the execution and delivery of, and the performance by the Landlord of the obligations on its part contained in, the Landlord Documents, and the consummation by the Landlord of all other transactions on its part contemplated by the Final Official Statement and this Purchase Contract; and

(iii) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending (with service of process against the Landlord having been accomplished) or known to the Landlord to be threatened against the Landlord (i) in any way contesting or affecting the validity when executed and delivered of the Landlord Documents; (ii) in any way contesting the corporate existence or powers of the Landlord; or (iii) which, if determined adversely to it, could reasonably

be expected to materially and adversely affect the consummation of the transactions contemplated by the Transaction Documents.

5. Delivery of and Payment for the Bonds.

(a) Upon the terms and conditions and upon the basis of the representations set forth herein and in the County's Letter of Representations, dated the date hereof, and executed and delivered by the County of Riverside, California (the "**County**"), which form of Letter of Representations is attached hereto as Exhibit A (the "**Letter of Representations**") and incorporated herein as though fully set forth herein, the Underwriters hereby agree to purchase from the Issuer and the Issuer hereby agrees to sell to the Underwriters all (but not less than all) of the Bonds, to be dated as of the Closing Date, at an aggregate purchase price of \$[] (reflecting the aggregate par amount of \$[] plus/minus net original issue premium/discount of \$[]) and less an underwriters' discount of \$[] (the "**Purchase Price**"). The Underwriters hereby further agree to the terms of the Letter of Representations and to perform their obligations hereunder. The Bonds shall mature on the dates, be subject to prior redemption and bear interest from the Closing Date at the rates per annum set forth in the Final Official Statement and as described on Attachment 1 hereto and shall be payable at the times and in the manner, and shall otherwise have the terms and provisions, set forth in the Final Official Statement.

(b) At [] a.m., Pacific time, on [], 2024, or at such other time, or on such earlier or later date as the Representative, the Issuer and the Landlord may mutually agree upon (the "**Closing Date**"), there will be delivered to the Trustee, as agent for The Depository Trust Corporation, New York, New York ("**DTC**") under the Fast Automated Securities Transfer System, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co. as nominee of DTC, and, subject to the terms and conditions hereof, the Representative will accept delivery of the Bonds and pay the Purchase Price in federal funds payable to the order of the Trustee for the account of the Issuer. The forms of the Bonds shall be made available for inspection by the Representative at least one (1) business day before the Closing Date.

6. Certain Conditions to the Underwriters' Obligations. The Underwriters hereby enter into this Purchase Contract in reliance upon the representations of the Issuer contained herein and the representations and warranties of the Landlord contained herein and of the County contained in the Letter of Representations and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Issuer hereunder, subject to the Landlord performing its duties hereunder, and by the County of its obligations under the Letter of Representations. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer hereunder, subject to the Landlord performing its duties hereunder, and by the County of its obligations to be performed under the Letter of Representations and under such documents and instruments at or prior to the Closing Date, and shall also be subject to the following additional conditions:

(a) The representations of the Issuer contained herein and in a closing certificate of the Issuer and the representations and warranties of the Landlord contained herein and the County contained in the Letter of Representations shall be true, complete and correct on the date hereof and as of the Closing Date, as if made on and at the Closing Date;

(b) As of the Closing Date, the Bond Documents and the Project Documents (each as set forth on Exhibit B hereto and together, the “*Transaction Documents*”) shall be in full force and effect and shall be in the forms previously furnished to the Underwriters except for such changes as may have been agreed to in writing by the Representative (the delivery of funds by the Representative for the purchase of the Bonds shall be deemed acceptance of the Bond Documents and the Project Documents as they exist at the time of delivery of the Bonds); and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel and counsel for the Underwriters, shall be necessary in connection with the transactions contemplated hereby;

(c) As of the Closing Date, no default or event of default under any of the Bond Documents or the Project Documents, however designated, shall have occurred and be continuing;

(d) The Representative, on behalf of the Underwriters, may terminate this Purchase Contract, without liability therefor, by notification to the Issuer and the Landlord if at any time on or after the acceptance by the Issuer and the Landlord of this Purchase Contract and on or prior to the Closing Date any of the following events shall occur in the sole and reasonable judgment of the Representative:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Final Official Statement or which is not reflected in the Final Official Statement but should be reflected therein in order to make the statements contained therein in light of the circumstances under which they were made not misleading in any material respect and, in either such event, (a) the Issuer, the Landlord or the County refuse to permit the Final Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Representative, or (b) the effect of the Final Official Statement as so supplemented is, in the reasonable judgment of the Representative, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing Date) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal or state taxation of interest received on obligations of the general character of the Bonds which, in

the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (including any related underlying obligations) is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended (the “*Securities Act*”), the Exchange Act, or the Trust Indenture Act of 1939, as amended (the “*Trust Indenture Act*”);

(iv) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Final Official Statement or otherwise, is or would be in violation of the federal securities laws as amended and then in effect;

(v) there shall have occurred (1) any outbreak of hostilities, escalation of current hostilities, act of terrorism or any national or international calamity or crisis (or any escalation thereof after the date hereof, including relating to COVID-19), declaration by the United States of a national or international emergency or war; or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States, which in the judgment of the Representative, would materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by said exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have (A) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations or (B) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or

the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(vii) a general banking moratorium shall have been declared by federal or New York or California state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the reasonable judgment of the Representative, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(viii) any change or any development involving a prospective change in, or affecting, the condition (financial or otherwise), prospects, earnings, business or properties of the Landlord or the County, whether or not arising from transactions in the ordinary course of business, the effect of which, in the reasonable judgment of the Representative, is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds; or

(ix) (i) a downgrading or suspension of any rating (without regard to credit enhancement) of any debt securities issued by the Issuer for the benefit of the Landlord or by the County, or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on “credit watch” or “negative outlook” or any similar qualification) of any rating of any debt securities issued by the Issuer for the benefit of the Landlord or by the County, including the Bonds.

(e) On or prior to the Closing Date, the Underwriters shall receive the following documents, in each case satisfactory in form and substance to the Representative and its counsel:

(i) the unqualified approving opinion of Bond Counsel, dated the Closing Date, substantially in the form included as Appendix D to the Preliminary Official Statement, and the supplemental negative assurance letter of Bond Counsel, along with a reliance letter addressed to the Underwriters;

(ii) the opinion of Kutak Rock LLP, disclosure counsel, dated the Closing Date and addressed to the Issuer and the Underwriters, in substantially the form set forth in Exhibit C hereto.

(iii) the opinion of Kutak Rock LLP, special counsel to the Landlord, dated the Closing Date addressed to the Issuer, the Trustee, the County and the Underwriters, in substantially the form set forth in Exhibit D hereto;

(iv) the opinion of Meyers Nave, special counsel to the County, dated the Closing Date and addressed to the Issuer, the County, the Landlord and the Underwriters, in substantially the form set forth in Exhibit E hereto;

(v) the opinion, dated as of the Closing Date, of Nixon Peabody LLP, counsel to the Underwriters, in form and substance satisfactory to the Underwriters;

(vi) the opinion, dated as of the Closing Date, of Taboada Rochin Govier, counsel to the Trustee, in form and substance satisfactory to the Issuer and the Underwriters;

(vii) the Letter of Representations of the County agreed to by the Issuer, the Landlord and the Underwriters;

(viii) a certificate of the Issuer, satisfactory in form and substance to the Landlord and the Underwriters;

(ix) a copy of the Landlord's Certificate of Formation, certified by the California Secretary of State, a copy of the Landlord's operating agreement, a copy of the Landlord's Certificate of Good Standing, certified by the California Secretary of State, a copy of a Certificate of Authorization certified by the California Secretary of State, and a copy of the resolution or resolutions or other actions adopted by the Landlord authorizing the execution and delivery by the Executive Director, on behalf of the Landlord, of the Bond Documents and the Project Documents to which the Landlord is a party and which are being executed and delivered in connection with the issuance of the Bonds (the "**Landlord Documents**") and approving the information contained therein about the Landlord in the Preliminary Official Statement and the Final Official Statement;

(x) a copy of the resolutions of the Board of Directors of the Issuer authorizing the execution and delivery of the Bond Documents to which the Issuer is a party which are being executed and delivered in connection with the issuance of the Bonds, and approving and ratifying the use of the information pertaining to the Issuer in the Final Official Statement;

(xi) a certificate from the Representative with respect to the public offering and "Issue Price" of the Bonds, substantially in the form attached hereto as Attachment 2;

(xii) executed copies of the Bond Documents;

(xiii) executed copies of the Project Documents;

(xiv) a specimen of the Bonds;

(xv) a rating letter from [], establishing that the Bonds are rated no lower than "[]" by such entity;

(xvi) evidence to the effect that the requirements of the Code have been or will be satisfied by the filing of Internal Revenue Service Form 8038-G entitled "Information Return for Tax-Exempt Governmental Issues;"

(xvii) a certificate of the Trustee, signed by an authorized officer of the Trustee satisfactory to the Underwriters, together with an attachment to the certificate evidencing the authority of the Trustee to act as Trustee and dated the Closing Date, to the effect that (A) pursuant to the terms of the Indenture, the Trustee has duly accepted the office of trustee; (B) the Trustee has received all of the documents specified in the Indenture that are prerequisite to its authentication and delivery of the Bonds; (C) the Trustee's Certificate of Authentication on the Bonds has been duly executed on behalf of the Trustee by a duly authorized signatory of the

Trustee; (D) the Bonds have been delivered to and paid for by the Underwriters; and (E) the proceeds of the Bonds have been credited in accordance with the Indenture;

(xviii) property and liability insurance certificates evidencing the insurance required to be in place as of the Closing Date as set forth pursuant to the Bond Documents and the Project Documents and issued by an insurance company reasonably acceptable to the Representative, naming the Landlord, the County and/or the Trustee as an additional insured parties or loss payees as applicable; and

(xix) such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and counsel to the Underwriters may reasonably request and within a reasonably sufficient amount of time so as to allow the Landlord to obtain the same to evidence (A) compliance by the Issuer or the Landlord with legal requirements, (B) the truth and accuracy, as of the Closing Date, of the Issuer's and the Landlord's representations herein contained and (C) the satisfaction by the Issuer and the Landlord of all conditions precedent to closing set forth in the Bond Documents and this Purchase Contract. All of the opinions, letters, certificates, instruments and documents (other than those the form of which is specifically agreed to by the Issuer and the Landlord and the Underwriters as set forth in this Purchase Contract) shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, in the reasonable judgment of the Representative, they are satisfactory in form and substance as set forth in this Purchase Contract.

If the conditions to the obligations of the Underwriters contained in this Purchase Contract are not satisfied or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Issuer or the Landlord nor the Underwriters shall have any obligations hereunder.

The performance by the Issuer and the Underwriters of their obligations under this Purchase Contract are conditioned upon (a) the performance by the Underwriters and the Issuer, respectively, of their respective obligations hereunder, (b) the performance by the Landlord of its obligations hereunder and (c) the receipt by the Issuer and the Underwriters, respectively, of the opinions, certificates, instruments and documents to be delivered on the Closing Date by persons and entities required to do so.

7. Payment of Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including, but not limited to the cost of printing of the Bonds (and full execution thereof), the Preliminary Official Statement and the Final Official Statement, the fees of the rating agencies, and the fees and expenses of Bond Counsel, counsel to the Issuer, counsel to the County, counsel to the Landlord, counsel to the Underwriters, counsel to the Trustee, and all expenses to be paid by the Issuer pursuant to this Purchase Contract shall be paid by the County from the proceeds of the Bonds. The Issuer shall not be responsible for the payment of any expenses hereunder. The Underwriters shall not be responsible for any expenses of the Issuer or the Landlord which are incidental to implementing this Purchase Contract, including, but not limited to, meals, and transportation and lodging expenses of their respective employees or representatives.

8. Counterparts. This Purchase Contract may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument. Delivery of executed counterparts of this Purchase Contract by e-mail or other electronic transmission shall be effective as an original.

9. Notices. Any notice or other communication to be given under this Purchase Contract to the Issuer may be given by delivering the same in writing as follows: California Enterprise Development Authority, 2150 River Plaza Drive, Suite 275, Sacramento, California, 95833, Attention: Chair; any such notice or other communication to be given to the Underwriters may be given by delivering the same, in writing, to Morgan Stanley & Co. LLC , 1585 Broadway, 16th Floor, New York, New York 10036 Attention: Darryl Davis; any notice or other communication required to be delivered to the Landlord may be given by delivering the same to P3 Riverside Holdings, LLC, 200 Quebec Street, 300-111, Denver Colorado, 80230, Attention: Kimberly Wyatt.

10. Miscellaneous. This Purchase Contract is made solely for the benefit of the Issuer, the Landlord and the Underwriters (including the successors or assigns of the Underwriters) and no other person, company, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements of the Issuer in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds.

11. No Fiduciary Duty or Advisory Role. The Issuer and the Landlord acknowledge and agree that (i) the primary role of the Underwriters, as underwriters of the Bonds, is to purchase the Bonds for resale to investors in an arm's length commercial transaction among the Issuer, the Landlord, the County and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Issuer, the Landlord and the County, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each of the Underwriters is and has been acting solely as a principal and is not acting as a Municipal Advisor (within the meaning of Section 15B of the Exchange Act) the agent or fiduciary of the Issuer, the Landlord or the County, (iii) none of the Underwriters has assumed an advisory or fiduciary responsibility in favor of the Issuer, the Landlord, or the County with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any of the Underwriters has provided other services or is currently providing other services to the Issuer or the Landlord on other matters) and the Underwriters have no obligation to the Issuer, the Landlord or the County with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, and (iv) each of the Issuer, the Landlord and the County has consulted its own legal, financial, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate and agrees that it is solely responsible for making its own judgments in connection with the offering regardless of whether the Underwriters have or are currently advising the Issuer on related or other matters. The Issuer and the Landlord acknowledge that they are free to engage a municipal advisor to serve as an advisor in this transaction with a legal fiduciary duty to the Issuer and/or the Landlord.

12. Governing Law. This Purchase Contract is governed by the laws of the State, without regard to the choice of law rules of the State. Venue for any action under this Purchase Contract to which the Issuer is a party shall lie within the federal district courts of the State, and

the parties hereto and the Landlord consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

13. Blue Sky Qualification. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, at the expense of the County, as the Underwriters may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Issuer be required to take any action that would subject it to general or unlimited service of process in any jurisdiction in which it is now not so subject.

14. Entire Agreement. This Purchase Contract embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

[signatures follow]

The Representative hereby represents that it has been duly authorized to execute this Purchase Contract on behalf of the Underwriters and to perform other functions, as herein set forth. Please confirm that the foregoing correctly sets forth the Purchase Contract between us.

**Morgan Stanley & Co. LLC,
as Representative of the Underwriters**

By: _____
Name: Darryl Davis
Title: [Executive Director]

Accepted and confirmed as of
the first date written above:

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY, as Issuer

By: _____
Gurbax Sahota, Chair

Accepted and confirmed as of
the first date written above:

P3 RIVERSIDE HOLDING, LLC, as Landlord

By: P3 Foundation Inc., its sole member

By: _____
Name: Kimberly Wyatt
Title: Executive Director

Acknowledged and approved as to the pricing and
terms of the Bonds as of the first date written above:

COUNTY OF RIVERSIDE

By: _____
Name: _____
Title: _____

ATTACHMENT 1

TERMS OF THE BONDS

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS,
PRICES AND CUSIP NUMBERS**

Maturity (November 1)	Principal Amount (\$)	Interest Rate (%)	Yield (%)	Price	CUSIP No.
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OPTIONAL REDEMPTION PROVISIONS

EXTRAORDINARY MANDATORY REDEMPTION PROVISIONS

MANDATORY SINKING FUND REDEMPTION PROVISIONS

ATTACHMENT 2

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Morgan Stanley & Co. LLC, acting on behalf of itself and as representative (the “Representative”) of Barclays Capital Inc., Loop Capital Markets LLC and Raymond James & Associates, Inc. (collectively, the “Underwriting Group”), hereby certifies as set forth below in connection with the sale of the \$[Par Amount] California Enterprise Development Authority Lease Revenue Bonds (Riverside County - Mead Valley Wellness Village Project) Series 2024 (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this Issue Price Certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. If any Hold-the-Offering-Price Maturities are identified in Schedule A, a copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Contract, dated _____, 2024 (the “Purchase Contract”) between the Issuer and the Representative, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2024), or (ii) the date on which the Underwriter has sold at

least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the Offering-Price Maturity.

(d) *Issuer* means the California Enterprise Development Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter as defined in subsection (h) below. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Issue Price Certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

MORGAN STANLEY & CO. LLC, as
Representative of the Underwriting Group

By: _____
Darryl Davis, Executive Director

Dated: _____, 2024

**SCHEDULE A
TO ISSUE PRICE CERTIFICATE**

General Rule Maturities

- Not Applicable
- Maturities Listed Below
[INSERT TABLE]

Hold-The-Offering-Price Rule Maturities

- Not Applicable
- Maturities Listed Below

**SCHEDULE B
TO ISSUE PRICE CERTIFICATE**

PRICING WIRE OR EQUIVALENT COMMUNICATION

- Not applicable, because there are no Hold-the-Offering-Price Maturities
- Attached

EXHIBIT A

FORM OF LETTER OF REPRESENTATIONS OF THE COUNTY

California Enterprise Development Authority
Sacramento, California

P3 Riverside Holdings, LLC
Riverside, California

Morgan Stanley & Co. LLC
New York, New York

Ladies and Gentlemen:

This Letter of Representations (this “Letter of Representations”) is being executed and delivered by the County of Riverside, California (the “County”) pursuant to the Purchase Contract, dated [____], 2024 (the “Purchase Contract”), by and among Morgan Stanley & Co. LLC, acting on behalf of itself and as representative (the “Representative”) of Barclays Capital Inc., Loop Capital Markets LLC and Raymond James & Associates, Inc. (collectively, the “Underwriters”), the California Enterprise Development Authority (the “Issuer”), and P3 Riverside Holdings, LLC (the “Landlord”) relating to the sale by the Issuer and purchase by the Underwriters of \$[Par Amount] aggregate principal amount of the Issuer’s California Enterprise Development Authority Lease Revenue Bonds (Riverside County - Mead Valley Wellness Village Project) Series 2024 (the “Bonds”). A copy of the Purchase Contract has been delivered to the County.

The County, as ground lessor, and the Landlord, as ground lessee, will enter into that certain Ground Lease Agreement, dated as of [____], 2024 (the “Ground Lease”), pursuant to which the County will lease to the Landlord a 19.41 acre parcel of real property within the unincorporated Mead Valley area of the County (the “Property”) upon which a behavioral health facilities campus and related improvements (the “Facilities”) will be constructed. The Landlord has agreed to cause the design, development, construction, installation, furnishing and equipping of the Facilities.

Pursuant to that certain Facilities Lease Agreement, dated as of [____], 2024 (the “Facilities Lease”), by and between the Landlord, as landlord thereunder, and the County, as tenant thereunder, the Landlord will lease the Property and the Facilities (together, the “Leased Premises”) to the County. Upon completion and acceptance of the Facilities by the County, the County will make lease payments pursuant to the Facilities Lease in an amount sufficient to pay (i) the principal of, premium, if any, and interest due on the Bonds (the “Base Rent”) and (ii) all necessary costs and expenses required to operate and maintain the Leased Premises and other costs and expenses in accordance with the Facilities Lease.

In order to finance, refinance and/or reimburse the cost of the Facilities, the Issuer, the Landlord and the Underwriters have entered into the Purchase Contract, pursuant to which the Underwriters agree to purchase and the Issuer agrees to issue and deliver to the Underwriters all, but not less than all, of the Bonds.

All capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Contract. The County hereby represents, warrants, covenants and agrees with you as follows:

1. The County is a political subdivision of the State of California, duly organized and validly existing under the laws thereof.

2. The Board of Supervisors of the County duly adopted a resolution on [April 30], 2024 (the “County Resolution”), authorizing the execution and delivery of the Ground Lease, the Facilities Lease, this Letter of Representations and a Continuing Disclosure Certificate; authorizing the preparation and use of a Preliminary Official Statement and a Final Official Statement, containing certain information about the County and relating to the Bonds; and authorizing the execution and delivery of other documents, agreements and certificates in connection with the leasing of the Premises.

3. The County has full legal right, power and authority, to (i) adopt the County Resolution; (ii) enter into, execute, deliver and perform its obligations under the Ground Lease, the Facilities Lease, the Continuing Disclosure Certificate, the Tax Regulatory Agreement and this Letter of Representations (collectively, the “County Documents”); and (iii) carry out and consummate the transactions on its part contemplated by the County Documents.

4. By all necessary official County action, the County has duly authorized and approved the execution and delivery of the County Documents, has duly authorized and approved the performance by the County of its obligations contained in the County Documents, and the consummation by it of all other transactions contemplated by the County Documents, all pursuant to the County Resolution, which was adopted at a meeting duly called and held in accordance with the requirements of all applicable laws. The County Resolution has not been modified, amended or rescinded since its date of adoption by the Board of Supervisors.

5. On the date of delivery of the Bonds to the Underwriters by the Issuer, the County will execute the Continuing Disclosure Certificate. The County will undertake, pursuant to the Continuing Disclosure Certificate, to provide certain annual financial information. The form of the undertaking is attached as Appendix E to the Final Official Statement.

6. Except as set forth in the Preliminary Official Statement and the Final Official Statement, as of the date hereof, to the best of the County’s knowledge, the County is not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of any state of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the County Documents) or other instrument to which the County is a party which breach or default has or may have an adverse effect on the ability of the County to perform its obligations under the County Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a material default or material event of default under any such instrument; and the adoption of the County Resolutions, the execution and delivery of the County Documents, and compliance with the provisions on the County’s part contained therein, will not conflict in any way with or constitute a material breach of or a material default under any constitutional provision, law,

administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County or under the terms of any such law, regulation or instrument, except as provided by the County Documents.

7. To the best of the County's knowledge, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction over the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the County of its obligations in connection with the execution and delivery of the County Documents or the consummation by it of all the transactions contemplated by the County Documents have been duly obtained; provided, however, that the County makes no representations whether any permits or other approvals required to be obtained for the construction of the Facilities have been obtained as of the date hereof.

8. Assuming the due authorization, execution and delivery by the other parties thereto, the County Documents, when duly authorized, executed and delivered by the County, will constitute the legal, valid and binding agreements of the County enforceable against the County in accordance with the terms of such agreements, except as such enforceability may be limited by bankruptcy, reorganization, insolvency and other similar laws affecting the enforceability of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

9. To the best of its knowledge, no action, suit, proceeding, hearing or investigation is pending or threatened against the County (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County executing the documents to such offices, (ii) in any way contesting or affecting the validity or enforceability of any of the County Documents or the County Resolution, or contesting the powers or authority of the County with respect to the County Resolution or any of the County Documents, wherein a final adverse decision would materially adversely affect the validity or enforceability of the County Documents.

10. The information relating to the County contained in the Preliminary Official Statement (as of its date and as of the date hereof) and the Final Official Statement (as of the date hereof) (each including the appendices thereto) is accurate in all material respects. The financial statements of the County (the "County Financial Statements") contained in Appendix C of the Preliminary Official Statement and the Final Official Statement fairly present the financial condition of the County for the periods therein set forth. The County hereby deems the information relating to the County in the Preliminary Official Statement final for purposes of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12).

11. The County will promptly notify the Representative if, during the period between the date hereof and 25 days following the End of the Underwriting Period (as defined in the Purchase Contract), any event shall occur, or information come to the attention of the County, that

is reasonably likely to contain, or would cause the Final Official Statement (whether or not previously supplemented or amended) to contain, any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Representative such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, to assist the Issuer and the Landlord in preparing and furnishing to the Representative such number of copies of the supplement or amendment to the Final Official Statement, in form and substance mutually agreed upon by the Issuer, the County and the Landlord and approved by the Representative, as the Representative may reasonably request and if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Final Official Statement.

12. Except as otherwise provided in the Preliminary Official Statement and the Final Official Statement, the County has not in the previous five years failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in Rule 15c2-12(b)(5)(i).

13. (a) To the extent permitted by law, the County agrees to indemnify and hold harmless (but not defend) any Underwriter Indemnified Party (as defined in Section 13(d) below), and any Issuer Indemnified Party (as defined in Section 13(d) below) as follows: (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in Appendix A – “INFORMATION REGARDING THE COUNTY” of the Preliminary Official Statement or the Final Official Statement (or any amendment or supplement thereto), and in the sections entitled “INTRODUCTION,” “THE PROJECT,” “NO LITIGATION,” “CONTINUING DISCLOSURE” and “FINANCIAL STATEMENTS OF THE COUNTY” and APPENDIX C – AUDITED FINANCIAL STATEMENT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (as those sections relate to the County), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) against any and all loss, liability, claim, damage and expenses whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission; and (iii) against any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above.

(b) With respect to any claim made against any Underwriter Indemnified Party, the County shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof. The County shall be entitled to participate at its own expense in the defense or, if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but, if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter Indemnified Party or Underwriter Indemnified Parties, as applicable, in any suit so brought, which approval shall not be unseasonably withheld. In any such suit, any Underwriter Indemnified Party shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of

such Underwriter Indemnified Party unless (i) the County shall have authorized the employment of such counsel or (ii) the named parties to any such action (including any impleaded parties) include both any Underwriter Indemnified Party and the County and the Underwriter Indemnified Party shall have been advised by such Underwriter Indemnified Party's counsel that a conflict of interest between the County and such Underwriter Indemnified Party may arise and for this reason it is not desirable for the same counsel to represent both the County and the Underwriter Indemnified Party (it being understood, however, that the County shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriter Indemnified Parties and such firm shall be designated in writing by mutual agreement among the Underwriter Indemnified Parties. Notwithstanding the foregoing, the County shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Underwriter Indemnified Parties and such firm shall be designated in writing by mutual agreement among the Underwriter Indemnified Parties, unless any Underwriter Indemnified Party shall have been advised by its counsel that a conflict of interest between it and any Issuer Indemnified Party may arise and for this reason it is not desirable for the same counsel to represent both it and the Issuer Indemnified Party. The County agrees to notify any Underwriter Indemnified Party within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the County within the meaning of Section 15 of the Securities Act of 1933 (the "Act"), in connection with sale of the Bonds.

(c) With respect to any claim made against any Issuer Indemnified Party, the County shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but the failure so to notify the County shall not relieve the County from any liability hereunder. The Issuer Indemnified Parties shall hire their own counsel, and the County shall pay the reasonable fees and costs of such counsel, or shall reimburse the Issuer for such fees and costs.

(d) As used herein "Underwriter Indemnified Party" shall mean the Underwriters and each person or entity, if any, who controls any of the Underwriters within the meaning of Section 15 of the Act and each officer, director or employee of each of the Underwriters. As used herein "Issuer Indemnified Party" shall mean the Issuer and each person or entity, if any, who controls the Issuer within the meaning of Section 15 of the Act and each officer, agent, advisor, official and employee of the Issuer.

14. No Fiduciary Duty or Advisory Role. The County acknowledges and agrees that (i) the primary role of the Underwriters, as underwriters of the Bonds, is to purchase the Bonds for resale to investors in an arm's length commercial transaction among the Issuer, the Landlord, the County and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Issuer, the Landlord and the County, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each of the Underwriters is and has been acting solely as a principal and is not acting as a Municipal Advisor (within the meaning of Section 15B of the Exchange Act), the agent or fiduciary of the Issuer, the Landlord or the County, (iii) none of the Underwriters has assumed an advisory or fiduciary responsibility in favor of the Issuer, the Landlord, or the County with respect to the

offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any of the Underwriters has provided other services or is currently providing other services to the County on other matters) and the Underwriters have no obligation to the Issuer, the Landlord or the County with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, and (iv) the County has consulted its own legal, financial, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate and agrees that it is solely responsible for making its own judgments in connection with the offering regardless of whether the Underwriters have or are currently advising the County on related or other matters. The County acknowledges that it is free to engage a municipal advisor to serve as an advisor in this transaction with a legal fiduciary duty to the County.

15. The representations, warranties, covenants and agreements contained in this Letter of Representations shall survive the Closing Date under the Purchase Contract and any investigation made by or on behalf of the Issuer, the Landlord or the Underwriters or any person who controls such persons of any matters described in or related to the transactions contemplated by the County Documents.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the County of Riverside has executed and delivered this Letter of Representations as of the date first above written.

COUNTY OF RIVERSIDE

By: _____

Name: _____

Title: _____

EXHIBIT B

LIST OF BOND DOCUMENTS

Indenture
Preliminary Official Statement
Final Official Statement
Purchase Contract
Letter of Representations
Deed of Trust
Deed of Trust Assignment
Continuing Disclosure Certificate
Tax Regulatory Agreement

LIST OF PROJECT DOCUMENTS

Ground Lease
Facilities Lease
Lease Assignment
Design Build Agreement
Design Build Assignment
Development Agreement
Development Assignment

EXHIBIT C
FORM OF OPINION OF DISCLOSURE COUNSEL

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE LANDLORD

EXHIBIT E
FORM OF OPINION OF COUNTY COUNSEL

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: Moody's: "[]"

S&P: "[]"

See "RATINGS" herein.

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2024 Bonds (including any original issue discount properly allocable to the owner of a Series 2024 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 imposed on individuals. Interest on the Series 2024 Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that interest on the Series 2024 Bonds is exempt from State of California personal income taxes. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

§ _____
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
LEASE REVENUE BONDS
(RIVERSIDE COUNTY – MEAD VALLEY WELLNESS VILLAGE PROJECT)
SERIES 2024

Dated: Date of Delivery

Due: As shown on the inside cover

The California Enterprise Development Authority Lease Revenue Bonds (Riverside County – Mead Valley Wellness Village Project) Series 2024 (the "Series 2024 Bonds") described herein are issued by the California Enterprise Development Authority (the "Authority"), a public entity duly organized and validly existing under the laws of the State of California (the "State"), pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State and an Indenture of Trust, dated as of _____ 1, 2024 (the "Indenture"), among the Authority, P3 Riverside Holdings, LLC, a limited liability company organized and existing under the laws of the State (the "Landlord") and Wilmington Trust, National Association, a national banking association, as trustee (the "Trustee"). The Series 2024 Bonds are being issued to (a) finance, refinance and/or reimburse the cost of the design, development, construction, installation, furnishing and equipping of a behavioral health facilities campus and related improvements (as further described herein, the "Facilities") located in the unincorporated Mead Valley area of Riverside County, California, (b) pay capitalized interest on the Series 2024 Bonds and (c) pay certain costs of issuing the Series 2024 Bonds. The County of Riverside, California (the "County"), as owner of the real property upon which the Facilities will be constructed, will lease such real property to the Landlord pursuant to a Ground Lease Agreement, dated as of _____ 1, 2024 (the "Ground Lease"). The Landlord will cause the design, development, construction, installation, furnishing and equipping of the Facilities and will sublease such real property and lease the Facilities (collectively, the "Leased Premises") to the County pursuant to a Facilities Lease Agreement, dated as of _____ 1, 2024 (the "Facilities Lease"). Upon completion and acceptance of the Facilities by the County, the County will make lease payments pursuant to the Facilities Lease in an amount sufficient to pay (i) the principal of, premium, if any, and interest due on the Series 2024 Bonds (the "Base Rent"), and (ii) all necessary costs and expenses required to operate and maintain the Leased Premises and other costs and expenses in accordance with the Facilities Lease (the "Additional Rent" and together with Base Rent, the "Rental Payments"). The Series 2024 Bonds are secured by a pledge by the Authority and Landlord of Revenues which are generally defined as 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 for the payment of the principal of, premium, if any, and interest on, the Bonds.

THE COUNTY'S OBLIGATIONS TO PAY RENTAL 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 RENTAL PAYMENTS DOES NOT CONSTITUTE A GENERAL 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 Series 2024 Bonds will be issued in fully registered form in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof, and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book entry form only. Purchasers of the Series 2024 Bonds will not receive certificates evidencing their ownership interests in the Series 2024 Bonds. Interest on the Series 2024 Bonds, at the rates set forth on the inside cover hereof, is payable semi-annually on May 1 and November 1 of each year, commencing on November 1, 2024, and principal of and interest on the Series 2024 Bonds are payable by the Trustee to DTC. DTC is required to remit such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Series 2024 Bonds, as described herein. See the caption "THE SERIES 2024 BONDS—General" herein and APPENDIX F—"BOOK-ENTRY SYSTEM" herein.

The Series 2024 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity at the prices and upon the terms set forth in this Official Statement. See the caption "THE SERIES 2024 BONDS—Redemption Terms" herein.

The Series 2024 Bonds are special, limited obligations of the Authority, and the Authority will under no circumstances be obligated to pay the Series 2024 Bonds except from the Revenues and other funds pledged therefor under the Indenture. None of the County, the State or any political subdivision or agency of the State will be obligated to pay the principal of, premium, if any, or interest on, the Series 2024 Bonds or other costs incident thereto except from the revenues and funds pledged therefor. Neither the faith and credit nor the taxing power of the County, the State or any political subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on, the Series 2024 Bonds nor is the County, the State or any political subdivision thereof in any manner obligated to make any appropriation for the payment thereof. The Authority has no taxing powers.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2024 Bonds are offered when, as and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of legality by Kutak Rock LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Landlord by Kutak Rock LLP, Atlanta, Georgia, and for the County by the County Counsel. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP. The Series 2024 Bonds are expected to be available for delivery in New York, New York through the book-entry procedures of DTC on or about _____, 2024.

Morgan Stanley

Loop Capital Markets

Barclays

Raymond James

Dated: _____, 2024

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

\$ _____^{*}
CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
LEASE REVENUE BONDS
(RIVERSIDE COUNTY – MEAD VALLEY WELLNESS VILLAGE PROJECT)
SERIES 2024

Maturity Date (November 1)[*]	Principal Amount[*]	Interest Rate	Yield	Price	CUSIP No. †
---	---	--------------------------	--------------	--------------	--------------------

\$ _____^{*} _____% Term Bond due November 1, 20__^{*}, Yield: _____%; Price: _____%; CUSIP No.†:

\$ _____^{*} _____% Term Bond due November 1, 20__^{*}, Yield: _____%; Price: _____%; CUSIP No.†:

\$ _____^{*} _____% Term Bond due November 1, 20__^{*}, Yield: _____%; Price: _____%; CUSIP No.†:

^{*} Preliminary; subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2024 CUSIP Global Services. All rights reserved. CUSIP data provided herein is for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for CGS. None of the Authority, the Landlord, the County, the Underwriters or their agents or counsel is responsible for the selection, use or accuracy of the CUSIP numbers set forth herein, and no representation is made as to their correctness on the Series 2024 Bonds or as included herein or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part, or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024 Bonds.



CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Board of Directors

Gurbax Sahota, Chair
Jessica Gonzales, Vice Chair
Larry Vaupel, Secretary
Dave White, Treasurer
Robert Burris, Member
Aaron Laurel, Member
Jennifer McLain Hiramoto, Member
Josh Metz, Member

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Kutak Rock LLP
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

Wilmington Trust, National Association
Costa Mesa, California

No dealer, broker, salesperson or other person has been authorized by the County, the Authority, the Underwriters or the Landlord to give any information or to make any representations in connection with the offer or sale of the Series 2024 Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the County, the Authority, the Underwriters or the Landlord. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the Series 2024 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Series 2024 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the County, the Authority or the Landlord or any other parties described herein since the date hereof. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Series 2024 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption “RISK FACTORS” and in “APPENDIX A – INFORMATION REGARDING THE COUNTY OF RIVERSIDE.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE COUNTY NOR THE LANDLORD PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE LANDLORD AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

For purposes of compliance with Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission, as amended and in effect on the date hereof, this Preliminary Official Statement is in a form deemed final by the Authority, the County and the Landlord as of its date, except for certain information permitted to be omitted pursuant to Rule 15c2-12(b)(1).

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12. The County maintains a website; however, the information presented on such website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2024 Bonds.

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§ _____ *

**CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
LEASE REVENUE BONDS
(RIVERSIDE COUNTY – MEAD VALLEY WELLNESS VILLAGE PROJECT)
SERIES 2024**

INTRODUCTION

This introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement, which includes the cover page, inside cover pages, table of contents, this introduction and the appendices hereto (collectively, this “Official Statement”). The offering of the above captioned bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined herein have the meanings ascribed to them in “APPENDIX B—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS.”

The purpose of this Official Statement is to provide certain information in connection with the offering by the California Enterprise Development Authority (the “Authority”) of its § _____* California Enterprise Development Authority Lease Revenue Bonds (Riverside County – Mead Valley Wellness Village Project) Series 2024 (the “Series 2024 Bonds”).

The Series 2024 Bonds will be issued pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “State”); an authorizing resolution adopted by the Authority on May 9, 2024; and an Indenture of Trust, dated as of _____ 1, 2024 (the “Indenture”), among the Authority, P3 Riverside Holdings, LLC, a limited liability company organized and existing under the laws of the State (the “Landlord”), and Wilmington Trust, National Association, as trustee (the “Trustee”).

The Series 2024 Bonds are being issued to (a) finance, refinance and/or reimburse the cost of the design, development, construction, installation, furnishing and equipping of a behavioral health facilities campus and related improvements (as further described herein, the “Facilities”) located in the unincorporated Mead Valley area of the Riverside County, California, (b) pay capitalized interest on the Series 2024 Bonds and (c) pay certain costs of issuing the Series 2024 Bonds (collectively, the “Project”). See “INTRODUCTION—Plan of Finance” and “THE PROJECT.” The County of Riverside, California (the “County”), as owner of the real property upon which the Facilities will be constructed, will lease such real property to the Landlord pursuant to a Ground Lease Agreement, dated as of _____ 1, 2024 (the “Ground Lease”). The Landlord will cause the design, development, construction, installation, furnishing and equipping of the Facilities and will sublease real property and lease the Facilities (collectively, the “Leased Premises”) to the County pursuant to a Facilities Lease Agreement, dated as of _____ 1, 2024 (the “Facilities Lease”). Upon completion and acceptance of the Facilities by the County, the County will make lease payments pursuant to the Facilities Lease in an amount sufficient to pay (i) the principal of, premium, if any, and interest due on the Series 2024 Bonds (the “Base Rent”), and (ii) all necessary costs and expenses required to operate and maintain the Leased Premises and other costs and expenses in accordance with the Facilities Lease (as further described herein, the “Additional Rent”). See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS—Rental Payments and the Facilities Lease.”

The Series 2024 Bonds are secured by a pledge by the Authority of Revenues consisting primarily of Base Rent payments by the County pursuant to the Facilities Lease and insurance and condemnation

* Preliminary; subject to change.

proceeds received by the Trustee with respect to the Leased Premises. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS.”

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 2024 BONDS NOR THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT UNDER THE FACILITIES LEASE CONSTITUTES A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. See “RISK FACTORS – LIMITED OBLIGATIONS OF THE COUNTY.”

The Authority

The Authority is a joint exercise of powers authority organized under the laws of the State and is authorized to, among other things, facilitate the financing of public capital improvements of public entities, including the County. See “THE AUTHORITY.”

The County

The County was organized in 1893 from territory in San Bernardino and San Diego Counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial Counties and on the west by Orange and San Bernardino Counties. The County is the fourth largest county (by area) in the State and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County. The County is the tenth most populous county in the United States and the fourth most populous county in California. According to the State Department of Finance, Demographic Research Unit, the County’s population was estimated at 2,439,234 as of January 1, 2023, reflecting a 0.3% increase over January 1, 2022. The County’s Fiscal Year General Fund Budget is \$5 billion.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors (the “Board”), elected by district, serving staggered four-year terms. The Chair of the Board is elected by the Board members. The County administration includes appointed and elected officials, boards, commissions and committees which assist the Board.

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services and public assistance programs. Some municipal services are provided by the County on a contract basis to incorporated cities within its boundaries. These services are designed to allow cities to contract for municipal services such as police and fire protection without incurring the cost of creating their own departments and facilities for such services. Services are provided to the cities at cost by the County.

Economic, demographic and financial information regarding the County is contained herein in “APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE” and “APPENDIX C — THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023” herein. Each contains important information concerning the County and should be read in its entirety.

The Landlord

P3 Riverside Holdings, LLC (referred to herein as the “Landlord”) is a California limited liability company whose sole member is P3 Foundation Inc., a North Carolina nonprofit corporation (the “Foundation”) and a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Foundation was formed for charitable purposes which include, but are not limited to, furthering community development, developing and expanding healthcare facilities and community buildings, and partnering with local government entities, such as the County, to lessen the burdens inherent in the planning and development of public projects. The Landlord was formed for the sole purposes of assisting the County in facilitating the Project and leasing the Leased Premises to the County. See “THE LANDLORD.”

The Developer

PMB Mead Valley LLC, a Delaware limited liability company (the “Developer”), has been engaged by the Landlord to serve as the developer for the Project and will be responsible for managing the design, development and construction of the Facilities. The Developer is controlled by PMB LLC (“PMB”), a privately held commercial real estate services firm that specializes in the acquisition, development, management and brokerage of healthcare properties in nine states, including California. PMB is a full-service healthcare real estate development company that works with health systems, hospitals, medical groups, specialty providers, academic medical centers, and senior living providers. PMB’s commercial real estate expertise encompasses long-term ownership, transaction documentation, land-use entitlements, leasing, equity and debt financing, design management, construction management and asset and property management. See “THE PROJECT—The Development Agreement” for more information.

The Design-Builder

Snyder Langston, LLC, a Delaware limited liability company (the “Design-Builder”), will serve as the design-builder for the Project. The Design-Builder was established in 2016 as the successor to a company originally founded in 1959. With offices in Irvine and El Segundo, the Design-Builder provides design-build, preconstruction, and construction services for various size ground-up, renovation, and tenant improvement projects in Southern California’s commercial, healthcare, multi-family, behavioral health, and senior living sectors. Since its founding, the Design-Builder has completed more than 100 projects utilizing the design-build approach. The Design-Builder specializes in the full continuum of healthcare, combining real estate, clinical, and technical expertise to support the complex healthcare industry. See “THE PROJECT—The Design-Build Agreement” for more information.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to the Constitution and laws of the State, including Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State (the “Act”), and the Indenture.

Plan of Finance

The proceeds of the sale of the Series 2024 Bonds will be applied to (a) finance, refinance and/or reimburse the cost of the design, development, construction, installation, furnishing and equipping of the

Facilities, (b) pay capitalized interest on the Series 2024 Bonds through _____, 2027* and (c) pay certain costs incurred in connection with the issuance of the Series 2024 Bonds.

The County will lease the real property upon which the Facilities will be constructed to the Landlord pursuant to the Ground Lease. The real property subject to the Ground Lease is an approximately 19.41 acre parcel of real property owned by the County, located at the northwest corner of Harvill Avenue and Water Avenue, south of the City of Riverside and west of the City of Perris, in the unincorporated Mead Valley area of the County (the “Property”).

The Landlord has agreed to cause the design, development, construction, installation, furnishing and equipping of the Facilities for the benefit of the County pursuant to the terms of the Facilities Lease. The Facilities consist of an approximately 450,000 square foot behavioral health facilities campus and related improvements, including parking lots, off-site improvements and other facilities, to be located on the Property. The Property and the Facilities are referred to collectively herein as the “Leased Premises.” See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The County anticipates that a portion of the cost of the Project in the approximate amount of \$80,478,259 will be paid or reimbursed from amounts the County receives under grants under the State of California Behavioral Health Continuum Infrastructure Program, established by the State through its Department of Health Care Services. See “STATE OF CALIFORNIA BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM.”

The Leased Premises will be operated by Riverside University Health System - Behavioral Health (“RUHS-BH”), an agency of the County. See “THE PROJECT — RUHS-BH” for more information about RUHS-BH. The County expects to enter into a property management agreement for the management and administration of the Leased Premises.

The Developer and the Design-Builder have prepared a construction schedule for the Project pursuant to which the Design-Builder expects to complete the design review process with the County and obtain final plan check and building permits by the end of May 2024. Construction of the Project is expected to commence in June 2024, and Substantial Completion of the Facilities is expected to occur by the end of [November 2026].

Security and Source of Payment for the Bonds

In order to secure the payment of the principal of and interest on the Series 2024 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. Amounts in the Rebate Fund do not secure the payment of the principal of and interest on the Series 2024 Bonds and are not otherwise available for the payment of the principal of and interest on the Series 2024 Bonds.

As further security for the payment of the Series 2024 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 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 Leasehold Deed of Trust, Assignment of Rents, Security

* Preliminary; subject to change.

Agreement and Fixture Filing, dated as of _____ 1, 2024 (the “Deed of Trust”), granted by the Landlord for the benefit of the Authority.

“Revenues” as defined in the Indenture generally 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 for the payment of the principal of, premium, if any, and interest on, the Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS — General” herein.

Pursuant to the Facilities Lease, upon completion of the Facilities and acceptance by the County thereof, the Landlord will lease the Leased Premises to the County, and the County, in consideration for the leasing of the Leased 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 Base Rent and Additional Rent, if any (together, the “Rental 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 2024 Bonds. **The County’s obligation to pay Rental Payments is subject to abatement in the event of loss of use of the Leased Premises, as described herein.** See the caption “— Rental Abatement” below, “RISK FACTORS—Rental Abatement” herein and “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—FACILITIES LEASE—Damage and Destruction—*Rent Abatement*” attached hereto.

THE COUNTY’S OBLIGATIONS TO PAY RENTAL 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 RENTAL PAYMENTS DOES NOT CONSTITUTE A GENERAL 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. See “RISK FACTORS—LIMITED OBLIGATIONS OF THE COUNTY.”

The Landlord will enter into certain agreements in connection with the Project, including a Development Agreement to provide for certain development and construction management services. The Developer will enter into a Design-Build Agreement with the Design-Builder to provide for the design and construction of the Facilities. See “THE PROJECT—The Development Agreement” and “—The Design-Build Agreement” for more information. Each of the Landlord and the Developer will collaterally assign its interest in such 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 2024 Bonds.

THE SERIES 2024 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, AND THE AUTHORITY WILL UNDER NO CIRCUMSTANCES BE OBLIGATED TO PAY THE SERIES 2024 BONDS EXCEPT FROM THE REVENUES AND OTHER FUNDS PLEDGED THEREFOR UNDER THE INDENTURE. THE COUNTY IS OBLIGATED TO MAKE RENTAL PAYMENTS UNDER THE FACILITIES LEASE; HOWEVER, NONE OF COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE WILL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2024 BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND FUNDS PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2024 BONDS, NOR IS THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR

AGENCY THEREOF IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR THE PAYMENT THEREOF. THE AUTHORITY HAS NO TAXING POWERS.

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 additions or alterations to the Leased Premises or to refinance the Project. Such Additional Bonds would be secured under the Indenture and would be equally and ratably payable with the Series 2024 Bonds from the revenues and property pledged and appropriated under the Indenture. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS—Limitations on Additional Indebtedness by the Landlord; Additional Bonds” for more information.

Rental Abatement

During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by County of any portion of the Leased Premises, Rental Payments due under the Facilities Lease with respect to the Leased Premises shall be abated to the extent that the total fair rental value of the portion of the Leased Premises in respect of which there is no substantial interference is less than the remaining scheduled Rental Payments, in which case the Rental Payments shall be abated only by an amount equal to the difference. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and end with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of title defect or substantial completion of the work of repair or replacement of the portions of the Leased Premises so damaged, destroyed, defective or condemned.

Any abatement of Rental Payments pursuant to the Facilities Lease shall not be considered an Event of Default under the Facilities Lease, but shall result in the extension of the term of the Facilities Lease (the “Term”) by a period equal to the period of abatement for which Rental Payments have not been paid in full (but in no event later than 10 years after the Lease Expiration Date, as defined herein), and Rental Payments for such extension period shall be equal to the unpaid Rental Payments during the period of abatement but without interest thereon. During any period of abatement with respect to all or any part of the Leased Premises, the County shall use the proceeds of rental interruption insurance to make payments of Base Rent. See “RISK FACTORS—Rental Abatement” herein and “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—FACILITIES LEASE” attached hereto.

Redemption

The Series 2024 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described herein. See the caption “THE SERIES 2024 BONDS—Redemption Terms” herein.

Continuing Disclosure

Pursuant to a continuing disclosure certificate for the Series 2024 Bonds, the County has covenanted for the benefit of the beneficial owners of the Series 2024 Bonds to provide certain annual financial information and operating data in the form of an annual report and to provide notices of the occurrence of certain enumerated events. The annual report and notices of enumerated events will be filed by the County with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system, or any successor thereto. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12, as amended. See “CONTINUING DISCLOSURE” herein for more information.

Professionals Involved in the Offering

Kutak Rock LLP, Los Angeles, California, is acting as Bond Counsel and Disclosure Counsel with respect to the Series 2024 Bonds and will receive compensation from the Authority contingent upon the sale and delivery of the Series 2024 Bonds. Kutak Rock LLP, Atlanta, Georgia, is acting as counsel to the Landlord. Certain legal matters will be passed upon for the County by the County Counsel and by Kutak Rock LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP, as Underwriters' Counsel and for the Developer by Hall, Render, Heath & Lyman, P.C., Indianapolis, Indiana. Kutak Rock LLP and Nixon Peabody LLP will receive compensation contingent upon the sale and delivery of the Series 2024 Bonds.

Forward-Looking Statements

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and, except for a budget discussion for Fiscal Year 2024-25 with respect to the State, is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future. See Appendix A for financial and operating information related to the County.

Summary of Terms

The summaries or references to the Indenture, the Ground Lease, the Facilities Lease and other documents, agreements and statutes referred to herein, and the description of the Series 2024 Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document, agreement or statute.

Copies of the documents described herein are on file at the offices of the Underwriters and, following delivery of the Bonds, will be on file at the office of the Trustee.

THE SERIES 2024 BONDS

General

The Series 2024 Bonds will be issued in an aggregate principal amount of \$ _____*, will be dated as of the date of delivery thereof, and will be primarily payable from the Base Rent payments made by the County pursuant to the Facilities Lease. See the caption "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS" herein. Principal of and interest on the Series 2024 Bonds will be in amounts and at the rates set forth on the inside cover page of this Official Statement. The Series 2024 Bonds will be issued as fully registered bonds in denominations of \$5,000 each or any integral multiple of \$5,000 in excess thereof (the "Authorized Denominations") and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2024 Bonds. See "APPENDIX F—BOOK-ENTRY ONLY SYSTEM" attached hereto.

Interest on the Series 2024 Bonds will be payable semiannually on May 1 and November 1 of each year, commencing on November 1, 2024. Interest on the Series 2024 Bonds will be payable by check mailed by first class mail to the respective Registered Owners thereof at their respective addresses as they

* Preliminary; subject to change,

appear on the registration books required to be kept by the Trustee, except that in the case of a Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2024 Bonds, such payment may, upon the written request of such Registered Owner submitted to the Trustee at least one Business Day prior to the Record Date (as defined herein), be made by wire transfer of immediately available funds to an account within the United States designated by such Registered Owner. As long as Cede & Co. is the Registered Owner of all of the Series 2024 Bonds, interest on the Series 2024 Bonds will be made by wire transfer to DTC in immediately available funds.

“Record Date” means the close of business on the fifteenth day (whether or not a Business Day) of the month preceding a Payment Date.

Redemption Terms

Optional Redemption.* The Series 2024 Bonds maturing prior to November 1, 2035 are not subject to optional redemption prior to their stated Principal Payment Dates. The Series 2024 Bonds maturing on or after November 1, 2035 are subject to optional redemption prior to their stated Principal Payment Dates on and after November 1, 2034, as a whole or in part, on any Business Day, in such amounts and of such Principal Payment Dates at the direction of the County or, if the County is in default under the Facilities Lease, the Landlord (or if the County or the Landlord fails to designate such Principal Payment Dates, in inverse order of Principal Payment Date) and by lot among the Series 2024 Bonds with the same Principal Payment Date, at the option of the County or, if the County is in default under the Facilities Lease, the Landlord and which direction must be received by the Trustee with a copy to the Authority at least seventy five (75) days (or such shorter period as agreed to in writing by the Trustee) prior to the redemption date from any source of available funds deposited in the Optional Redemption Account of the Redemption Fund, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption.* The Series 2024 Bonds maturing on November 1, 20__ are subject to mandatory redemption prior to their stated Principal Payment Date by lot on November 1 in the respective years and in the respective principal amounts as provided below by the application of Minimum Sinking Fund Account Payments at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date. Minimum Sinking Fund Account Payments are established for the mandatory redemption and payment of the Series 2024 Bonds maturing on November 1, 20__ which payments will become due during the years ending on the dates in the amounts as set forth in the following schedule, namely:

Redemption Date (November 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__ ⁽¹⁾	

⁽¹⁾ Maturity

The Series 2024 Bonds maturing on November 1, 20__ are subject to mandatory redemption prior to their stated Principal Payment Date by lot on November 1 in the respective years and in the respective principal amounts as provided below by the application of Minimum Sinking Fund Account Payments at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date. Minimum Sinking Fund Account Payments are established for the mandatory

redemption and payment of the Series 2024 Bonds maturing on November 1, 20__ which payments will become due during the years ending on the dates in the amounts as set forth in the following schedule, namely:

Redemption Date (November 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__ ⁽¹⁾	

⁽¹⁾ Maturity

The Series 2024 Bonds maturing on November 1, 20__ are subject to mandatory redemption prior to their stated Principal Payment Date by lot on the respective dates and in the respective principal amounts as provided below by the application of Minimum Sinking Fund Account Payments at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date. Minimum Sinking Fund Account Payments are established for the mandatory redemption and payment of the Series 2024 Bonds maturing on November 1, 20__ which payments will become due during the years ending on the dates in the amounts as set forth in the following schedule, namely:

Redemption Date (November 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__ ⁽¹⁾	

⁽¹⁾ Maturity

Extraordinary Mandatory Redemption. The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to their respective stated Principal Payment Dates, in whole or in part, on any date, from funds received due to a casualty loss, loss of title or governmental taking of the Leased Premises or portions thereof by eminent domain proceedings, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, upon receipt by the Trustee of written notice from the County or, if the County is in default under the Facilities Lease, the Landlord, with a copy to the Authority that one of the following events has occurred:

(a) all or a portion of the Leased Premises has been damaged or destroyed to such an extent that (i) the County’s possession and use of the Leased Premises cannot be restored by the Landlord within twenty-four months for reasons other than delays caused by the County; or (ii) the cost of restoration of the Leased Premises or such portion thereof would exceed the net proceeds of insurance carried thereon; or (iii) such damage occurs during the last twelve months of the term of the Facilities Lease and the County’s use and possession cannot be restored within 90 days;

(b) all or a portion of the Leased Premises has been taken by eminent domain and the partial condemnation renders the remaining portion thereof unusable for the County’s business and purposes as reasonably determined by the County;

(c) amounts are transferred to the Special Redemption Account as described in “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—INDENTURE—Redemption Fund and Insurance and Condemnation Proceeds Fund” attached hereto; or

(d) the continued operation of the Leased Premises is enjoined or prevented or is otherwise prohibited by or conflicts with, any order, rule, decree or regulation of any court or federal, state or local regulatory body, administrative agency or governmental body.

[*Extraordinary Optional Redemption from Excess Proceeds and BHCIP Funds.* The Series 2024 Bonds are subject to extraordinary optional redemption prior to their respective stated Principal Payment Dates, in part, on any Business Day on and after _____, 2027, in such amounts and of such Principal Payment Dates at the direction of the County, and by lot among the Series 2024 Bonds with the same Principal Payment Date, at the option of the County, which direction must be received by the Trustee with a copy to the Authority at least seventy five (75) days (or such shorter period as agreed to in writing by the Trustee) prior to the redemption date, from excess proceeds of the Series 2024 Bonds and funds received by the County pursuant the Program Funding Agreement, between the County and Advocates for Human Potential, Inc., and deposited into the Escrow Fund, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date. See “STATE OF CALIFORNIA BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM.”]

Selection of Series 2024 Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Series 2024 Bonds of any Principal Payment Date or any given portion thereof, subject to the Indenture, the Trustee will select the Series 2024 Bonds to be redeemed, from all Series 2024 Bonds subject to redemption or such given portion thereof equal to a multiple of the Authorized Denominations not previously called for redemption, by lot, in any manner which the Trustee in its sole discretion will deem appropriate and fair.

Notice of Redemption

Notice of redemption will be given by the Trustee, not less than 30 nor more than 60 days prior to the redemption date, (a) by first class mail to the respective Registered Owners of any Series 2024 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee and (b) by telecopy or certified, registered or overnight mail to the Securities Depositories and the Information Services. Each notice of redemption will state the date of such notice, the date of initial issuance of the Series 2024 Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Series 2024 Bonds of each Payment Date or Dates, and, if less than all of the Series 2024 Bonds of any such Payment Date, the distinctive certificate numbers of the Series 2024 Bonds with such Payment Date, to be redeemed and, in the case of Series 2024 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2024 Bonds the Redemption Price represented thereby or of said specified portion of the principal amount thereof in the case of a Series 2024 Bond to be redeemed in part only, together with interest accrued with respect thereto to the redemption date, and that from and after such redemption date, interest thereon will cease to accrue, and will require that such Series 2024 Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

If any of the Series 2024 Bonds are redeemed pursuant to a refunding, notice of such refunding and redemption will be given in the same manner as above provided, and within the same time period with respect to the actual redemption date.

The Trustee may rescind any notice of redemption given in connection with the issuance of refunding Bonds to the extent such refunding Bonds are not issued prior to the redemption date of the Series 2024 Bonds.

Failure by the Trustee to give notice to any one or more of the Information Services or Securities Depositories will not affect the sufficiency of the proceedings for redemption. Failure by the Trustee to mail notice of redemption to one or more of the respective Registered Owners of any Series 2024 Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Registered Owner or Registered Owners to whom such notice was mailed.

Partial Redemption of Series 2024 Bonds

Upon surrender of any Series 2024 Bond redeemed in part only, the Trustee will issue to the Registered Owner thereof, at the expense of the County or, if the County is in default under the Facilities Lease, the Landlord, a new Series 2024 Bond or Series 2024 Bonds of authorized denominations, and of the same Principal Payment Date, equal in aggregate principal amount to the unredeemed portion of the Series 2024 Bond surrendered.

Effect of Redemption

Notice of redemption having been duly given to the Registered Owners as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Series 2024 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Series 2024 Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the redemption date, interest on the Series 2024 Bonds so called for redemption will cease to accrue on the redemption date, said Series 2024 Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Registered Owners of said Series 2024 Bonds will have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

All Series 2024 Bonds redeemed pursuant to the provisions of the Indenture will be canceled upon surrender thereof and destroyed by the Trustee.

THE PROJECT

General

The Series 2024 Bonds are being issued to finance, refinance and/or reimburse the cost of the design, development, construction, installation, furnishing and equipping of the Mead Valley Wellness Village, a behavioral health facilities campus that will provide an entire continuum of behavioral health and wellness care, from urgent treatment to supportive housing, including outpatient care, education, and social services. In February 2022, the Riverside County Facilities Management, Real Estate Division, acting as directed and approved by the Board of Supervisors for the County, issued a Request For Proposal (the “RFP”) to select a developer to develop, plan, entitle, design, build, finance, equip and manage the Facilities on the Property. In response to the RFP, the County received a proposal from a development team including the Landlord and the Developer. The Facilities will be a part of the Riverside University Health System operated by RUHS-BH. See “— RUHS-BH” below for more information about RUHS-BH. The County expects to enter into a property management agreement for the maintenance and operation of the Leased Premises.

The Facilities include five buildings (each a “Building” and together, the “Buildings”) to support outpatient mental health services, short-stay treatment mental health programs, residential treatment programs (adult and children), recovery residences, and supportive housing, as well as a utility building. Amenities include a recreation area, peer resource center, library, laundry facility, market, cafe, and animal kennel. The total area of the Buildings will be approximately 450,000 square feet. The campus is planned to be constructed in a single phase. Off-site improvements include improvements to existing roads, pathways and related infrastructure. The County expects that the Project will receive the United States Green Building Council’s (“USGBC”) Leadership in Energy and Environmental Design (“LEED”) Silver certification in connection with certain environmental sustainability features. See “—Environmental Sustainability” below for more information.

The Facilities include the following Buildings:

Community Wellness and Education Center. The Community Wellness and Education Center is a four-story building of 99,250 square feet designed to support a number of programs, including outpatient mental health and medical clinic services, and campus and community support/amenities. The Community Wellness and Education Center includes group therapy rooms, family rooms, offices, and workstations to provide support services and resources. An outpatient medical clinic will support primary care, internal medicine, pediatric and dental services with consult rooms, exam rooms, procedure rooms, dental operatories, and clinical teamwork areas. The cafe will serve outpatients, staff and residents from the supportive transitional housing programs. The market will serve the campus for general food and household items. The animal kennel will serve the campus for hoteling pets while residents are away.

Children and Youth Services. Children and Youth Services is a three-story building of 40,854 square feet and includes a children’s outpatient mental health clinic and space to support a children’s crisis residential program and a children’s intensive mental health treatment program. The outpatient mental health clinic will offer services to children with severe emotional and behavioral problems, including psychiatric evaluations, medication services, individual and family therapy, and case management services. The children’s crisis residential program will provide residential treatment for inpatient crisis stabilization, medication monitoring, and evaluation to determine the need for the type and intensity of additional services for children and teens. The facility will include private rooms with support space for therapy, treatment, and daily living, and four units of six beds each (up to twenty-four beds total) to support children and adolescents with mental health disorders for a temporary stay, as well as a separate kitchen, recreation center, and playground. Housing and support will be available for caregivers whose children are receiving treatment. The children’s intensive mental health treatment program is a residential treatment facility intended to provide inpatient crisis stabilization, medication monitoring, and evaluation for the hardest-to-place youth and most complex cases and will support up to six clients in three bedrooms for stays of six to nine months. The Building will also include group therapy rooms, family rooms, a patient child interaction therapy lab, offices and workstations to provide support services and resources.

Urgent Care Services. Urgent Care Services is a two-story building of approximately 50,989 square feet and will provide space for the following programs: adult and children’s mental health urgent care, a substance use disorder treatment program, a sobering center and crisis residential treatment program. The adult and children’s mental health urgent care program will provide urgent care for children, teens and adults struggling with urgent emotional and/or behavioral concerns that pose a risk to their safety, or the safety of others, or significantly impair their daily lives. The substance use disorder treatment program will provide inpatient services and clinically managed residential programming with a goal of monitoring patients as they safely withdraw from drugs and/or alcohol, while providing motivation for change so that ongoing recovery is possible, with a potential step-down to a recovery residence on site. The sobering center consists of stations or chairs as a safe place for law enforcement and paramedics to bring individuals under the influence, instead of to an emergency department or criminal justice facility. Although the

sobering center is not intended for long-term care, the center will work as a hub to connect individuals with appropriate treatment options within the campus. Finally, the crisis residential treatment program will provide inpatient crisis stabilization, medication monitoring, and evaluation to determine the need for the type and intensity of additional services within a framework of peer support and trauma-informed approaches to recovery planning. Clients will learn daily living skills and social development using a strength-based approach that supports recovery and wellness in homelike environments.

Supportive Transitional Housing. Supportive Transitional Housing is a four-story building of approximately 192,495 square feet and will include supportive housing and recovery residence. Supportive Transitional Housing is intended to be provided to adults with serious mental illness, or children with severe emotional disorders and their families and persons who require or are at risk of requiring acute psychiatric inpatient care, residential treatment, or outpatient crisis intervention because of a mental disorder with symptoms of psychosis, suicidality, or violence and who are homeless, chronically homeless, or at risk of chronic homelessness. Supportive Transitional Housing will include 43 one-bedroom apartments, 42 two-bedroom apartments, and 31 three-bedroom apartments. These apartment style homes in a community-like setting will be available in single, double and family units. Surrounding grounds will include playgrounds, barbeque areas and parklike settings. Outpatient services will be provided to assist homeless persons in transitioning from homelessness, and to promote the provision of supportive housing to enable homeless persons to live as independently as possible.

The recovery residence will include 15 one-bedroom apartments, 14 two-bedroom apartments, and 11 three-bedroom apartments. The recovery residence will provide a community-like setting for individuals with a substance use disorder or a co-occurring disorder. The facility will support clients who are reintegrating into society while attending an outpatient program. Residents will receive outpatient substance use disorder and/or recovery services on the campus site. Single, double and family units will be available.

Extended Residential Care. Extended Residential Care is a two-story building of approximately 66,773 square feet and will include a mental health rehabilitation center and adult residential programs. The mental health rehabilitation center will include three units of 16 to 17 beds each (50 beds total) to provide inpatient intensive support and rehabilitative services designed to assist individuals with mental health disorders, who would otherwise be placed in a state hospital or another mental health facility, to develop skills to become self-sufficient and capable of increasing levels of independence and functioning.

The adult residential program will include two wings (a combination of single and double rooms) for a total of 90 beds. Units will include a mix of private and shared rooms with support space for therapy, treatment, and daily living. This program will provide services to clients that are 18 years of age or older and are unable to live by themselves but do not require 24-hour nursing care. The adult residential facility will provide housing, meals, housekeeping, supervision, storage and distribution of medication, and personal care assistance with basic activities like hygiene, dressing, eating, and bathing and transferring.

Environmental Sustainability

The County expects that the Project will receive the USGBC's LEED Silver certification. The Property will be redeveloped to incorporate significant plantings and tree cover, increasing carbon sequestration on the Property. Plant selections will consist primarily of native and adapted species. Irrigation use will be reduced by over 50% for the Property's peak watering months, and the landscaping will be metered separately so that water use can be easily tracked. Stormwater management systems will be designed to treat water on-site via bioretention areas and flow to an underground detention system that will limit outflow up to the 100-year storm rate to match existing conditions, so that the development of the Property does not affect downstream systems.

Alternative transportation will be supported at the Property with the addition of a bus stop, as well as short-term and long-term bicycle accommodations. Electric charging stations will be available for 5% of the parking spaces, and an additional 15% of the parking spaces will be electric-vehicle ready. The parking required will be placed throughout the site on surface lots, and solar panel arrays atop canopies above the surface lots will provide green power for the Buildings.

The Buildings and their systems will be designed to provide user comfort and enhanced indoor environmental quality while simultaneously maximizing energy efficiency. The Buildings will be served by variable refrigerant flow mechanical systems and dedicated outdoor air units. Spectrally selective low-e glazing will significantly reduce solar heat gain through the windows, while providing ample daylight and views to the occupants. Higher solar reflectance indices will allow the roofs of the Buildings to return a majority of the solar energy to the atmosphere rather than allowing it to enter the Buildings, reducing the heat-island effect. Plumbing fixtures will be selected to reduce restroom water use and water heating energy, and residential clothes washers and dishwashers will be high efficiency models.

Energy cost is anticipated to be 29% below the American Society of Heating, Refrigerating and Air-Conditioning Engineers' 90.1-2010 standard, which provides minimum requirements for energy-efficient design of most sites and buildings, except low-rise residential buildings (the "ASHRAE 90.1-2010 standard"). A 335-kilowatt solar photovoltaic array will be incorporated via carports and is anticipated to offset a minimum of 12% of the energy used by the Buildings, for an overall energy cost reduction of 38% below the ASHRAE 90.1-2010 standard. Exterior light fixtures have been chosen to minimize light pollution.

During construction of the Facilities, a minimum of 65% of nonhazardous demolition and construction waste will be recycled or salvaged, and 100% of trees, stumps, rocks and associated vegetation will be collected for reuse.

RUHS-BH

The Leased Premises will be operated by RUHS-BH, a department within the Riverside University Health System ("RUHS"). See "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — SECTION II — SERVICES AND RISK MATTERS — Medical and Health Services" for more information about RUHS.

RUHS-BH provides services in clinical practices affecting mental health. RUHS-BH has a dedicated professional team of approximately 1,100 employees consisting of psychiatrists, clinicians, peer specialists and paraprofessionals who provide clinical and substance use services to 65,000 persons annually in over 79 treatment sites operated by RUHS-BH, over 100 school sites and 5 jails, in addition to contracts with 140 community-based organizations. Services are primarily targeted toward individuals eligible for Medi-Cal and other specialized State programs.

RUHS-BH is comprised of three major programs: Mental Health Services, Substance Use Services, and the Public Guardian's Office.

The Mental Health Services program provides treatment and support services to transition-age youth, adults and older adults who have a mental illness and children who are seriously emotionally disturbed. Services include outpatient services, medication, peer recovery services, education, housing, residential care, as well as subacute and acute care. Peer-to-peer support services are a component of the program and are provided in clinics and by contract providers. Services to individuals who are homeless and mentally ill are also provided across the County.

The Substance Use Services program provides substance abuse treatment for all ages through a wide range of countywide clinics and contract providers. Prevention services are provided through (i) the largest Friday Night Live Program in the State, (ii) collaborative grants with school districts to set up student assistance programs, and (iii) contracts to reach out to community organizations and assist each community to make environmental prevention changes as needed.

The Public Guardian's Office provides services to persons unable to properly care for themselves or who are unable to manage their finances. The Public Guardian conducts the official County investigation into conservatorship matters and acts as the legally appointed guardian or conservator for persons found by the Superior Courts to be unable to properly care for themselves or their finances.

Budget. The County accounts for RUHS-BH in its General Fund. In addition to a County contribution, RUHS-BH is funded through a variety of other sources, including patient revenues, Proposition 63 (the Mental Health Services Act or "MHSA") Funds and 2011 Realignment Funds. Patient revenues include reimbursements for expenditures under the State's Medi-Cal program and Drug Medi-Cal program (a treatment funding source for eligible Medi-Cal members receiving substance use disorder services at a Drug Medi-Cal certified program) and patients' share of the cost of treatment (collectively, "Patient Revenues").

Proposition 63 was approved by the voters in 2004 and imposes a 1 percent tax surcharge on taxable income above \$1 million for purposes of funding and expanding mental health services. Money collected under the MHSA is deposited in a special fund held by the State and allocated to counties based on a formula which includes factors such as population and need for services. Proposition 63 prohibits the State Legislature or the Governor from redirecting these funds or from reducing the State's general fund support for mental health services below the levels provided in Fiscal Year 2003-04. In Fiscal Year 2022-23, the County received \$110,587,217 in MHSA funds that were incorporated into RUHS-BH's budget.

Proposition 1, approved by the voters in March 2024 and effective on January 1, 2025, amends the MHSA. Specifically, Proposition 1 increases the share of the MHSA tax that the State receives annually for mental health programs from a maximum of 5% to a maximum of 10%, reducing the portion of the MHSA tax that counties will receive. Proposition 1 also requires that counties spend more of their MHSA money on housing and personalized support services such as employment assistance and education and allows counties to use MHSA money on treatment for drugs and alcohol for individuals without a mental illness.

2011 Realignment Funds are funds derived from the major realignment of public safety programs, including certain mental health and substance abuse programs, from the State to local governments that occurred under the State's 2011 Budget Act. The 2011 Realignment is funded through two sources in fiscal year 2024-25: (1) a state special fund sales tax of 1.0625 percent (projected to total \$9.7 billion) and (2) \$853.9 million in vehicle license fees, projected as of the 2024-25 Governor's budget. In Fiscal Year 2022-23, the County received \$96,515,220 in 2011 Realignment funds that were incorporated into RUHS-BH's budget.

For the Fiscal Year 2023-24, RUHS-BH has a Board-approved budget of \$780,057,023. RUHS-BH expects that its programs at the Mead Valley Wellness Village will be fully funded through the first three years of operations by Patient Revenues (expected to be approximately 50% of total funding), MHSA Funds (as amended by Proposition 1, expected to be approximately 31% of total funding) and 2011 Realignment Funds (expected to be approximately 19% of total funding).

Patient Revenues are not pledged to secure the payment of the principal of or interest on the Series 2024 Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS.”

Leased Premises

Pursuant to the Ground Lease, the County, as ground lessor, will lease to the Landlord, as ground lessee, the Property. The Landlord has agreed to develop, plan, entitle, design, build, finance and equip the Facilities on the Property for the benefit of the County pursuant to the terms of the Facilities Lease. The Property and the Facilities are referred to collectively herein as the “Leased Premises.” Pursuant to the Facilities Lease, upon completion of the Facilities and acceptance by the County thereof, the Landlord will lease the Leased Premises to the County.

The Work Letter

The rights and obligations of the Landlord and the County regarding the Facilities before the use and occupation of the County are set forth in the Facilities Lease and the Work Letter Agreement for Development of Project – Terms and Conditions (the “Work Letter”). Pursuant to the Facilities Lease, the Landlord will complete the Facilities in accordance with the Facilities Lease, the Ground Lease and the Work Letter. The Landlord has engaged the Developer to assist the Landlord in the performance of its obligations under these agreements.

Pursuant to the Work Letter, the Landlord will be responsible for causing the Developer to take all actions reasonably necessary to cause the development of the Facilities in accordance with the Contract Documents. The Landlord will cause design services to be performed by the Design-Builder, as defined below, or other qualified architects or design-builders, contracts, engineers and other professionals and paid as part of the final Project budget. The Landlord will cause the Developer to cause the Design-Builder to prepare schematic drawings, design development drawings and construction drawings for the Facilities for the Landlord’s review and the Landlord’s and the County’s approval.

The Landlord has agreed in the Work Letter to obtain, or cause the Developer to obtain, all permits necessary to construct the Facilities through the County, the Riverside County Department of Environmental Health, and all other agencies and quasi-governmental agencies and utility providers from which approvals and permits are required to construct the Facilities.

The Landlord has also agreed to oversee, or cause the Developer to oversee, all design work done by the Design-Builder and design and other professionals for the design and development of the Facilities. In addition, the Landlord agrees to provide, or cause the Developer to provide, the County with all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Facilities on or before the Outside Completion Date, as further described in the Work Letter. The “Outside Completion Date” as defined in the Work Letter means _____, 20___. The Outside Completion Date may be extended for Force Majeure Delays and Tenant-Caused Delays.

The County will not occupy any portion of the Facilities or individual Building within the Facilities until Substantial Completion of the Facilities has occurred. Substantial Completion is expected in November 202_*. The County may, however, make limited use of the Facilities and any Building within the Facilities for storage, move-in or installation of personal property by the County, or as may be necessary

* Preliminary; subject to change.

to satisfy Licensing and Accreditation Requirements when such use is unlikely to result in interference or delay in completing the Facilities (as determined by the Landlord and the Design-Builder).

See “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—WORK LETTER” for additional information.

The Development Agreement

The Landlord has entered into a Development Agreement, dated as of _____, 2024 (the “Development Agreement”) with the Developer, under which the Landlord appoints the Developer, and the Developer agrees to act, as the Landlord’s independent contractor to perform the following development services, upon and subject to the terms and conditions of the Development Agreement (collectively, the “Development Services”): (a) enter into the Design-Build Agreement and prepare, or caused to be prepared for the County’s approval, the Final Project Budget and the Final Project Schedule; (b) obtain, or cause to be obtained, all Permits; (c) oversee the Design-Builder and the other Contractors, and administer and enforce the Design-Build Agreement and the other Construction Contracts (or oversee the administration and enforcement thereof, as applicable) in accordance with the terms thereof; (d) cause the Design-Builder to construct and complete the Facilities in accordance with the Facilities Lease, Requirements of Law, the Final Project Schedule, the Final Project Budget and the Contract Documents all on or before the Outside Completion Date; and (e) provide coordination, management supervision and administration of the Design Builder and the other Contractors to cause the Design Builder and the other Contractors to perform the Work necessary to construct and complete the Facilities on or before the Outside Completion Date.

Under the Development Agreement, none of the Development Services includes the means and methods of construction. The Contractors, including the Design-Builder, will be solely responsible for, and have exclusive control over, the design, construction means, methods, techniques, sequences, and procedures in connection with the Project.

The Landlord will pay a developer fee and a project management fee to the Developer at the times and in the amounts set forth in the Development Agreement.

See “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS” for definitions of capitalized terms used herein and “—DEVELOPMENT AGREEMENT” for additional information.

The Design-Build Agreement

The Developer and the Design-Builder have entered into an AIA Document 141-2014 Standard Form of Agreement between Owner and Design-Builder, dated as of September 15, 2023, as amended and supplemented (together with various exhibits, including a guaranteed maximum price exhibit, the “Design-Build Agreement”).

Under the terms of the Design-Build Agreement, the Design-Builder agrees to perform all design, construction and related items and services required to fulfill the Design-Builder’s obligations under the Design-Build Documents, or reasonably inferable therefrom, and to provide all labor, materials, equipment and services necessary to complete the Project, as further described in the Design-Build Agreement. The Design-Builder has agreed that the sum of the Cost of the Work and the Design-Builder’s fee will not exceed \$423,333,844 (the “Guaranteed Maximum Price”). Under the Design-Build Agreement, and as part of the Guaranteed Maximum Price, the Design-Builder will receive a fixed fee of \$19,397,255 (the “Design-Builder’s Fee”) based upon the Design-Builder’s proper performance under the Design-Build Agreement, subject to permitted adjustments and change orders in accordance with the Design-Build Agreement.

A portion of the Design-Builder's Fee in the amount of \$14,000,000 will be set aside in the Design-Builder Fee Reserve Account of the Project Fund to be applied by the Trustee in the event liquidated damages are required to be paid by the Design-Builder under the Design-Build Agreement. The remaining portion of the Design-Builder's Fee is payable in progress payments, on the first day of each month, for quantities of the Work completed as of the 10th day of the prior month. Each progress payment of the Design-Builder's Fee is subject to a 10% retainage. The Developer shall make a final payment of the entire unpaid balance due to the Design-Builder under the Design-Build Agreement to the Design-Builder not later than 30 days after the Design-Builder has fully performed its obligations under the Design-Build Agreement, subject to certain obligations that extend beyond final payment.

In accordance with the Design-Build Agreement, the Design-Builder will provide a payment and performance bond, expected to be with Liberty Mutual, in an amount equal to 100% of the Guaranteed Maximum Price, identifying the Trustee as beneficiary. The Design-Builder is required to procure and maintain certain insurance, including commercial general liability, automobile liability, workers' compensation, professional liability and pollution liability insurance, and the coverage will be secured from insurance companies authorized to do business in the State. Prior to commencing any construction services under the Design-Build Agreement, the Design-Builder will provide the Developer with certificates evidencing compliance with such insurance requirements, as required under the Design-Build Agreement.

The Developer is required to procure and maintain builder's risk insurance in accordance with the Design-Build Agreement, and such insurance will include (but not be limited to) the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, debris removal and other perils or causes of loss provided for in the Design-Build Agreement. The Developer will be responsible for any deductibles payable in connection with such insurance coverage.

In accordance with the Design-Build Agreement, the Developer is required to procure and maintain the Developer's usual liability insurance to protect the Developer from any performance claims that may arise in connection with the Developer's obligations under the Design-Build Agreement or the Developer's conduct during the course of the Project.

The Design-Builder has agreed to achieve Substantial Completion (as defined in the Design-Build Agreement) of the Facilities not later than 620 calendar days from the Date of Commencement (as defined in the Design-Build Agreement) of construction. If the Design Builder fails without cause or excuse to achieve Substantial Completion before the Substantial Completion date, including any authorized extension of time pursuant to the Design-Build Agreement, the Design-Builder agrees to pay the Developer, as liquidated damages (and not as a penalty) and as a reasonable estimate of the amount of damages that the Developer will suffer for such delay the following amounts: (i) if Substantial Completion occurs within sixty (60) calendar days of the date required for Substantial Completion (the "Outside Date"), there shall be no liquidated damages; and (ii) if the Design Builder fails to achieve Substantial Completion of the Facilities by the Outside Date, then for each calendar day thereafter until Substantial Completion is achieved, the liquidated damages shall be \$25,000 per day from the sixty-first day to the ninetieth day after the date required for Substantial Completion, and \$73,333 per day on and after the ninety-first day after the date required for Substantial Completion. The total amount of Liquidated Damages the Design Builder is obligated to pay to the Developer is capped at \$14,000,000 of the Design-Builder's Fee. Pursuant to the Design-Build Agreement Assignment, Liquidated Damages owed by the Design-Builder have been assigned to the Trustee.

The Developer has the right to terminate the Design-Build Agreement with or without cause. The Developer may terminate the Design-Build Agreement without cause by giving written notice to the Design-Builder. In case of such termination, the Developer shall pay the Design-Builder for the portion of

the Project properly executed and costs incurred by reason of such termination, including costs attributable to termination of subcontracts and consultants.

See “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DESIGN-BUILD AGREEMENT” for additional information.

Assigned Agreements

The Landlord will collaterally assign its interest in the Facilities Lease and the Development Agreement to the Authority, and the Developer will collaterally assign its interest in the Design-Build Agreement to the Authority. The Authority will further collaterally assign its interest in such agreements to the Trustee for the benefit of the registered owners of the Series 2024 Bonds. PMB and an affiliate of PMB (collectively, the “PMB Entities”) have entered into various agreements in connection with the Project, including: (a) a consultant agreement with Geotechnical Professional Inc. to perform geotechnical services (the “Geotechnical Consultant Agreement”); (b) a vendor agreement with Coffman Engineers, Inc. to perform commissioning services (the “Commissioning Agreement”); (c) a Standard Form of Agreement between Owner and Consultant for a Design-Build Project, with Boulder Associates, Inc. for design services (the “Design Services Agreement”); (d) a consultant agreement with Snyder Langston, L.P. for preconstruction services (the “Preconstruction Services Agreement”); and (e) agreements with LSA Associates, Inc. to prepare environmental and related documentation for the Project (the “Environmental Consultant Agreements”). The PMB Entities will collaterally assign their respective interests in the Geotechnical Consultant Agreement, the Commissioning Agreement, the Design Services Agreement, the Preconstruction Services Agreement, and the Environmental Consultant Agreements (together with the Facilities Lease, the Design-Build Agreement, the Development Agreement [and the Program Funding Agreement], defined below, 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 2024 Bonds (each such assignment, an “Assignment” and collectively, the “Assignments”).

The Landlord agrees in the Indenture that any agreements or contracts entered into in connection with the construction of the Facilities after the date of issuance of the Series 2024 Bonds will be assigned to the Trustee pursuant to an agreement of assignment. The Landlord has also agreed in the Indenture that, from and after the occurrence of an Event of Default under the Indenture, the Trustee in its name or in the name of the Landlord may, but will be under no obligation to, enforce all rights of the Landlord and all obligations of the other contracting parties under the Assigned Agreements for and on behalf of the registered owners of the Series 2024 Bonds, whether or not the Landlord is in default in its covenant to enforce such rights and obligations.

Status of Project Approvals

The Developer has agreed in the Development Agreement to obtain or cause to be obtained all Permits that are required for the construction of the Facilities. The Developer and the Design-Builder have commenced the design review process with the County planning department and expect to obtain final plan check and building permits by the end of May 2024. Construction of the Facilities is expected to commence in June 2024.

The County, through the Developer, has engaged LSA Associates, Inc. (“LSA”) to manage the environmental review process for the Project pursuant the California Environmental Quality Act (“CEQA”). The County’s Facilities Management Department will serve as the lead agency for the CEQA process, and the Project has been determined to constitute a “project” subject to CEQA. LSA prepared, with input from the County, an initial study (the “Initial Study”) for the purpose of deciding whether the Project may have a significant effect on the environment. The Initial Study was completed in accordance

with the County’s Guidelines for Implementing CEQA. On the basis of the Initial Study, and as further described below, the County concluded that the Project will not have a significant effect on the environment, and, therefore, prepared an Initial Study/Mitigated Negative Declaration (the “ISMND”). The ISMND relies on and includes, among other things, the following assessments: a multiple species habitat conservation plan consistency analysis and biology report, a cultural resources assessment, a geotechnical report, a paleontological resources assessment, the Phase I Report (as defined below), noise studies, and a transportation analysis.

The ISMND concludes that, with incorporation of mitigation measures and regulatory compliance measures, the Project would not result in any significant adverse effects on the environment. A Mitigation Monitoring and Reporting Program (“MMRP”) has been prepared for the Project in compliance with CEQA. The MMRP describes the requirements and procedures to be followed by the County and PMB to ensure that all mitigation measures and regulatory compliance measures adopted as part of the Project will be carried out as described in the final ISMND.

The ISMND was released for public review and comment and filed with the State on January 11, 2024, and the 30-day review period ended on February 12, 2024. LSA prepared responses to comments received during the review period and released a final ISMND. The Board approved the Project for CEQA purposes and the final ISMND on March 19, 2024. The County filed a Notice of Determination with the County Clerk on March 20, 2024.

STATE OF CALIFORNIA BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM

General

A portion of the cost of the Project initially paid with proceeds of the Series 2024 Bonds in the approximate amount of \$80,478,259 is expected to be reimbursed to the County from amounts received under the State of California Behavioral Health Continuum Infrastructure Program (the “Program,” and such amounts, the “BHCIP Funds”), established by the State through its Department of Health Care Services (“DHCS”). It is anticipated that the Project Costs will be paid in their entirety from the proceeds of the Series 2024 Bonds and the availability or unavailability of the BHCIP Funds will have no bearing on the payment of the Project Costs. Upon receipt of BHCIP Funds in reimbursement of eligible Project Costs, the County will deposit or cause to be deposited such BHCIP Funds into the Escrow Fund to be applied to the prepayment of Base Rent payments and the redemption of a portion of the Series 2024 Bonds or for such other purposes as may be permitted under the Indenture. [See “THE SERIES 2024 BONDS—Redemption Terms—*Optional Redemption from Excess Proceeds and BHCIP Funds*” herein.]

On April 10, 2023, DHCS notified the County that it had awarded the County the amount of \$75,954,578 for the Project pursuant to the Program’s Round 3: Launch Ready grants guidelines. On July 31, 2023, DHCS notified the County that it had awarded the County the amount of \$4,523,681 for the Project pursuant to the Program’s Round 4: Children and Youth grants guidelines. Under the Program and DHCS guidelines, qualified grantees or entities are required to use BHCIP Funds to expand the community capacity for serving persons with behavioral health disorders by the acquisition, construction, renovation or other physical improvement of real property, infrastructure, or facilities. The BHCIP Funds are primarily derived from federal Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”). The United States Government and the State of California are responsible for monitoring, managing, and enforcing the County’s compliance with the requirements applicable to the SLFRF federal award.

Program Funding Agreement

The County has entered into a Program Funding Agreement, dated [Date] (the “Program Funding Agreement”), with Advocates for Human Potential, Inc. (“AHP”), which administers the Program on behalf of DHCS. BHCIP Funds will be held by AHP and disbursed to the County upon satisfaction of the disbursement requirements for each draw under the Program Funding Agreement. Under the Program Funding Agreement, the BHCIP Funds may only be used for the Project, and any excess BHCIP Funds will be returned to the State upon completion of the Project.

AHP is a Massachusetts corporation that serves as a national behavioral health consulting firm. AHP’s areas of expertise include addiction and substance abuse, behavioral health policy, criminal justice, health care reform, housing and homelessness, mental health, population health management, recovery supports, veterans issues, and workforce development. AHP offers general consulting, technical assistance and training, and research and evaluation, among other services. AHP has offices in Sudbury, Massachusetts; Chicago, Illinois; and Pasadena, California.

The County is required to comply with the schedule of performance milestones for the completion of the Project set forth in the Program Funding Agreement (the “Performance Milestones”) and provide certifications to AHP related to such Performance Milestones (the “Certifications”). The County is required to provide regular progress reports to AHP at least once every thirty (30) days, including its progress toward meeting the Performance Milestones. The Project will not be considered complete until the County has submitted certain Certifications further described in the Program Funding Agreement. The County may apply to AHP for an extension of any Performance Milestones or an extension to submit any required Certification, which AHP may approve based on a showing of good cause and acceptable assurances from the County for timely completion of the remaining Performance Milestones as determined by AHP. Under the Program Funding Agreement, all BHCIP Funds must be obligated by June 30, 2024, and expended by December 31, 2026.

Failure to satisfy any one of the Certifications or Performance Milestones (unless such Performance Milestone is extended) constitutes a breach of the Program Funding Agreement and entitles AHP to mandate that the County return to the State of California any BHCIP Funds disbursed. In the event of such a breach, AHP may, with DHCS approval, also cancel the Program Funding Agreement without owing any damages or other payment to the County.

The Program Funding Agreement also gives AHP certain additional rights including the right to approve or disapprove the selection of subcontractors, require the substitution of subcontractors and require the termination of subcontracts entered into in support of the Program Funding Agreement. AHP may also issue a notice to suspend performance or stop work under the Program Funding Agreement.

Pursuant to the Facilities Lease, the County has covenanted to not take any action, or permit any action to be taken, under the Program Funding Agreement that would have the effect of delaying the Substantial Completion of the Facilities beyond the Outside Completion Date or resulting in an increase in the Project Costs in excess of the proceeds of the Series 2024 Bonds provided for the Project Costs. To the extent necessary to comply with this covenant, the County has agreed to terminate the Program Funding Agreement.

Under the Program Funding Agreement, the Developer and the Design-Builder will enter into a Design-Build Agreement Addendum, dated as of _____, 2024 (the “Design-Build Agreement Addendum”), pursuant to which, among other things, AHP and/or DHCS are granted certain rights with respect to the Design-Build Agreement. Pursuant to the Design-Build Agreement Addendum, in the event of any breach or violation of any agreement or obligation of the Design-Builder under the Design-Build

Agreement or the Design-Build Agreement Addendum, while the Series 2024 Bonds are outstanding under the Indenture, AHP may proceed only to suspend disbursement of BHCIP Funds for the Project until the breach or violation is corrected, or, if the County or the Landlord had any concurrent obligation to perform on or ensure performance on the breached obligation, cancel the BHCIP Funds commitment made to the County and terminate AHP’s obligation to disburse BHCIP Funds to the County.

The County and DHCS will also enter into a Regulatory Agreement and Declaration of Restrictions recorded against the Leased Premises (the “Declaration of Restrictions”) to ensure compliance with the requirements of the Program Funding Agreement, including a requirement that the Leased Premises shall be used to provide behavioral health treatment for not less than thirty (30) years (the “Restriction Period”). The Restriction Period commences upon the date of issuance of a certificate of occupancy for the Facilities. The lien of the Declaration of Restrictions on the Leased Premises will be subordinate to the lien of the Deed of Trust.

The County has acknowledged in the Program Funding Agreement that any real or personal property acquired with SLFRF funds such as the BHCIP Funds is held by the County in trust for the beneficiaries of the Project.

ESTIMATED SOURCES AND USES OF FUNDS*

The estimated sources and uses of the proceeds of the Series 2024 Bonds are as follows:

SOURCES

Principal Amount of Series 2024 Bonds	\$
Plus: Net Original Issue Premium	
Plus: Project Fund Earnings	

Total	\$
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USES

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

Total	\$
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- ⁽¹⁾ Includes deposits to the various accounts within the Project Fund.
- ⁽²⁾ Capitalized interest through June __, 2027*.
- ⁽³⁾ Includes costs of issuance, such as legal fees, Underwriters’ discount, printing costs, rating agency fees and other miscellaneous expenses.

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* Preliminary; subject to change.

BOND PAYMENT SCHEDULE*

The following is the payment schedule for the Series 2024 Bonds, assuming no optional redemptions:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$		

Totals:

\$ _____

\$

\$

* Preliminary; subject to change.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2024 BONDS

General

In order to secure the payment of the principal of and interest on the Series 2024 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 established under the Indenture. Amounts in the Rebate Fund do not secure the payment of the principal of and interest on the Series 2024 Bonds and are not otherwise available for the payment of the principal of and interest on the Series 2024 Bonds.

As further security for the payment of the Series 2024 Bonds, the Authority and the Landlord have granted a security interest in, and assigned to the Trustee, (a) all of their respective right, title and interest in the Ground Lease and the Facilities Lease and (c) 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 for the payment of the principal of, premium, if any, and interest on, the Bonds, including (a) Base Rent payments by the County pursuant to the Facilities Lease; (b) insurance and condemnation proceeds with respect to the Leased Premises and (c) contract rights and other rights and assets now or hereafter owned by the Landlord in connection with the Facilities Lease and the Leased Premises.

Pursuant to the Facilities Lease, upon completion of the Facilities and acceptance by the County thereof, the Landlord will lease the Leased Premises to the County and the County, in consideration for the leasing of the Leased 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 Rental 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 2024 Bonds.

The County is obligated to begin making Rental Payments upon completion of the Facilities and acceptance by the County thereof. The County’s obligation to pay Rental Payments is subject to abatement in the event of loss of use of the Leased Premises, as described herein. See the caption “RISK FACTORS—Rental Abatement” herein and “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—FACILITIES LEASE—Damage and Destruction—*Rent Abatement*” attached hereto. **THE COUNTY’S OBLIGATIONS TO PAY RENTAL 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 RENTAL PAYMENTS DOES NOT CONSTITUTE A GENERAL 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 Development Agreement and other agreements to the Authority, and the Developer will collaterally assign its interest in the Design-Build Agreement to the Authority. The Authority will further collaterally assign its interest in such agreements to the Trustee for the benefit of the registered owners of the Series 2024 Bonds. See “THE PROJECT—Assigned Agreements.”

Rental Payments and the Facilities Lease

The term of the Facilities Lease (the “Term”) will commence on the date that the Series 2024 Bonds are issued and, unless sooner terminated pursuant to the terms and conditions provided in the Facilities Lease, will continue until _____, 2059* (the “Lease Expiration Date”). The Term of the Facilities Lease will be automatically extended for a period of time equal in duration as the Leased Premises or any portion thereof are unavailable for the County’s use and occupancy as a result of an abatement with respect to the Leased Premises following the expiration of the rental interruption insurance coverage described in the Facilities Lease; provided, however, the Term shall in no event be extended more than ten years beyond the Lease Expiration Date.

Rental Payments payable by the County for the County’s use and occupancy of the Leased Premises include Base Rent and Additional Rent. Base Rent is rent for the Leased Premises or part thereof, as applicable, payable in semi-annual installments, commencing on the fifteenth day of April or October next succeeding the Substantial Completion of the Facilities by the Landlord (the “Rent Commencement Date”), and continuing on the fifteenth day of each April and October 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 2024 Bonds.

In addition to Base Rent, the County shall pay as Additional Rent the following costs and expenses for the use and possession of the Leased Premises: (i) Operating Costs; (ii) Utility Costs; (iii) Taxes; (iv) Insurance Premiums; (v) Indemnification Claims; (vi) Bond Related Charges; (vii) Landlord Fees and Costs; and (viii) all other necessary costs and expenses required to operate and maintain the Leased Premises in accordance with the Facilities Lease. Amounts constituting Additional Rent payable under the Facilities Lease shall be paid by the County directly to the person or persons to whom such amounts shall be payable. See “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS” for definitions of capitalized terms used herein.

Under the Facilities Lease, the Landlord agrees to cause all Contractors and subcontractors to guaranty or warrant that (a) the Work and all materials and equipment furnished by all Contractors and subcontractors for the Work shall be of good quality and new, (b) the Work shall be free of defects, and (c) all Base Building Systems shall be fully operational in accordance with manufacturers’ specifications for the period specified for each applicable component of the Work (including all Base Building Systems), but in no event less than a period of one year from the date of Substantial Completion of the Facilities (the “Warranty Period”). If the Work or any defective material or equipment requires repair or replacement within the Warranty Period, the Landlord shall cause all Contractors and subcontractors to repair or replace the Work or such defective material or equipment.

The County is, on and after the Rent Commencement Date, solely responsible for providing any required security guard, security patrol, or other security services for the Leased Premises at its sole cost and expense.

During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by County of any portion of the Leased Premises, Rental Payments due under the Facilities Lease with respect to the Leased Premises shall be abated to the extent that the total fair rental value of the portion of the Leased Premises in respect of which there is no substantial interference is less than the remaining scheduled Rental Payments, in which case the Rental Payments shall be abated only by an amount equal to the difference. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation

* Preliminary, subject to change.

and end with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of title defect or substantial completion of the work of repair or replacement of the portions of the Leased Premises so damaged, destroyed, defective or condemned.

Any abatement of Rental Payments pursuant to the Facilities Lease shall not be considered an Event of Default under the Facilities Lease, but shall result in the extension of the term of the Facilities Lease by a period equal to the period of abatement for which Rental Payments have not been paid in full (but in no event later than 10 years after the Lease Expiration Date), and Rental Payments for such extension period shall be equal to the unpaid Rental Payments during the period of abatement but without interest thereon. During any period of abatement with respect to all or any part of the Leased Premises, the County shall use the proceeds of rental interruption insurance to make payments of Base Rent, to the extent available. Under the Facilities Lease, the County is required to maintain rental interruption insurance on and after the Rent Commencement Date in an amount not less than the amount of Base Rent payments scheduled to be paid during the next two succeeding Lease Years. See “RISK FACTORS—Rental Abatement” herein and “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—FACILITIES LEASE” attached hereto.

In the event the Design-Builder fails to achieve Substantial Completion of the Facilities by the Outside Completion Date, the Landlord shall cause the Developer to enforce the provisions of the Design-Build Agreement relating to the payment by the Design-Builder of liquidated damages. [All liquidated damages paid by the Design-Builder shall be transferred to the Trustee and deposited into the Liquidated Damages Account of the Project Fund].

The Facilities Lease grants to the County the option to purchase the Facilities and thereby terminate the Ground Lease and the Facilities Lease, subject to the provisions of the Indenture relating to the redemption of the Series 2024 Bonds. The purchase price of the Facilities shall be the amount required to fully redeem or defease all outstanding Bonds, plus accrued interest and costs associated with such purchase.

The County will pay all Base Rent 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 Rental Payments due under the Facilities Lease in its annual budget and to make the necessary annual appropriations for such Rental Payments.

If the County defaults in the payment of Base Rent, Additional Rent or any other monetary obligations of County under the Facilities Lease, the Trustee, as assignee of the Landlord and the Authority, may exercise any and all rights and remedies available under law and the Facilities Lease, including (a) terminating the Facilities Lease and retaking possession of the Leased Premises; or (b) without terminating the Facilities Lease, enforcing any other term or provision of the Facilities Lease to be kept or performed by the County (including collection of all Base Rent payments as they become due) and/or exercising any and all rights to retake possession of the Leased Premises. The Facilities Lease provides, however, that future Rental 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—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—DEED OF TRUST” attached hereto.

Release of Parcel

At any time during the term of the Ground Lease, the County (through the determination made by Chief Executive Officer of the County, or his or her designee, in his or her sole discretion, that such action is necessary for County's use for the development of a future administrative building or any other use) has the option to elect to require that the Released Parcel, as defined herein, be released from the Property (the "Release Right"). The County shall not be required to compensate or reimburse the Landlord or the Trustee for any cost associated with the County's exercise of the Release Right or any loss to the Landlord in connection therewith (other than reasonable costs and expenses incurred in connection with amending the Ground Lease, the Facilities Lease, the Deed of Trust and related documents), nor shall there be any reduction in the Ground Rent or any rent payable under the Facilities Lease. Each of the Ground Lease, the Facilities Lease, and the Deed of Trust provides that the respective parties thereto agree, upon the County's exercise of the Release Right, to amend (i) the Ground Lease to release the Released Parcel from the Property; (ii) the Facilities Lease to release the Released Parcel from the Leased Premises; and (iii) the Deed of Trust to release the Released Parcel from the lien of the Deed of Trust.

The County's exercise of the Release Right in accordance with the provisions of the Ground Lease may be made without the consent of any Registered Owner and will be deemed not to result in any material impairment of the security given or intended to be given to the Registered Owners under the Indenture.

The "Released Parcel" means the certain 1.47 acre parcel located along the northern boundary of the Property, as further described in the Ground Lease.

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 A GENERAL 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 2024 BONDS NOR THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT UNDER THE FACILITIES LEASE CONSTITUTES A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. 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 Property (as defined under the caption "DEED OF TRUST—Definitions" in APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS), including, but not limited to, the Ground Lease, the leasehold estate, fixtures, improvements, personal property, contracts and leases; (b) assign to the Authority the rents, issues and profits derived from the Leased Premises; and (c) grant a security interest to the Authority in personal property and fixtures of the Landlord. See "APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEED OF TRUST" for additional information. In the event of a Landlord or Authority 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 2024 Bonds) immediately due and payable; (ii) the right to enter upon the Leased Premises and foreclose on the Landlord’s interest in such property, subject to the Ground Lease and the Facilities Lease; and (iii) the rights and remedies granted a secured party under the California Uniform Commercial Code. The Deed of Trust will not encumber any County interest in real or personal property (including without limitation the Property) and, following a foreclosure, the Trustee will have the right to obtain possession of or re-let the Leased Premises only if the County is in default under the Facilities Lease or Ground Lease. See “APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEED OF TRUST” for additional information.

Capitalized Interest Fund

A portion of the proceeds of the Series 2024 Bonds will be deposited in the Capitalized Interest Fund established pursuant to the Indenture. See “ESTIMATED SOURCES AND USES OF FUNDS.” The Capitalized Interest Fund is established for the purpose of setting aside and paying interest on the Series 2024 Bonds.

All interest earnings on amounts in the Capitalized Interest Fund will be transferred to the Project Contingency Account of the Project Fund. The Trustee will transfer on each May 1 and November 1, commencing _____ 1, 20__ and ending _____ 1, 20__* 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 _____ 1, 20__* will be transferred on such date to the [Interest Fund].

Revenue Fund; Deposit of Revenues

The Revenues will be promptly 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 2024 Bonds are paid in full or defeased and all Additional Rent is 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 2024 Bonds, and to make other deposits or payments in accordance with the terms and order of priorities established by the Indenture. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

Allocation of Revenues

Revenues in the Revenue Fund will be 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; and
- (3) Rebate Fund.

* Preliminary; subject to change.

Base Rent received by the Trustee pursuant to the Facilities Lease after _____ 1, 20__ 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. 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.

Interest Fund. On or prior to each Interest Payment Date, 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 2024 Bonds on such 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 2024 Bonds on each Interest Payment Date.

Principal Fund. On or prior to each Principal Payment Date, 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) the aggregate annual amount of principal coming due and payable on the Series 2024 Bonds having annual maturity dates on such Principal Payment Date, plus (ii) the aggregate of the Minimum Sinking Fund Account Payments to be paid on such Principal Payment Date, 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 2024 Bonds).

Rebate Fund: Not later than the fifth anniversary of the date of issuance of the Series 2024 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.

Insurance Requirements under the Facilities Lease

The Facilities Lease requires that the Landlord and the County procure and maintain the insurance coverage described below.

Landlord's Insurance — Prior to Rent Commencement Date. The Landlord shall procure and maintain, as applicable to the Landlord, and cause the Developer, the Design-Builder, the other Contractors and the subcontractors, to procure and maintain, as applicable to each such party, as part of Project Costs, the insurance coverage described below from the Effective Date to the Rent Commencement Date. The County, its Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees, shall be named as additional insureds with respect to such insurance policies, other than with respect to the Workers' Compensation Insurance and the Builder's Risk Insurance.

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

(b) *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, development, construction, installation, equipping and furnishing of the Facilities and all areas appurtenant thereto including claims which may arise from or out of the use or and operations on the Property, or the performance of its obligations under the Facilities Lease or under the Development Agreement or the Contract Documents. Said policy shall (i) name the Trustee and the County, its Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees as an additional insured for the indemnity obligations herein and (ii) shall have limits not less than \$ __,000,000 per occurrence and not less than \$ __,000,000 in the aggregate. The Design-Builder shall maintain at least \$ __,000,000 of excess liability/umbrella insurance for any and all covered claims.

(c) *Vehicle Liability.* If vehicles or licensed mobile equipment are used on the Property, auto liability insurance for all owned, non-owned or hired automobiles in an amount not less than \$ __,000,000 per occurrence combined single limit.

(d) *Property (Physical Damage) (Builder's Risk).* Prior to the commencement of construction of the Facilities, the Landlord shall (directly or through the Design-Builder) obtain at the Landlord's sole cost and expense (as part of the Project Costs), and keep in full force and effect until Final Acceptance, a builder's risk policy of insurance covering loss or damage to the Facilities for the full replacement value of such work, including earthquake insurance. The named insured shall include the Trustee, the Landlord, the County, the Design-Builder and subcontractors as their interests appear. The Trustee shall be named as the loss payee under such builder's risk policy of insurance. The Design-Builder or the other Contractors and subcontractors shall be responsible for any deductible payments that result from a loss of the Facilities or any portion thereof under this coverage.

(e) *Professional Liability Insurance.* Professional liability insurance for the Facilities covering any service provider required to maintain a professional license or an advanced professional degree to perform any of the Work. Such professional liability insurance shall protect the Facilities against errors and omissions of such service provider and shall be (other than with respect to the architect) in an amount equal to not less than \$ __,000,000 per occurrence and \$ __,000,000 in the aggregate, with each deductible not to exceed \$ __,000. The architect for the Work shall be required to maintain professional liability insurance in an amount equal to not less than \$ __,000,000 per occurrence and \$ __,000,000 in the aggregate, with each deductible not to exceed \$ __,000. Such professional liability policies shall be available to the Landlord and be maintained to provide continuous coverage from the commencement of the applicable Work until a minimum of twelve (12) full calendar months after completion of the Work. Any such insurance professional liability insurance shall be written to ensure that the Landlord can make a direct claim under such professional liability insurance policy.

(f) *Contractor's Pollution Liability Insurance.* Contractor's pollution liability insurance with limits of \$ __,000,000 per occurrence and \$ __,000,000.00 in the aggregate. Any such contractor's pollution liability insurance policy shall be written to ensure that the Landlord can make a direct claim under such policy.

Landlord's Insurance — On and After Rent Commencement Date. On and after the Rent Commencement Date and through the Term of the Facilities Lease, the Landlord shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by the County, and shall name the County and the Trustee as additional insureds, and shall include, but not be limited to:

(a) *Commercial General Liability.* Commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Leased Premises, including in, on or about the sidewalks or premises adjacent to the Leased Premises, providing coverage limits not less than \$ __,000,000 per occurrence and \$ __,000,000 in aggregate; and

(b) *Workers' Compensation.* A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of the Landlord and all risks to such persons under the Facilities Lease.

County's Insurance — From and After Rent Commencement Date. The County shall procure and maintain or cause to be procured and maintained, the following insurance coverage from and after the Rent Commencement Date:

(a) *Property (Physical Damage).* Casualty insurance coverage in an amount not less than the greater of: (i) the outstanding principal balance of the Bonds and (ii) full replacement cost of buildings, structures, building systems, fixtures and improvements as the same exists at each anniversary of the Rent Commencement Date. Said policy shall (i) insure the Facilities against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood (unless the Property is located in an area designated by the Federal Emergency Management Agency as an area having special flood hazards (Zones A and V) and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (or any successor Act thereto) in the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis, subject to the maximum limit of coverage available under such Act), which shall be provided by separate policies to the extent required) and may be subject to a \$ __,000 loss deductible provision, (ii) shall name the Trustee as Loss Payee and the Authority and the Landlord as additional insureds. The County may satisfy this insurance obligation by participation in the Public Risk Innovation, Solutions, and Management ("PRISM," formerly known as CSAC EIA), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities.

(b) *Rental Interruption Insurance.* Rental interruption insurance to cover loss, total or partial, of the use of the Leased Premises as a result of any of the hazards covered by the insurance described under "*Property (Physical Damage)*" above in an amount not less than the amount of Base Rent payments scheduled to be paid during the next two succeeding Lease Years, the proceeds of which shall be applied to the payment of Base Rent payments during the period in which, as a result of the damage or destruction to the Leased Premises that resulted in the receipt of such proceeds, there is substantial interference with the County's right to the use or occupancy of the Leased Premises; provided, however, that the County's obligations described under this subheading may not be satisfied by self-insurance.

(c) *Commercial General Liability Insurance.* Commercial general liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Premises. Such insurance shall afford protection with a combined single limit of not less than \$ __,000,000 per occurrence and \$ __,000,000 in aggregate with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by the County's risk management officer or an independent insurance consultant retained by the County for that purpose.

(d) *Workers' Compensation Insurance.* Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto.

(e) *Boiler and Machinery Insurance.* Boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Leased Premises in an amount not less than \$2,000,000 per accident.

The County’s General Liability Insurance and Property Insurance

The County is self-insured for short-term disability, unemployment insurance, general liability, medical malpractice and workers’ compensation claims. General liability claims are self-insured to \$7.5 million for each occurrence, and the balance (to \$25 million for each occurrence), with an optional excess liability program aggregate of \$50 million, is insured through Public Risk Innovation, Solutions, and Management (“PRISM,” formerly known as CSAC EIA), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities. Medical malpractice is self-insured for the first \$1.1 million for each claim with a \$1.5 million limit on a claims-made basis in excess of the County’s self-insured retention, followed by a \$20 million limit on an occurrence basis through PRISM, for a total limit of \$21.5 million in excess of the County’s self-insured retention. Workers’ compensation claims are self-insured to \$2 million for each occurrence and the balance of statutory limits (unlimited) is insured through PRISM. Long-term disability income claims are fully insured by an independent carrier.

The PRISM property insurance program provides insurance coverage for all-risk subject to a \$50,000 per occurrence deductible; flood coverage is subject to a \$100,000 per occurrence deductible within Flood Zones A and V and a \$25,000 deductible outside of Flood Zones A and V. In order to diversify risk, property exposure among all members within the program are categorized into eight “Towers” based on geography and building type. The County participates in four of the eight Towers, each of which provides \$100 million in all-risk limits (including earthquake and flood limits), and \$300 million limit for all-risk and a minimum of \$200 million for flood per Tower. A \$300 million excess all risk layer sits above the Towers, providing a total of \$600 million in all-risk limits for Towers I-VIII. With respect to earthquake coverage, each of the four Towers in which the County participates has a limit of \$100 million, with a \$365 million excess rooftop layer shared by all of the Towers that is triggered by the depletion of the initial limit for one or more of the Towers in a policy year. The County has \$765 million in shared earthquake coverage that covers scheduled locations and buildings equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract. Earthquake coverage is subject to a deductible equal to 5% of total value per unit per occurrence, subject to a \$100,000 minimum. Boiler and Machinery provides up to \$100 million in limits, subject to a \$5,000 deductible per event. Property insurance limits in each Tower are shared with other counties within that Tower on a per event basis. If a catastrophic event occurs and losses exceed the limits, the County would be responsible for such amounts. See “APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — SECTION II — SERVICES AND RISK MATTERS — Insurance.”

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 2024 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 redemption 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 Leased 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 Leased Premises, elect between the actions described in the subparagraphs (b) and (c) below.

(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 Leased 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 Landlord or, if the Landlord is in default under the Facilities Lease, the County, 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 2024 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 Leased Premises (which will include any and all Alterations completed with the proceeds of the Additional Bonds); (b) the Trustee will receive a certificate of the County 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 2024 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—INDENTURE" attached hereto for additional information.

RISK FACTORS

The following factors, along with the other information in this Official Statement, including the Appendices hereto, should be considered by potential investors in evaluating the purchase of the Series 2024 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 2024 Bonds. In addition, the order in which the following risk 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 2024 BONDS NOR THE OBLIGATION OF THE COUNTY TO PAY BASE RENT AND ADDITIONAL RENT UNDER THE FACILITIES LEASE CONSTITUTES A DEBT OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE.

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 Rental Payments due under the Facilities Lease. The same result could occur if, because of State 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 its General Fund, some of which may have priority over the Rental Payments due under the Facilities Lease. See the caption “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” herein.

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.

Insufficient Funds to Complete the Project

In the event that the proceeds from the Series 2024 Bonds and available BHCIP Funds are insufficient to complete the Project, there are no assurances that additional funds could be raised to finance completion of the Facilities. The Landlord has no assets other than those associated with the Project (i.e., Series 2024 Bond proceeds and the Landlord’s rights under the Facilities Lease, the Work Letter, the Development Agreement and other related contracts) and will have limited ability to raise additional funds. The County is not obligated to make Rental Payments until the completion of the Facilities and acceptance by the County thereof. Therefore, the failure to complete or a delay in the completion of the construction of the Facilities could adversely affect the receipt of the Base Rent due under the Facilities Lease and thus, the payment of principal and interest with respect to the Series 2024 Bonds.

Construction Risks

The Developer and the Design-Builder have prepared a construction schedule for the Project pursuant to which the Design-Builder expects to complete the design review process with the County and obtain final plan check and building permits by the end of May 2024. Construction of the Project is expected to commence in June 2024, and Substantial Completion of the Project is expected to occur by the

end of [December 2026]. The failure to complete or a delay in the completion of the construction of the Facilities could adversely affect the receipt of the Base Rent due under the Facilities Lease and thus, the payment of principal and interest with respect to the Series 2024 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 2024 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 June 1, 2027*.

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 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. Some of these risks may be covered by the builder's risk insurance required to be maintained by the Developer pursuant to the Facilities Lease and the Design-Build Agreement, which will cover losses from the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, debris removal and other perils or causes of loss provided for in the Design-Build Agreement.

Because the Project is a design-build project, there is a risk that the design may not be fully elaborated or detailed and may require Landlord or County approvals that are not based on complete designs. To mitigate this risk, the Design-Builder is required to maintain professional liability insurance covering negligence acts, errors and omissions in the performance of professional services, or a combined professional liability and pollution liability policy, in either case with policy limits not less than [\$10,000,000 per claim and \$10,000,000 in the aggregate.]

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 2024 Bonds, the BHCIP Funds 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 2024 Bond proceeds and the Landlord's rights under the Facilities Lease, the Work Letter, the Development Agreement and other related contracts) and will have limited ability to raise additional funds.

In order to mitigate this risk, the Design-Builder has agreed that the sum of the Cost of the Work and the Design-Builder's fee will not exceed the Guaranteed Maximum Price. However, the Guaranteed Maximum Price is subject to additions by certain change orders as provided in the Design-Build Agreement, and therefore could increase significantly. However, for certain changes or cost increases ordered or caused by the County, the Work Letter provides that the County will pay for such changes or cost increases. The Guaranteed Maximum Price includes a Design-Builder's contingency identified as a lump sum item in the amount of [\$23,129,438] (the "Contingency"), which the Design-Builder may use to pay costs of the Project not reasonably anticipated by the Design-Builder, subject to the limitations set forth in the Design-Build Agreement. To mitigate some of the risks of the Design-Builder's failure to complete the Facilities in accordance with the terms of the Design-Build Agreement, the Design-Builder will provide a performance and payment bond in the amount of the Cost of the Work.

The Design-Builder will be liable to the Trustee, as assignee of the Developer, for liquidated damages in the event the Design-Builder fails to complete the work required to be done on or before the Outside 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

* Preliminary; subject to change.

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

Development Risks

The Landlord has entered into the Development Agreement with the Developer to provide certain development and construction management services with respect to the Project. The Landlord has no employees available to provide such services. See "THE LANDLORD" herein. In the event of a default by the Developer under the Development Agreement, other than a Completion Delay in certain circumstances, the Landlord may terminate the Development Agreement, subject to the requirement that the Landlord pay all the Developer's reimbursable expenses through the date of termination, together with the portion of the developer fee and project management fee earned by the Developer through such date. The Development Services as set forth in the Development Agreement are analogous to construction management/project management services, and the Developer is not directly at risk under the Development Agreement for the Guaranteed Maximum Price or the guaranteed completion of the Facilities. In the event of disputed cost overruns and/or failure to complete the construction of the Facilities, the Landlord's recourse would be limited to the Design Builder. Similarly, notwithstanding the breadth of the Developer's Standard of Care, the standard of care would only apply to the performance of the enumerated Development Services. No assurance can be given that a satisfactory replacement developer could be retained by the Landlord on a timely basis and within the original budget for the Developer. The Facilities Lease provides that nothing in the Development Agreement will relieve the Landlord of its responsibilities under the Indenture, the Facilities Lease, the Ground Lease or the Work Letter. The County is not obligated to make Rental Payments until the completion of the Facilities and acceptance by the County thereof. Therefore, the failure to complete or a delay in the completion of the construction of the Facilities could adversely affect the receipt of the Base Rent due under the Facilities Lease and thus, the payment of principal and interest with respect to the Series 2024 Bonds.

Failure of County to Accept the Leased Premises

In the event the County refuses to accept the Leased 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 Leased Premises pursuant to the Facilities Lease and hold the County liable for each installment of rent as it becomes due or all Rental Payments on an annual basis or (b) attempt to re-let the Leased Premises. The enforcement of such remedies could be expensive, time consuming and is subject to certain restrictions, including, without limitation, compliance with certain tax covenants as discussed under the heading "TAX MATTERS." See "— Loss of Tax Exemption" herein. If the County refuses to accept the Leased Premises, there may be insufficient funds to pay the principal and interest on the Series 2024 Bonds.

Seismic Activity and Natural Disasters

The County, like all California communities, may be subject to unpredictable seismic activity, wildfires, or flooding in the wake of fires or in the event of unseasonable rainfall.

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. Recent major earthquakes in the Southern California area include an earthquake near the town of Ridgecrest, California that occurred on July 4, 2019 and measured 6.4 on the Richter scale, followed by an earthquake that hit a day later in the same location and measured 7.1 on the Richter scale, and the Northridge earthquake, which occurred on January 17, 1994 and measured 6.5 on the Richter scale.

Although there are no known active faults crossing or projecting through the Property, the Property is located in a seismically active area typical of Southern California and is likely to be subjected to strong ground shaking because of earthquakes.

Prior to the commencement of construction of the Facilities, the Landlord will (directly or through the Design-Builder) obtain at the Landlord's sole cost and expense (as part of the Project Costs), and keep in full force and effect until the construction of the Facilities is complete in accordance with the Work Letter, a builder's risk policy of insurance covering loss or damage to the Leased Premises for the full replacement value of such work, including earthquake insurance. The Landlord is not legally obligated under the Facilities Lease to maintain, or cause to be maintained, earthquake insurance on the Project after the construction of the Facilities is complete.

During the term of the County's occupancy, the County covenants under the Facilities Lease to maintain casualty insurance coverage insuring the Facilities against fire, lightning and all other risks covered by an extended coverage endorsement, but not earthquake insurance.

The Property is located in a Zone "X" flood-designated area according to Federal Emergency Management Agency Flood Insurance Rate Map, Map No. 06065C1430H, effective date August 18, 2014. This designation references an area of minimal flooding, which is outside the 0.2% annual change floodplain. Flood insurance is not required under the Facilities Lease. The Property is not located in a fire hazard zone.

If there were to be an occurrence of severe seismic activity, fire, flood or other natural disaster 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 Leased Premises, which could result in Rental Payments being subject to abatement. Moreover, there could be significant damage to both the property and infrastructure in the County, which could impact the ability of the County to make payments of Base Rent when due and, accordingly, could have an adverse effect on the Authority's ability to make timely payments of principal of and interest on the Series 2024 Bonds. See the captions "RISK FACTORS—Rental Abatement" and "THE PROJECT" herein.

There can be no assurance that amounts received as proceeds from insurance or from condemnation of the Leased Premises will be sufficient to pay the Series 2024 Bonds.

Rental Abatement

During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by County of any portion of the Leased Premises, Rental Payments due under the Facilities Lease with respect to the Leased Premises shall be abated to the extent that the total fair rental value of the portion of the Leased Premises in respect of which there is no substantial interference is less than the remaining scheduled Rental Payments, in which case the Rental Payments shall be abated only by an amount equal to the difference. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and end with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of title defect or substantial completion of the work of repair or replacement of the portions of the Leased Premises so damaged, destroyed, defective or condemned. Any abatement of Rental Payments pursuant to the Facilities Lease shall not be considered an Event of Default under the Facilities Lease, but shall result in the extension of the Term of the Facilities Lease by a period equal to the period of abatement for which Rental Payments have not been paid in full (but in no event later than 10 years after the Lease Expiration Date), and Rental Payments for such extension period shall be equal to the unpaid Rental Payments during the period of abatement but without interest thereon. During any period of abatement with respect to all or

any part of the Leased Premises, the County shall use the proceeds of rental interruption insurance to make payments of Base Rent, to the extent available. Under the Facilities Lease, the County is required to maintain rental interruption insurance on and after the Rent Commencement Date in an amount not less than the amount of Base Rent payments scheduled to be paid during the next two succeeding Lease Years. A period of abatement that lasts beyond the term of such rental interruption insurance could adversely affect the receipt of the payment of principal and interest with respect to the Series 2024 Bonds.

Effects on the Series 2024 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 2024 Bond subsequent to a termination of the Facilities Lease. If the Facilities Lease is terminated, there is no assurance that the Series 2024 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 2024 Bonds subsequent to termination of the Facilities Lease. There is no assurance that any moneys received by the Registered Owners of the Series 2024 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

If the County defaults in the payment of Base Rent, Additional Rent or any other monetary obligations of County under the Facilities Lease, the Trustee, as assignee of the Landlord and the Authority, may exercise any and all rights and remedies available under law and the Facilities Lease, including (a) terminating the Facilities Lease and retaking possession of the Leased Premises; or (b) without terminating the Facilities Lease, enforcing any other term or provision of the Facilities Lease to be kept or performed by the County (including collection of all Base Rent payments as they become due) and/or exercising any and all rights to retake possession of the Leased Premises. 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 Rental Payments due over the term of the Facilities Lease. The County will only be liable for the Rental Payments on an annual basis, and the Trustee would be required to seek a separate judgment each year for that year's Base Rent due. Any such 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 Leased Premises, the Trustee may have limited ability to relet the Leased Premises to provide a source of funds sufficient to pay the principal of and interest on the Series 2024 Bonds so as to preserve the tax-exempt nature of the interest on the Series 2024 Bonds. Given the governmental function of the Leased Premises, it is not certain whether a court would permit the exercise of the remedies of repossession and reletting with respect to the Leased Premises. Any exemption from County zoning requirements would no longer apply if the Leased 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.

Bankruptcy

Bankruptcy of the County. The County is not subject to the involuntary procedures of Title 11 of the United States Code (the "Bankruptcy Code"). However, the County may file a petition under Chapter 9 ("Chapter 9") of the Bankruptcy Code, provided that it complies with requirements of Section 53760 *et seq.* of the Government Code of the State. Under the Government Code, a local public entity, including the County, is prohibited from filing under the Bankruptcy Code unless it has participated in a specified neutral evaluation process with interested parties, as defined, or it has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent bankruptcy protections.

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 pre-petition unsecured claim that may be substantially limited in amount. 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 2024 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 2024 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 that may be substantially limited in amount. 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 2024 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 2024 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 2024 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 Series 2024 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 Series 2024 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 2024 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 2024 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 Leased 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 Leased Premises if the County were to default on its obligations under the Facilities Lease or could potentially result in a reduction in the fair rental value of the Leased Premises and thereby reduce the amount of Base Rent. In addition, discovery of hazardous substances on the Leased Premises could delay the construction schedule and cause Project Costs to increase.

Partner Assessment Corporation, d/b/a Partner Engineering and Science, Inc. (“Partner”), completed a Phase I Environmental Site Assessment Report dated March 8, 2024 for the Property (the “Phase I Report”). The Phase I Report revealed no evidence of recognized environmental conditions in connection with the site except for one 500-gallon gasoline underground storage tank (“UST”), which, according to regulatory records, was located on the Property and active through the late 1980s, although the exact location of the UST is unknown. Partner has recommended implementation of a soil management plan during site redevelopment activities and a remediation plan in the event that the UST is encountered. The Phase I Report speaks only as of its date and is subject to the limitations specified therein, as well as to the general limitation that no environmental assessment can completely eliminate uncertainty regarding the potential for recognized environmental conditions and related costs in connection with the Leased Premises.

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 Leased Premises. In addition, the Landlord has covenanted not to engage in any business or activity other than ownership and operation of the Leased Premises. Accordingly, the Landlord’s only source of revenues from operations will be Rental Payments received from the County pursuant to the Facilities Lease. See the caption “THE LANDLORD” for a description of the Landlord and its sole member.

Limited Resources of Developer

The Developer is a privately held company with limited resources available to fulfill its obligations under the Development Agreement. If the Developer were unable to fulfill its obligations under the Development Agreement, no assurance can be given that the Landlord would be able to find a satisfactory replacement developer on a timely basis and within the original budget for the Developer. See “THE DEVELOPER” herein.

Climate Change

There are potential risks to the County associated with changes to the climate over time. See “APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — SECTION II — SERVICES AND RISK MATTERS — Environmental Control Services.” The County cannot predict the timing, extent, or severity of climate change and its impact on the County’s operations and finances, but, over time, the costs could be significant and could have a material adverse effect on the County’s finances by requiring greater expenditures to respond to the effects of climate change. Also, additional actions to address climate change may be necessary, and the County can give no assurances regarding the impact of such actions on the County’s operations and finances.

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to cyber threats including, but not limited to: hacking, malware, social engineering, and other attacks on its computer systems and sensitive digital networks. No assurances can be given that the County’s security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County’s computer and information technology systems could impact its operations and damage the County’s digital networks and systems, and the costs of remedying any such damage could be substantial. See “APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — SECTION II — SERVICES AND RISK MATTERS — Cybersecurity.”

No Limitation on Incurring Additional Obligations

Neither the Facilities Lease nor the Indenture contains any legal limitations on the ability of the County to enter into other obligations that may constitute additional charges against its General Fund revenues. To the extent that the County incurs additional obligations, the funds available to make Rental Payments may be decreased. The County is currently liable on other obligations payable from General Fund revenues and is currently contemplating entering into other such obligations. See “APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — SECTION V — Debt Obligations.”

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 Rental 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 Series 2024 Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the Series 2024 Bonds might be affected as a result of such an audit of the Series 2024 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 2024 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2024 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 2024 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 (the “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 Rental Payments. See, for example, “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIIC and Article XIID of the State Constitution.”

Secondary Market

The Underwriters are not obligated to make a market for any of the Series 2024 Bonds, and there can be no guarantee that there will be a secondary market for the Series 2024 Bonds or, if a secondary market exists, that the Series 2024 Bonds can be sold for any particular price. Occasionally, because of general market conditions or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

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 2024 Bonds are an appropriate investment. Purchasers of the Series 2024 Bonds are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2024 Bonds.

Summary

The foregoing is intended only as a summary of certain risk factors relevant to an investment in the Series 2024 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 with respect to the Series 2024 Bonds is payable from any funds of the State.

Information about the State budget is regularly available at various State-maintained websites. Text of the current and past budgets may be found at the State Department of Finance website. An impartial analysis of the budget is posted by the Legislative Analyst’s Office at its website. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters 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.

The County relies significantly upon State and federal payments for reimbursement of various costs including certain mandated programs. For Fiscal Year 2023-24, approximately 44.4% of the County’s General Fund budget revenues consist of payments from the State, and approximately 22.5% consists of payments from the federal government. For Fiscal Year 2024-25, the County projects that approximately []% of its General Fund budget revenues will consist of payments from the State, and []% will consist of payments from the federal government. Changes in various federal and State programs and legislation could have a material impact on the County’s budget. There can be no assurances that the occurrence of a recession or otherwise declining conditions in the local, State or national economies will not materially adversely affect the financial condition of the County in the future.

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 — SECTION III — BUDGETARY INFORMATION” attached hereto.

State Budget for Fiscal Year 2023-24. On June 27, 2023, the Governor signed the State budget for fiscal year 2023-24 (the “2023-24 Budget”). The following information is drawn from the Department of Finance (the “DOF”) summary of the 2023-24 Budget.

The 2023-24 Budget reports that, after two years of growth, the State is projected to face a downturn in revenues driven by a declining stock market, persistently high inflation, rising interest rates and job losses in high-wage sectors. The 2023-24 Budget forecasts that the State will face a \$31.7 billion shortfall in fiscal year 2023-24. To close the budget gap, the 2023-24 Budget includes a series of measures intended to avoid deep reductions to priority programs that marked budgetary shortfalls over the past two decades:

- *Fund Shifts* – \$9.3 billion in shifts of spending commitments from the State general fund to other sources.
- *Reductions/Pullbacks* – \$8.1 billion in State general fund spending reductions or pullbacks of previously approved spending.
- *Delays* – \$7.9 billion in delayed spending across multiple years, without reducing the amount of funding over the same period.
- *Revenue and Internal Borrowing* – \$6.1 billion in revenue, primarily from the Managed Care Organization tax, and internal borrowing from special fund balances not projected for programmatic purposes.
- *Trigger Reductions* – \$340 million in reductions that will be restored in the proposed State budget for fiscal year 2024-25 if there are sufficient resources to do so.

For fiscal year 2022-23, the 2023-24 Budget projects total general fund revenues and transfers of \$205.1 billion and authorizes expenditures of \$234.6 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$54.2 billion, including \$21.1 billion in the traditional general fund reserve,

\$22.3 billion in the Budget Stabilization Account, \$9.9 billion in the Public School System Stabilization Account and \$900 million in the Safety Net Reserve Fund. For fiscal year 2023-24, the 2023-24 Budget projects total general fund revenues and transfers of \$208.7 billion and authorizes expenditures of \$225.9 billion. The State is projected to end the 2023-24 fiscal year with total reserves of \$37.8 billion, including \$3.8 billion in the traditional general fund reserve, \$22.3 billion in the Budget Stabilization Account, \$10.8 billion in the Public School System Stabilization Account and \$900 million in the Safety Net Reserve Fund. The 2023-24 Budget indicates that maintaining this level of reserves provides a prudent insurance policy, as the State continues to face revenue risks and uncertainty. Significantly, prolonged storm activity over the winter caused a tax filing delay affecting over 99% of tax filers in 55 of the State's 58 counties. This delay pushed the projected receipt of \$42 billion in State tax receipts into October, representing nearly one-fourth of the 2022-23 fiscal year's total projected personal income taxes, and nearly one third of the corporation tax.

The ending balance in the Budget Stabilization Account is at the constitutional maximum amount, requiring any amounts in excess thereof to be dedicated to infrastructure improvements. The 2023-24 Budget also includes revised deposits to the Public School System Stabilization Account of \$4.8 billion and \$1.8 billion attributable to fiscal years 2021-22 and 2022-23, respectively, and authorizes a deposit in fiscal year 2023-24 of \$902 million.

Information about the State budget and State spending is available at various State maintained websites. Text of the Fiscal Year 2023-24 Budget 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.

Proposed State Budget for Fiscal Year 2024-25. The Governor released his Proposed 2024-25 State Budget, which sets forth a budget for Fiscal Year 2024-25 (the "Proposed Fiscal Year 2024-25 Budget"), on January 10, 2024. In the Proposed Fiscal Year 2024-25 Budget, the Governor proposes a \$291.5 billion state budget that assumes continued but slowing economic growth and does not assume a recession. The Proposed Fiscal Year 2024-25 Budget projects a \$37.9 billion deficit and proposes to draw upon \$13.1 billion from the State's reserves to address part of the deficit. The remaining \$24.8 billion gap is bridged with a variety of deferrals, borrowings, reversions of unspent funds from prior years, and fund shifts. The Legislative Analyst's Office has estimated a larger deficit of \$73 billion for Fiscal Year 2024-25 and proposes further spending reductions to achieve budgetary savings.

The County is currently evaluating the Proposed Fiscal Year 2024-25 State Budget. The Proposed Fiscal Year 2024-25 State Budget provides for, but is not limited to, the following items applicable to counties:

- Decreases of \$12.7 million State general fund in 2023-24, \$16.5 million general fund in 2024-25, and \$6.6 million general fund in 2025-26, and an increase of \$1.1 million in 2026-27 and annually thereafter for CARE Act implementation.
- CalWORKs Single Allocation – a reversion of \$336 million State general fund from 2022-23, a reversion of \$40.8 million general fund in 2023-24, and a reduction of \$40.8 million general fund in 2024-25 and ongoing which was previously approved as part of ongoing augmentation for this program.
- Family Stabilization – a reversion of \$55 million in 2023-24 and a reduction of \$71 million beginning in 2024-25 and ongoing for this program.

- Employment Services Intensive Case Management – a reduction of \$47 million beginning in 2024-25 and ongoing for this program.
- Expanded Subsidized Employment – a reversion of \$134.1 million in 2023-24 and reduction of \$134.1 million in 2024-25 and ongoing for this program.
- Per- and Polyfluoroalkyl Substances (PFAS) Support – a reversion of \$71.6 million State general fund in prior year funds and reduction of \$30 million in 2024-25 for PFAS support.

Proposition 25. According to the State Constitution, the Governor must propose a budget to the Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the Legislature for passage. However, on November 2, 2010, the voters approved Proposition 25, which amends the State Constitution to lower the vote requirement necessary for each house of the Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the Legislature. The lower vote requirement also would apply to trailer bills that appropriate funds and are identified by the Legislature “as related to the budget in the budget bill.” The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the Legislature is still required to override any veto by the Governor.

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 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 2024 Bonds are payable from Base Rent payments made from the County’s General Fund. See the caption “SECURITY AND SOURCE 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 XIII C 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 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 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.

Initiative Measure Qualified for November 2024 Ballot — Taxpayer Protection and Government Accountability Act. A ballot initiative known as the "Taxpayer Protection and Government Accountability Act" ("Initiative 1935") is presently qualified for the November 2024 statewide ballot. If approved by a majority of voters, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees.

Among other effects, if passed, Initiative 1935 would provide that all levies, charges or exactions imposed by a local law are taxes unless the charge is an "exempt charge," as further described in Initiative 1935. A "local law" is broadly defined to include regulations, rulings, opinion letters or other legal authority or interpretation of a local government. Local governments such as the County that impose fees or charges would need to prove by clear and convincing evidence that the fee or charge qualifies as an exempt charge, which Initiative 1935 generally limits to: (i) reasonable charges for a specific local government service or product in an amount that does not exceed the actual cost to the local government, as further described in Initiative 1935; (ii) charges relating to the reasonable costs of regulatory activities; (iii) reasonable charges for entering or using public property; (iv) judicial fines, penalties and other charges imposed pursuant to adjudicatory due process; (v) charges as a condition to property development except those relating to vehicle miles traveled; (vi) assessments, fees or charges subject to Article XIII D of the Constitution (such as charges for water or wastewater services) or assessments imposed by a tourism marketing district, a parking and business improvement area or a property and business improvement district; and (vii) charges for certain health care services provided directly to the payor that do not exceed the reasonable cost of providing the service.

Initiative 1935 could affect fees and charges related to emergency response, document processing and duplication, transit, tolls, parking, facility use, and garbage disposal. If the fee or charge does not qualify as an exempt charge under Initiative 1935, or the local government cannot prove the necessary facts by clear and convincing evidence, the charge would be considered a tax, requiring certain procedures and an election. Under Initiative 1935, any special tax, whether proposed by the governing body or by initiative, would require a two-thirds vote.

In addition to the restraints on fees and charges described above, Initiative 1935 would impose new restrictions that could make it significantly more difficult for local governments such as the County to raise revenues by taxation, impacting their ability to support general fund-paid obligations. Specifically, each ballot measure for a new, increased or extended tax would have to include language concerning the type,

amount or rate, duration and use of the tax. Any special tax, including those imposed by initiative, would require a two-thirds vote. Advisory measures accompanying a general tax would be prohibited.

Initiative 1935 purports to apply retroactively. If its retroactivity is effective, applicable taxes, fees and charges created, increased or extended after January 1, 2022, not adopted in a manner consistent with the requirements of Initiative 1935 would become void unless reenacted within 12 months.

The Governor and the Legislature are challenging Initiative 1935 in the California Supreme Court. They argue that the initiative should not appear on the ballot because it would amount to an unlawful revision of the California Constitution and an impermissible interference with essential government functions. The Governor and the Legislature have requested a ruling by June 2024, before election workers prepare ballots for the November 2024 election. It is unclear how the California Supreme Court will rule.

The County cannot predict whether Initiative 1935 will be approved at the November 2024 election. If Initiative 1935 is approved, the County cannot provide any assurances that it will not have a material adverse effect on the County's ability to adopt or increase rates, fees, and charges for the various services provided by the County or make payments of Base Rent under the Facilities Lease.

THE LANDLORD

General

The Landlord is P3 Riverside Holdings, LLC, a California limited liability company, organized on June 1, 2023. The Landlord was formed for the sole purposes of assisting the County in facilitating the Project and leasing the Leased Premises to the County.

The sole member of the Landlord is P3 Foundation Inc., a North Carolina nonprofit corporation and a 501(c)(3) organization (the "Foundation"), incorporated on July 6, 2017. On March 26, 2018, the Foundation received a determination letter from the Internal Revenue Service recognizing that it is an organization exempt from taxation pursuant to Section 501(c)(3) of the Code. For federal income tax purposes, pursuant to 26 C.F.R. (Treas. Reg.) § 301.7701-2(c)(2)(i), a business entity (other than a corporation) such as the Landlord, that has a single owner such as the Foundation, is disregarded as an entity separate from its single owner.

The charitable activities of the Foundation include, but are not limited to, furthering community development, developing and expanding healthcare facilities and community buildings, and partnering with local government entities, such as the County, to lessen the burdens inherent in the planning and development of public projects. Such activities are and will be primarily conducted through separate single member limited liability companies established or to be established by the Foundation and of which the Foundation is or will be the sole member. Each of the limited liability companies established or to be established by the Foundation (including the Landlord) is or will be dedicated to a specific, limited purpose and project, and holds or will hold only the assets utilized in conducting operations for that purpose and for that project, and incurs or will incur liabilities solely in connection with the ownership, management, and operation of that specific project. The Foundation's goal is to partner with public and charitable entities to develop a broad range of services, activities, and programs designed for senior housing, educational facilities, healthcare facilities, affordable housing, and lessening the burdens of government. Since it was formed, the Foundation has supported projects involving student housing, educational facilities, and community development. The members of the Board of Directors of the Foundation have significant experience in public finance, project finance and economic development across the country.

In the Indenture, 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 Foundation) 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 is its only source of revenue. No representation has been made that the Landlord has substantial funds available for the Project. Furthermore, the Foundation has no obligations or liabilities with respect to the operations of the Landlord, and no additional information is provided herein regarding the Foundation or its affiliates, their finances or their other activities.

The County expects to enter into a property management agreement for the management and administration of the Facilities. The Landlord does not have, and is not expected to have, any employees of its own.

Governance

The Foundation is governed by a Board of Directors, which is required to consist of not less than one (1) person and not more than fifteen (15) persons. The Executive Director of the Foundation is Kimberly Wyatt.

The following individuals constitute the Board of Directors of the Foundation:

Name	Business Affiliation
Jeffrey Klein	Kensington CA, LLC
James Moore	Kensington CA, LLC
Gregory Fawcett	Kensington CA, LLC
Andrew Kittelson	UBS Financial Services
Eva Hill	Venture Oaks Real Estate Group
Louise Waller	University of Alabama Real Estate Development

The Foundation is not obligated to pay the principal of, premium, if any, or interest on the Series 2024 Bonds, and the Series 2024 Bonds are not a direct or indirect debt, liability, or obligation of the Foundation. The Foundation is not obligated to contribute funds to the Landlord in order for the Landlord to pay or perform any obligations it may have with respect to the Series 2024 Bonds.

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 (the “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 County is an associate member of the Authority under the Joint Exercise of Powers Agreement.

The Authority may sell and deliver obligations other than the Series 2024 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 2024 Bonds. Likewise, the Holders of the Series 2024 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 “NO 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 2024 Bonds or compliance with the documents relating thereto.

THE SERIES 2024 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY. THE SERIES 2024 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 2024 BONDS. THE AUTHORITY HAS NO TAXING POWER. PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF OR INTEREST OR ANY REDEMPTION PREMIUM ON THE SERIES 2024 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 2024 BONDS OR IN RESPECT OF ANY UNDERTAKINGS BY THE AUTHORITY UNDER THE FINANCING DOCUMENTS. THE AUTHORITY HAS NO TAXING POWER.

THE DEVELOPER

The Developer has been engaged by the Landlord to serve as the developer for the Project and will be responsible for managing the design, development and construction of the Facilities. The Developer is controlled by PMB LLC (“PMB”), a privately held commercial real estate services firm that specializes in the acquisition, development, management and brokerage of healthcare properties in nine states, including California. PMB is a full-service healthcare real estate development company that works with health systems, hospitals, medical groups, specialty providers, academic medical centers, and senior living providers. PMB’s commercial real estate expertise encompasses long-term ownership, transaction documentation, land-use entitlements, leasing, equity and debt financing, design management, construction management and asset and property management.

THE DESIGN-BUILDER

The Design-Builder was established in 2016 as the successor to a company originally founded in 1959. With offices in Irvine and El Segundo, the Design-Builder provides design-build, preconstruction, and construction services for various size ground-up, renovation, and tenant improvement projects in Southern California’s commercial, healthcare, multi-family, behavioral health, and senior living sectors. Since its founding, the Design-Builder has completed more than 100 projects utilizing the design-build

approach. The Design-Builder specializes in the full continuum of healthcare, combining real estate, clinical, and technical expertise to support the complex healthcare industry.

The Design-Builder has averaged revenues of \$320 million per year over the last decade and has completed a number of projects built directly for or occupied by city, county and federal agencies. The Design-Builder has previously provided design-assist services to the County in connection with the County District Attorney's office, an approximately 255,716 square foot, ten-story office building with an approximately 121,091 square foot, three-level underground parking structure, located at 3960 Orange Street, Riverside, California. The County District Attorney's office was completed in 2009.

NO LITIGATION

The Authority

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority seeking to restrain or enjoin the sale or issuance of the Series 2024 Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2024 Bonds, the validity or enforceability of the documents executed by the Authority in connection with the Series 2024 Bonds, the completeness or accuracy of this Official Statement or the existence or powers of the Authority relating to the sale of the Series 2024 Bonds.

The County and the Landlord

No litigation is pending or threatened concerning the validity of the Series 2024 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 Rental 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 Underwriters at the time of the execution and delivery of the Series 2024 Bonds. See "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — SECTION II — SERVICES AND RISK MATTERS — Litigation" for a discussion of the County's pending general litigation.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2024 Bonds (including any original issue discount properly allocable to the owner of a Series 2024 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 imposed on individuals. 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 2024 Bonds. Failure to comply with such requirements could cause interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 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 2024 Bonds. Interest on the Series 2024 Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Series 2024 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2024 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 2024 Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), 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 2024 Bonds.

Bond Counsel is also of the opinion that interest on the Series 2024 Bonds is exempt from State of California personal income taxes. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2024 Bonds under the laws of the State of California or any other state or jurisdiction.

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

Original Issue Discount

The Series 2024 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 (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) 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 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 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, less (b) 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 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 2024 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.

Internal Revenue Service Audits

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is included in the gross income for federal income tax purposes. It cannot be predicted whether or not the Internal Revenue Service will commence an audit of any of the Series 2024 Bonds. If an audit is commenced, under current procedures the Internal Revenue Service may treat the related issuer as a taxpayer, and the registered owners of the Series 2024 Bonds may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the related Series 2024 Bonds until the audit is concluded, regardless of the ultimate outcome.

Backup Withholding

An owner of a Series 2024 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2024 Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

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 2024 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 2024 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 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2024 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 2024 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 2024 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2024 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2024 BONDS.

UNDERWRITING

The underwriters named on the cover page of this Official Statement (collectively, the “Underwriters”) have agreed, pursuant to a Bond Purchase Agreement among the Authority, the Landlord and Morgan Stanley & Co. LLC, as representative of itself and the other Underwriters, to purchase all of the Series 2024 Bonds, if any are purchased, at a purchase price of \$_____ (representing the principal amount of the Series 2024 Bonds, plus/less \$_____ of net original issue premium/discount, and less an underwriters’ discount of \$_____).

The Underwriters intend to offer the Series 2024 Bonds at the offering prices stated on the inside cover page of this Official Statement. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2024 Bonds. The Underwriters may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing Series 2024 Bonds into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 2024 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Authority or the County and to persons and entities with relationships with the Authority or the County, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other

financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority or the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority or the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2024 Bonds, has entered into a retail distribution arrangement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its underwriting efforts with respect to the Series 2024 Bonds.

RATINGS

Moody's Investors Service Inc. and S&P Global Ratings have assigned ratings of "[]" and "[]," respectively, to the Series 2024 Bonds. Such credit ratings reflect only the views of such organizations and any desired explanation of the meaning and significance of such credit ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses, which are current as of the date of this Official Statement: Moody's Investors Service Inc., 1 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; and 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 ratings are not a recommendation to buy, sell or hold the Series 2024 Bonds. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the applicable rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2024 Bonds.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Series 2024 Bonds, the Authority, the County, the Landlord, the Developer and the Underwriters 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, Disclosure Counsel and Counsel to the Landlord. In other transactions not related to the Series 2024 Bonds, each of these attorneys or law firms may have acted as Bond Counsel or Disclosure Counsel or represented the Authority, the County, the Landlord, the Developer or the Underwriters 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 2024 Bonds on the ability of any of these firms or attorneys to act as Bond Counsel, Disclosure Counsel or represent any of these parties in any future transactions. Potential purchasers of the Series 2024 Bonds should not assume that the Authority, the County, the Landlord, the Developer and the Underwriters or their respective counsel or Bond Counsel or Disclosure Counsel have not previously engaged in, or will not after the issuance of the Series 2024 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.

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates has acted as Municipal Advisor (the “Municipal Advisor”) to the County in conjunction with the issuance of the Series 2024 Bonds. The Municipal Advisor has assisted in matters related to the planning, structuring, execution, and delivery of the Series 2024 Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Series 2024 Bonds. The Municipal Advisor has not audited, authenticated, or otherwise independently verified the information set forth in this Official Statement, or any other related information available, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Municipal Advisor makes no guaranty, warranty, or other representation with respect to the accuracy or completeness of this Official Statement, or any other matter related to this Official Statement.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate for the Series 2024 Bonds, the County has covenanted for the benefit of the beneficial owners of the Series 2024 Bonds to provide certain annual financial information and operating data relating to the County by not later than February 15th of each year, commencing on February 15, 2025, for the 2023-24 Fiscal Year, in the form of an annual report (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the County with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system, or any successor thereto. See “APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein for a description of the specific nature of the information to be contained in the Annual Report or the notices of enumerated events and certain other terms of the County’s continuing disclosure obligations. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12, as amended (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 three general categories: (i) for Fiscal Year 2017-18 through Fiscal Year 2019-20, 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) for Fiscal Year 2017-18 through Fiscal Year 2022-23, missing, incomplete or late filing of annual or quarterly reports, budgets or operating information with respect to a number of the bond issues; and (iii) for Fiscal Years 2018-19 through 2021-22, failure to file notice of incurrence of financial obligations. 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, the County has filed such notices. 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 recently performed an evaluation of its policy and operating procedures to strengthen and ensure future compliance and coordination between the County and its related entities which include higher frequency of review as well as enhanced delineation of staff duties; and (ii) the County has contracted with a consultant to assist the County in filing accurate, complete and timely disclosure reports. The County will continue its review of its procedures to ensure continued compliance with the Rule.

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 12, 2023. See “APPENDIX C—THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023” attached hereto.

CERTAIN LEGAL MATTERS

The validity of the Series 2024 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 2024 Bonds in substantially the form set forth in Appendix D attached hereto. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP. Certain other legal matters will be passed upon for the Authority by Kutak Rock LLP, Los Angeles, California, for the County by the County Counsel, by Kutak Rock LLP, Los Angeles, California, as Disclosure Counsel, for the Landlord by Kutak Rock LLP, Atlanta, Georgia, and for the Developer by Hall, Render, Heath & Lyman, P.C., Indianapolis, Indiana. None of Bond Counsel, Underwriters’ Counsel, the Landlord’s Counsel and the Developer’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 Development 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 Development Agreement and the Assigned Agreements are available upon request at the office of Morgan Stanley & Co. LLC and, following delivery of the Bonds, at the office of the Trustee. All financial and other information regarding the County presented in this Official Statement has been provided by the County, 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 2024 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: _____
Chair

P3 RIVERSIDE HOLDINGS, LLC,
a California limited liability company

By: P3 FOUNDATION INC., its sole member

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, the Work Letter, the Ground Lease, the Deed of Trust, the Design-Build Agreement and the Development 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, 2023**

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 (this “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 – Mead Valley Wellness Village Project) Series 2024 (the “Series 2024 Bonds”). The Series 2024 Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2024 (the “Indenture”), by and among the California Enterprise Development Authority (the “Authority”), P3 Riverside Holdings, LLC and Wilmington Trust, 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 2024 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.

“*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 2024 Bonds required to comply with the Rule in connection with the offering of the Series 2024 Bonds.

“*Repository*” means, until otherwise designated by the Commission, the Electronic Municipal Market Access website of the MSRB (“EMMA”) 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 2023-24 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 2024 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 Property and other occurrence which may provide the County with the opportunity to abate in whole or in part any Rental 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 2024 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 2024 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 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;

- (vii) modifications to the rights of Owners of the Series 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners of the Series 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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.

Section 14. Electronic Signatures. The County agrees that the transaction consisting of this Certificate may be conducted by electronic means. The County agrees, and acknowledges that it is the County's intent, that if the County signs this Certificate using an electronic signature, it is signing, adopting and accepting this Certificate and that signing this Certificate using an electronic signature is the legal equivalent of having placed its handwritten signature on this Certificate on paper. The County acknowledges that it is being provided with an electronic or paper copy of this Certificate in a usable format.

Section 15. Recordkeeping. The County shall, or shall cause the Dissemination Agent to, maintain records of all disclosure related to Annual Reports and Listed Events, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 16. Delivery to the MSRB. Any filings required to be made with the MSRB shall be made utilizing the EMMA system. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

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 – Mead Valley Wellness Village Project) Series 2024
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 Underwriters, 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 2024 Bonds; (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2024 Bonds; or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2024 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 2024 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 2024 Bonds, each in the aggregate principal amount of such maturity 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, 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 Securities 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 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

2024 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 2024 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 2024 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults and proposed amendments to bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2024 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 the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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).

Principal and interest payments (including redemption proceeds) on the Series 2024 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 the Authority and the County or the Trustee, 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, the Trustee, the Authority or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority and the County or the Trustee, 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 2024 Bonds at any time by giving reasonable notice to the Authority and the County or the 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.

APPENDIX B

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

Following are summaries of certain provisions of the Indenture, the Facilities Lease, the Work Letter, the Ground Lease, the Deed of Trust, the Design-Build Agreement and the Developer Agreement, and are made subject to all of the provisions of such documents and to discussions contained elsewhere in this Official Statement. These summaries are not complete recitals of the terms of those documents and reference should be made to the Indenture, the Facilities Lease, the Work Letter, the Ground Lease, the Deed of Trust, the Design-Build Agreement and the Developer Agreement for their complete terms.

DEFINITIONS

Following is a summary of certain definitions used in this Official Statement including the summaries of the Indenture, the Facilities Lease, the Work Letter, the Ground Lease, the Deed of Trust, the Design-Build Agreement and the Developer Agreement. This summary is not a complete recital of the definitions contained in the summaries of the Indenture, the Facilities Lease, the Work Letter, the Ground Lease, the Deed of Trust, the Design-Build Agreement and the Developer Agreement and reference should be made to those agreements.

“*Accountant*” means any independent certified public accountant firm selected by the Landlord or, if the Landlord is in default under the Facilities Lease, the County.

“*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.

“*Additional Agreement*” means any agreement, contract or lease entered into by, or assigned to the Landlord after the Closing Date which relates in any way to the use, exploitation or performance of all or any part of the Premises, including, without limitation, any and all agreements with respect to the Project or the repair, replacement and maintenance of the Premises or any element thereof, such as management or supply contracts, contracts relating to Alterations, contracts for design, engineering or maintenance services and any other agreements relating to services or supplies to be utilized in the Project or in the performance of the repair, replacement and maintenance of the Premises.

“*Additional Bonds*” means any bonds issued pursuant to and in accordance with the provisions described under the headings “INDENTURE—Execution and Delivery of Additional Bonds” and “INDENTURE—Additional Requirements for Additional Bonds” on a parity with the Series 2024 Bonds.

“*Additional Rent*” has the meaning set forth under the heading “FACILITIES LEASE—Base Rent; Abatement; Additional Rent—*Additional Rent*” in this Appendix B.

“*AHP*” means Advocates for Human Potential, Inc. acting in the capacity of a contractor for DHCS.

“*Alterations*” has the meaning set forth under the heading “FACILITIES LEASE—Alterations and Additions—*Alterations by Landlord*” in this Appendix B.

[“*Amortized Value*” means, (A) with respect to the Series 2024 Bonds, the product of: (i) the principal amount of the Series 2024 Bonds to be redeemed multiplied by (ii) the price of such Series 2024 Bonds expressed as a percentage, calculated based on the industry standard method of calculating bond

prices, with the delivery date being the date of redemption, the maturity date being (x) for bonds with an original price equal to par or less, the stated maturity date of such Bonds or (y) for bonds with an original price greater than par, the first date the Series 2024 Bonds may be optionally redeemed pursuant to the Indenture, and the yield equal to the original yield on such Bonds as established on the date of issuance of the Series 2024 Bonds, and (B) with respect to any issue of Additional Bonds, the value described in the related Supplemental Indenture.]

“*Applicable Laws*” means all statutes, rules, orders, regulations, laws, ordinances, covenants, conditions and restrictions of any federal, state, county, municipal or other governmental agency or quasi-official entity or body (e.g., board of fire examiners or public utilities) applicable to the development, design, construction, existence, use, operation or occupancy of the Leased Premises, including, without limitation, those pertaining to planning, zoning, subdivision, flood hazard, fire safety, CEQA and ADA.

“*Applicable Requirements*” has the meaning set forth under the heading “FACILITIES LEASE—Alterations and Additions—*Alterations by Landlord*” in this Appendix B.

“*Architect*” means Boulder Associates, Inc., the architect for the Project selected by the Design-Builder and approved by Landlord under the Design-Build Agreement.

“*Assigned Agreements*” means, collectively, the Facilities Lease, the Developer Agreement, the Design-Build Agreement and any future agreements or contracts assigned to the Trustee pursuant to the Indenture, together with any and all extensions, modifications, amendments, supplements and renewals thereof.

“*Authority*” means the California Enterprise Development Authority.

“*Authorized Denominations*” means \$5,000 principal amount and integral multiples of \$5,000 in excess thereof.

“*Base Building Systems*” means 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, roof membranes, if any, that serve the Facilities and all other such elements in the Facilities, other than those elements installed or constructed by the Tenant.

“*Base Rent*” has the meaning set forth under the heading “FACILITIES LEASE—Base Rent; Abatement; Additional Rent—*Base Rent*” in this Appendix B.

“*Base Rent Payment Date*” means each April 15 and October 15 following the Rent Commencement Date during the Term.

“*BHCIP*” means the State of California Behavioral Health Continuum Infrastructure Program, established by the State through its Department of Health Care Services.

“*BHCIP Funds*” means amounts received by the County under BHCIP.

“*Board*” or “*Board of Supervisors*” means the County’s Board of Supervisors.

“*Bond Counsel*” means any firm of nationally recognized municipal bond attorneys, selected by the Authority experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes.

“*Bond Related Charges*” means, the fees and expenses of the Authority, the Trustee and the Rating Agencies in connection with the Bonds and any rebate liability with respect to the Bonds in accordance with the Tax Regulatory Agreement.

“*Bonds*” means the Series 2024 Bonds and any Additional Bonds issued pursuant to the Indenture.

“*Buildings*” means the individual buildings that comprise the Facilities. Each is a “*Building*.”

“*Business Day*” means any day which is not one of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco, (b) any other day on which banks or trust companies in Wilmington, Delaware, Los Angeles, California, or New York, New York are authorized or required to be closed by the appropriate regulatory authorities, or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“*Capitalized Interest Fund*” means the fund of such name established and maintained pursuant to the Indenture.

“*Capitalized Interest Period*” has the meaning set forth under the heading “FACILITIES LEASE—Base Rent; Abatement; Additional Rent—*Application of Capitalized Interest; Operating Contingency Fund*” in this Appendix B.

“*CEQA*” means the California Environmental Quality Act (California Public Resources Code, Section 21100, et seq.), as the same is amended from time to time.

“*Certificate*,” “*Statement*,” “*Request*,” “*Requisition*” and “*Order*” of the Authority or the Landlord mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority or the Landlord by an authorized representative of the Authority or the Landlord, as the case may be.

“*Change Order*” means any modification to the Final Drawings and Specifications (as identified in the Work Letter) or the type of FF&E by the County or the Landlord pursuant to the Work Letter.

“*Closing Date*” means _____, 2024.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder or any successor thereto. Reference to any particular Code section shall, in the event of such successor Code, be deemed to be reference to the successor to such Code section.

“*Commencement of Construction*” means the date the Landlord causes the Developer to execute and deliver to the Design-Builder the notice authorizing the Commencement of Construction of the Facilities following the execution of the Design-Build Agreement after receipt of all Permits required for the Commencement of Construction.

“*Completion Certificate*” means the Certificate required to be delivered by the Landlord pursuant to the Indenture.

“*Completion Delay*” means the occurrence of all of the following: (a) the Landlord has failed or refused to achieve Substantial Completion of the Facilities by the Outside Completion Date, (b) Design-Builder Liquidated Damages have either not been delivered to the Trustee in the amount and at the times required by the Design-Build Agreement or the amount of Design-Builder Liquidated Damages paid by the Design-Builder pursuant to the Design-Build Agreement has reached the Maximum Design-Builder

Liquidated Damages under the Design-Build Agreement, and (c) the amount in the Developer Fee Reserve Account of the Project Fund has been fully exhausted.

“*Confirmation of Rent Commencement Date*” means the written notification of the County to the Landlord and the Trustee evidencing the County’s acceptance of the Premises pursuant to the Facilities Lease and the Work Letter, and specifically identifying the Rent Commencement Date and other information.

“*Construction Contracts*” means collectively (i) the Design-Build Agreement and (ii) all other contracts for construction services entered into between the Landlord, the Developer or the Design-Builder and a Contractor (excluding the Design-Builder) for construction of any portion of the Facilities.

“*Construction Documents*” means the Construction Drawings and Detailed Specifications approved by the Landlord and the Tenant, attached the Work Letter, for construction of the Facilities, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Facilities and providing information customarily required for the use of the building trades.

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

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

“*Contractors*” means the Design-Builder and all subcontractors, material suppliers, manufacturers, architects, surveyors, engineers, project design consultants and any other third-party consultants with whom the Landlord or the Developer (or one of their respective Contractors) contracts for the Project.

“*Costs of Issuance*” means all items of expense directly or indirectly payable by or reimbursable to the Authority, the County or the Landlord and related to the authorization, execution, sale and delivery of Bonds, including but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, charges for insurance, initial fees and charges of the Trustee and its counsel, legal fees and charges of bond counsel and Landlord’s Counsel, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds and any other cost, charge or fee in connection with the original issuance of Bonds which constitutes a “cost of issuance” within the meaning of Section 147(g) of the Code.

“*Costs of Issuance Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Costs of the Project*” means and shall be deemed to include all of the costs of the Project, to the extent permitted by the Act, whether incurred prior to, on or after the Closing Date, including, but not limited to the following (but not including any Costs of Issuance):

- (a) the cost of design, construction, acquisition, installation, equipping and furnishing of the Facilities, including amounts payable to the Landlord pursuant to the Work Letter;

(b) the cost of demolishing, removing, or relocating any buildings, structures or tenants from lands so acquired, including the cost of acquiring any lands to which such buildings, structures or tenants may be moved or relocated;

(c) the cost of machinery, equipment, furniture and furnishings, of engineering and architectural surveys and plans, and specifications and of transportation and storage until the Project is operational;

(d) the cost of agents or consultants, including, without limitation, legal, financial, architectural, engineering, accounting and auditing, necessary or incidental to the Project and of the determination as to the feasibility or practicability of undertaking the Project;

(e) the cost of financing interest on the Bonds allocable to the period prior to and during design, construction, acquisition, installation, equipping and furnishing the Premises and reserves for principal and interest and for extensions, enlargements, additions, repairs, replacements, renovations, and improvements to the Premises; and

(f) the cost of financing the Project, and the reimbursement to any governmental entity or agency, or any Person, of expenditures made by or on behalf of such entity agency or Person in connection with the Project; provided, that the Landlord shall at its own expense insure, repair, and maintain the Project, pay such taxes with respect to the Landlord's interest in the property relating to the Project, and pay such assessments and other public charges on the Project or shall cause the same to be provided by others, including the County pursuant to the Facilities Lease, to the satisfaction of the Authority.

“*County*” means the County of Riverside, California.

“*Deed of Trust*” means that certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing, dated as of _____ 1, 2024, made by the Landlord in favor of the Authority.

“*Deed of Trust Assignment*” means the Leasehold Deed of Trust Assignment, dated as of _____, 2024.

“*Depository*” or “*DTC*” means The Depository Trust Company and its successors and assigns, or any other depository selected as set forth in the Indenture which agrees to follow the procedures required to be followed by such depository in connection with the Series 2024 Bonds.

“*Design-Build Agreement*” means the AIA Document 141-2014 Standard Form of Agreement between Owner and Design Builder, dated _____, 2024, between the Landlord and the Design-Builder, together with various exhibits thereto, including a Guaranteed Maximum Price exhibit, for the design, construction, installation, furnishing and equipping of the Project, as amended.

“*Design-Build Assignment*” means the Assignment of Agreement (Design-Build Agreement) by Landlord and acknowledged by the Design-Builder.

“*Design-Builder*” means Snyder Langston, LLC, a Delaware limited liability company, and any successor thereto.

“*Design-Builder Liquidated Damages*” means the amount of \$ _____ per day payable by the Design-Builder as liquidated damages pursuant to the Design-Build Agreement for failing to achieve Substantial Completion of the Facilities by the Outside Completion Date.

“*Design Development Drawings*” means drawings that are a consistent development of the Schematic Drawings attached to the Work Letter, which further define and describe all important aspects of the Facilities and will serve as the basis for the Construction Drawings. The Design Development Drawings shall include the Riverside County Information Technology Department’s plans and specifications for installation of cabling and related components.

“*Detailed Specifications*” means all written detailed requirements for materials, equipment, construction systems, standards and workmanship for the construction of the Facilities to be attached to the Work Letter upon completion and mutual approval of same by the Landlord and the Tenant.

“*Developer*” means PMB Mead Valley LLC, a Delaware limited liability company, or any other Person designated by the Landlord and approved by the County under the Facilities Lease.

“*Developer Fee Reserve Account*” means the account by that name established pursuant to the Indenture.

[“*Developer Liquidated Damages*” means the amounts payable by the Developer to the Landlord and assigned to the Trustee as liquidated damages pursuant to the Development Agreement for failing to achieve or causing to be achieved Substantial Completion of the Facilities by the Outside Completion Date (as such date may be extended by any the Tenant-Caused Delays and Force Majeure Delays).]

“*Development Account*” means the account by that name in the Project Fund established and maintained pursuant to the Indenture.

“*Development Agreement*” means the Development Agreement, dated _____ 1, 2024, between the Landlord and the Developer, as the same may be amended, modified or restated from time to time.

“*Development Agreement Assignment*” means the Assignment of Agreement (Development Agreement) by the Landlord and acknowledged by the Developer.

“*DHCS*” means the State of California Department of Health Care Services.

“*Effective Date*” means _____, 2024.

“*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 Waste Control Act (California Health & Safety Code §§ 25100 et seq.), as such federal, state, and local laws exist as of the Effective Date and as amended in the future.

“*Facilities*” means (A) a behavioral health facilities campus totaling approximately 450,000 square feet and related improvements, including parking lots, and (B) as used in the Work Letter, means, collectively, the buildings, structures, and any other improvements constructed and installed by the Design-Builder or the Contractors, including all parking, curb cuts, driveways, drive aisles, parking areas, sidewalks, walls, fences and gates, if any, parking area and other exterior lighting, landscaping and landscaping equipment and all utility lines and equipment including transformers, water, gas, electrical, sewer and other utility meters, all as described in the Construction Documents.

“*Facilities Lease*” means the Facilities Lease Agreement, dated as of _____ 1, 2024, between the Landlord and the County, as the same may be modified, supplemented, or amended from time to time in accordance with the terms thereof.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the occurrence of which requires such an opinion, an opinion of Bond Counsel to the effect that such action is permitted under this Facilities Lease and will not, in and of itself, cause interest payable with respect to the Bonds to be included in gross income for purposes of federal income taxation or to be subject to California personal income taxation.

“*FF&E*” means the components of the Facilities comprising the furniture, fixtures and equipment to be designed, procured and installed by the Design-Builder.

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

(a) all of the conditions to the Substantial Completion of the Facilities shall have been satisfied in accordance with the Work Letter;

(b) the County of Riverside has issued a certificate of occupancy (or its substantial equivalent) for the Facilities permitting the Tenant to occupy and use the Facilities 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;

(c) 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) modified, to the extent necessary, to reflect the design-build nature of the Project, together final waivers and releases of liens in form required by California law from Contractors including, without limitation, Architect and any Architect consultant or subconsultant;

(d) all punch list items shall have been completed;

(e) a Notice of Completion has been recorded. If any Contractor in accordance with all Construction Contracts performing work on site refuses to furnish a release or waiver required by the Work Letter, the Tenant may require the Landlord to provide reasonably acceptable bonding for any such liens;

(f) the Architect and the Design-Builder shall have issued a certificate of final completion;

(g) the Design-Builder shall have issued a certificate that, except for products and materials that are known to be or contain Hazardous Substances but are routinely and legally incorporated in the construction of facilities similar to the Facilities, no Hazardous Substances were incorporated into the Facilities;

(h) the Landlord shall have delivered or have caused to be delivered to the Tenant a written report showing the allocation of actual Project Costs among the categories of the Final Project Budget and the remaining specified dollar amount of any remaining allocated funds;

(i) the Landlord shall have received and delivered to the Tenant and the Trustee an endorsement to the Title Policies dated as of and issued on the date of Final Acceptance, which shall show that (A) no liens for labor or materials, whether or not of record, which may have arisen in connection with the construction of the Facilities exist, and (B) show no additional exceptions to the Title Policies other than those appearing on the Title Policies or as otherwise approved by or arising through the Tenant;

(j) the Landlord shall deliver or have caused to be delivered to the Tenant evidence that the Construction Contracts for the Facilities required the Contractors under those contracts and their subcontractors to pay the prevailing wage as required by the Work Letter; and

(k) the Landlord shall deliver or have caused to be delivered the initial applications, supporting documents and other materials needed to obtain LEED Silver certification.

“*Final Drawings and Specifications*” is the scope of work of the Facilities as will be set forth in an exhibit to the Facilities Lease once finalized and confirmed in an exhibit to the Ground Lease.

“*Financing Documents*” means the Indenture, the Ground Lease, the Facilities Lease, the Work Letter, the Deed of Trust, the Deed of Trust Assignment Agreement, the Assigned Agreements and the Tax Regulatory Agreement.

“*Final Project Budget*” means the Project budget based on the Design Development Drawings and established after the completion of bidding the Project, and approved by the Tenant, as the same may be modified in accordance with the Work Letter.

“*Final Project Schedule*” means the agreed upon schedule for development, design, construction and equipping of the Facilities set forth in an exhibit to the Facilities Lease, as amended from time to time in accordance with the Work Letter, provided, however, that in no event shall the Final Project Schedule provide for Substantial Completion of the Project to occur later than the Outside Completion Date.

“*Force Majeure Delays*” means any Pandemic Delays or delay in the performance by the Landlord, the Developer, or the Design-Builder of the performance of the Work and/or their obligations under the Work Letter with respect to the Project due to causes beyond the Landlord’s, the Developer’s, or the Design-Builder’s reasonable control including, but not limited to, strikes, lock-outs, labor disputes, unusual delay in deliveries, 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, flood or other natural disaster or casualty, unusually severe rain and other weather conditions, unavoidable casualties, governmental or freight embargo restrictions, unknown underground conditions including Material Site Defects or other causes beyond the reasonable control of the Landlord, the Developer or the Design-Builder, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Facilities; provided, however, Force Majeure Delays do not include: (a) delays caused solely by the negligence or willful misconduct of the Landlord, the Developer or the Design-Builder, or (b) increased prices not directly attributable to any of the events listed above.

“*Governmental Authority*” means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“*Ground Lease*” means the Ground Lease Agreement, dated _____ 1, 2024, between Ground Lessor and Ground Lessee, as the same may be modified, supplemented, or amended from time to time in accordance with the terms thereof.

“*Guarantee*” means any obligation of the Landlord guaranteeing in any manner, whether directly or indirectly, an obligation of any Person which would, if such Person were the Landlord, constitute Indebtedness.

“*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.

“*Indemnification Claims*” means any claim, demand or complaint against the Landlord, the Trustee or the Authority arising from the Landlord’s leasehold interest in the Ground Lease and fee interest in the Facilities or by virtue of the Facilities Lease.

“*Indebtedness*” means (a) any Guarantee and (b) any indebtedness or obligation of the Landlord (other than accounts payable and accruals, including janitorial, landscaping, utilities, parking and other third party contracts relating to the operation of the Premises), as determined in accordance with generally accepted accounting principles, including obligations under conditional sales contracts or other title retention contracts or rental obligations under leases which are considered capital leases under generally accepted accounting principles (other than office equipment leases for property management offices).

“*Indenture*” means the Indenture of Trust, dated as of _____ 1, 2024, among the Authority, the Landlord and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

“*Information Services*” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/ or such other national information services providing information with respect to called bonds as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“*Insurance and Condemnation Proceeds Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Insurance Premiums*” means the premiums to be paid by the Lessee to procure and maintain the various insurance policies required pursuant to the Facilities Lease.

“*Interest Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Interest Payment Date*” means each May 1 and November 1 of each year, commencing November 1, 2024.

“*Investment Securities*” means only in the following investments:

1. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- b. Federal Housing Administration Debentures (FHA)
- c. General Services Administration
Participation certificates
- d. Government National Mortgage Association (GNMA or "Ginnie Mae"). GNMA guaranteed mortgage-backed bonds or GNMA - guaranteed pass-through obligations (participation certificates)
- e. U.S. Maritime Administration
Guaranteed Title XI financing
- f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
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3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- a. Federal Home Loan Bank System
Senior debt obligations (Consolidated debt obligations)
- b. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mae")
Participation Certificates (Mortgage-backed securities)
Senior debt obligations
- c. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal).
- d. Student Loan Marketing Association (SLMA or "Sallie Mae") Senior debt obligations
- e. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
- f. Farm Credit System

Consolidated systemwide bonds and notes

4. Money market funds registered under the Federal Investment Company of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAAm, or AA-m and if rated by Moody's rated Aaa, Aal or Aa2 including funds for which the Trustee or an affiliate advises or services

5. Unsecured certificates of deposit, time deposits and bankers' acceptance of any bank the short-term obligations of which are rated on the date of purchase "A-1+" or better by S&P or "P-1" by Moody's and or certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody's or Fitch.

6. Investment agreements with a domestic or foreign bank or corporation, the long-term debt or financial strength of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guarantee insurance company, financial strength, of the guarantor is rated in at least the "double A" category by Moody's and S&P; provided, that, by the terms of the investment agreement:

a. interest payments are to be made to the Trustee at all times and in the amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

b. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Authority and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

c. the investment agreement shall state that it is the unconditional and general obligation of; and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *par passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

d. the Authority or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Authority and Trustee) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in a form and substance acceptable by the Authority;

e. the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (a) collateralize the investment agreement by delivering or transferring in accordance with the applicable state and federal laws (other than by means of entries on the provider's books) to the Authority, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (b) repay the

principal of and accrued but unpaid interest on the investment (including such other amounts as are required to permit the Trustee to receive the initially contemplated yield through the term of the Agreement), or (c) assign its obligations thereunder to a financial counter-party, acceptable to the Authority, and rated in the double A category by both Moody's and S&P; and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", respectively, the provider must, at the direction of the Authority or the Trustee (who shall give such direction if so directed by the Authority), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Authority or Trustee; and

f. the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

g. the investment agreement must provide that if during its term:

(i) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the Authority or the Trustee (who shall give such direction if so directed by the Authority), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and the amounts invested and accrued but unpaid interest thereon shall be repaid to the Authority or Trustee, as appropriate; or

7. Commercial paper rated "Prime-1" by Moody's and "A-1+" or better by S&P.

8. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in the highest long-term rating categories assigned by such agencies unless such obligations are issued by the State, in which case such obligations are rated in one of the two highest long-term rating categories of S&P and Moody's.

9. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" or better by S&P.

10. Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria:

a. Repos must be between the municipal entity and a dealer bank or securities firm.

(i) Primary dealers on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and which are rated A or better by S&P and Moody's, or

(ii) Banks rated "A" or above by S&P and Moody's Investor Services.

b. The written repo contract must include the following:

(i) Securities which are acceptable for transfer are:

(A) Direct U.S. governments.

(B) Federal agencies backed by the full faith and credit of the U.S. Government (and FNMA & FHLMC).

(ii) The term of the repo may be up to 30 years.

(iii) The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) The trustee has perfected first priority security interest in the collateral.

(v) Collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repo or reverse repo.

(vi) Failure to maintain the requisite collateral percentage, after a two day restoration period, will require the trustee to liquidate collateral.

(vii) Valuation of Collateral

(A) The securities must be valued weekly, marked-to-market at a current market price plus interest.

(B) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the municipal entity:

Repo meets guidelines under state law for legal investment of public funds.

11. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

Notwithstanding the foregoing, for purposes of the defeasance provision of the Indenture, the definition of Investment Securities shall be limited to paragraph 1, above, and those Investment Securities must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“*Issuer’s and Trustee’s Extraordinary Costs*” means those costs required to be paid by the Landlord to the Authority and the Trustee (other than regularly scheduled fees) pursuant to the Indenture.

“*Landlord*” means P3 Riverside Holdings, LLC, a limited liability company, duly organized and existing under the laws of the State, and any successor thereto.

“*Landlord Fees and Costs*” means _____ and insurance premiums associated with the Landlord’s purchase of insurance required by the Facilities Lease.

“*Lease Assignment Agreement*” means, the Lease Assignment Agreement, dated as of _____, 2024, executed by the Landlord and the Authority and acknowledged by the County.

“*Lease Expiration Date*” has the meaning set forth under the heading “FACILITIES LEASE—Term—Commencement and Duration; Lease Year” in this Appendix B.

“*Lease Year*” has the meaning set forth under the heading “FACILITIES LEASE—Term—Commencement and Duration; Lease Year” in this Appendix B.

“*Leased Premises*” means, together, the Facilities and the Property.

“*Lien*” means any mortgage or pledge of, security interest in, or encumbrance on, any Property or Revenues, excluding liens applicable to Property in which the Landlord has only a leasehold interest unless the lien is with respect to such leasehold interest.

“*Licensing and Accreditation Requirements*” means all statutes, rules, orders, regulations, laws, ordinances, covenants, conditions and restrictions of any federal, state, county, municipal or other governmental agency applicable to Tenant’s use, operation, and/or occupancy of the Leased Premises following the Substantial Completion of the Facilities.

“*Material Site Defect*” means any material adverse environmental condition, material adverse soil condition or material preexisting condition that will cause the Final Project Budget to be exceeded or will have a material adverse effect on the ability to construct the Facilities. A Material Site Defect shall not be deemed to exist for purposes of the Work Letter if the material adverse environmental condition, material adverse soil condition or material preexisting condition was not reasonably identified by the Landlord, the Developer or the Design-Builder prior to the Effective Date in the exercise of their respective commercially reasonable due diligence (or which would reasonably have been expected to have been identified by the Landlord, the Developer or the Design-Builder if the Landlord, the Developer or the Design-Builder had exercised commercially reasonable due diligence).

[“*Maximum Design-Builder Liquidated Damages*” means the amount of \$ _____.]

“*Minimum Sinking Fund Account Payment*” means, with respect to the Series 2024 Bonds of a stated Payment Date, the sinking fund amounts required to be paid with respect to such Series 2024 Bonds on such Payment Date or the amounts required to be paid with respect to Additional Bonds pursuant to a Supplemental Indenture.

“*Minor Deviations*” means minor deviations from the Construction Documents that do not materially affect the aesthetics or functionality of the Facilities. By way of example, and not limitation, variations in the placement, but not the type or number, of electrical outlets, and variations in the location of interior walls by a few inches that do not adversely affect the mechanical systems or floor plan are Minor Deviations.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Tenant or, if the Tenant is in default under the Facilities Lease, the Landlord and approved by the Authority, with notice to the Trustee.

“*New Facilities Lease*” has the meaning set forth under the heading “GROUND LEASE— Right to Encumber/Right to Cure—*Ground Lessee’s Right to Encumber*” in this Appendix B.

“*New Lease*” has the meaning set forth under the heading “GROUND LEASE— Right to Encumber/Right to Cure—*Ground Lessee’s Right to Encumber*” in this Appendix B.

“*Off-Site Improvements*” means certain off-site utilities and other work further described in the Ground Lease.

“*Operating Costs*” means all costs and expenses of operating and maintaining the Leased Premises, including, but not limited to, the costs of providing or performing the following: (a) maintenance and repair of the heating, ventilation, air conditioning, plumbing systems, electrical systems, life safety equipment, telecommunication and other communication equipment, elevators and fire detection systems, including sprinkler systems, and replacement of regularly scheduled components within each such system, e.g., light bulbs, filters, belts, etc.; (b) trash disposal; (c) janitorial services; and (d) landscaping services.

“*Optional Prepayment Date*” has the meaning set forth under the heading “FACILITIES LEASE— Options to Purchase the Facilities; Conveyance of Title—*Option to Purchase the Facilities*” in this Appendix B.

“*Optional Redemption Account*” means the account by that name in the Redemption Fund established and maintained pursuant to the Indenture.

“*Outside Completion Date*” means _____, 2027, the date the Landlord is required to achieve Substantial Completion of the Facilities as set forth in the Final Project Schedule, as such date may be extended for Force Majeure Delays and/or the Tenant-Caused Delays.

“*Outstanding*,” when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the Indenture, including disqualified Bonds (or portions of Bonds); (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture and (d) with respect to any voting or consent rights, Bonds held by the County or the Landlord.

“*Pandemic Delays*” means any delay by the Landlord, the Developer, or the Design-Builder in the performance of the Work and/or its obligations under the Work Letter with respect to the Project due to or arising from or related to a governmentally declared epidemic or pandemic including, without limitation,

an unforeseeable delay arising as a result of (i) any government-mandated shutdown of (x) construction activities with respect to the Project, (y) the Design-Builder or any other Contractor, or (z) transportation of the applicable materials or supplies to the Property, (ii) material supply chain disruption including factory shutdowns or slowdowns and shipping/transportation shutdowns or slowdowns, (iii) the unavailability or reduced availability of the Design-Builder's or any other Contractor's labor workforce, or (iv) unavailability or reduced availability of inspectors to perform required inspections of the construction in progress.

“*Partial Prepayment Option*” has the meaning set forth under the heading “FACILITIES LEASE—Options to Purchase the Facilities; Conveyance of Title—*Option to Partially Prepay Base Rent*” in this Appendix B.

“*Payment Date*” each Interest Payment Date and each Principal Payment Date.

“*Permits*” means all land use approvals, applications, permits and approvals required for construction of the Facilities, including without limitation, the elevator permit, and shall expressly exclude all approvals, accreditations, certificates, licensing, and permits related to the Tenant's intended use and occupancy of the Leased Premises.

“*Permitted Liens*” means:

(a) Liens arising by reason of good faith deposits by the County or the Landlord in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(b) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the County or the Landlord to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other social security benefits, or to share in the privileges or benefits required for companies participating in such arrangements;

(c) Any judgment lien against the County or the Landlord so long as such judgment is being contested in good faith and execution thereon is stayed;

(d) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property; (ii) any liens on any Property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such property, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen, laborers, suppliers or vendors, have been due for less than 90 days; (iii) easements, rights of way, servitudes, restrictions, oil, gas or other mineral reservation and other minor defects, encumbrances, and irregularities in the title to any property which do not materially impair the use of such property or materially and adversely affect the value thereof, and (iv) the rights of the

Landlord, the Authority and the Trustee under the Ground Lease, the Facilities Lease and the Indenture;

(e) Any Lien which is existing on the date of authentication and delivery of the Series 2024 Bonds;

(f) Liens on property received by the County or the Landlord through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests of property or the income thereon only to the extent that the fair market value of such property is equal to or exceeds the amount of indebtedness secured by such Lien;

(g) Liens related to leases which are considered operating leases under generally accepted accounting principles; and

(h) Any Lien arising by reason of any escrow established to pay debt service with respect to the Bonds.

“*Person*” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“*Preliminary Plans*” means collectively preliminary site plans for the Facilities including off-site improvements; floor plans for the buildings to be constructed as part of the Facilities; elevations for the buildings to be constructed as part of the Facilities; and outline specifications for the Facilities, attached as an exhibit to the Work Letter, as mutually approved by the Landlord and the Tenant..

“*Principal Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Principal Payment Date*” means November 1 in each year on which principal of the Bonds is due and payable.

“*Program Funding Agreement*” means that certain Program Funding Agreement dated _____, between the Tenant and Advocates for Human Potential, Inc. related to the grant of BHCIP Funds, as the same may be amended, supplemented restated from time to time.

“*Project*” means the design, development, construction, installation, furnishing and equipping of the Facilities and the acquisition and installation of the FF&E.

“*Project Contingency*” means the contingency or reserve line item in the Final Project Budget to fund certain Project Costs in accordance with the Work Letter.

“*Project Contingency Account*” means the account by that name established under the Indenture.

“*Project Costs*” means all costs paid or incurred, prior to or after the Effective Date, for the completion of the feasibility analysis, development, design, permitting, financing and construction of the Facilities, as provided in the Final Project Budget and approved by the Tenant, including, without limitation, (a) construction costs, (b) all architectural and engineering fees and all other design and engineering fees, including fees of the Design-Builder, (c) all feasibility studies, testing costs, zoning costs, surveys, and title insurance premiums and endorsements, (d) all professional fees, attorneys’ fees, consulting fees, permitting fees, plan review fees, (e) all site and construction testing, construction monitoring and geotechnical reports, (f) all financing costs, including any fees payable to any broker, consultant or firm that secured financing

for the Project, (g) all costs associated with acquisition of the site, including escrow fees and the like, (h) construction management fees payable to the Developer, (i) Project-related reimbursements to the Landlord for advancing certain Project Costs, (j) Project-related reimbursements to the Developer for advancing certain Project Costs, (k) furniture, fixtures, and equipment as provided in the Final Project Budget, (l) reasonable travel costs incurred by the Landlord and the Developer in connection with the performance of their respective services under the Work Letter or the Development Agreement, including, but not limited to reasonable mileage charges, meals and lodging; (m) the Landlord's overhead allowance, (n) the Landlord's and the Developer's fees (including the Developer's development fees and any performance fee, if any), (o) insurance costs including insurance premiums and deductibles, and (p) applicable state and local retail sales taxes, financing fees, costs and interest.

“*Project Design and Construction Costs Account*” means the account by that name in the Project Fund established and maintained pursuant to the Indenture.

“*Project Development Costs Account*” means the account by that name in the Project Fund established and maintained pursuant to the Indenture.

“*Project Development Fee Account*” means the account by that name in the Project Fund established and maintained pursuant to the Indenture.

“*Project Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Project Requirements*” means the Preliminary Plans, Applicable Laws and any other requirements for the Project specifically agreed to by the Tenant and the Landlord, but expressly excluding Licensing and Accreditation Requirements.

“*Projected Completion Date*” means, with respect to the Facilities, _____, 202_.

“*Property*” means that certain parcel of real property totaling approximately 19.41 acres, located at the northwest corner of Harvill Avenue and Water Avenue, south of the City of Riverside and west of the City of Perris in the unincorporated Mead Valley area of Riverside County, California, and currently identified as APN 317-260-034.

“*Punch List*” means a list of items required to be completed prior to Final Acceptance that are minor details of construction, installation, decoration, mechanical adjustments, and items which do not materially interfere with the Tenant's intended use of the Facilities.

“*Purchase Option*” has the meaning set forth under the heading “FACILITIES LEASE—Options to Purchase the Facilities; Conveyance of Title—*Option to Purchase the Facilities*” in this Appendix B.

“*Purchase Price*” has the meaning set forth under the heading “FACILITIES LEASE—Options to Purchase the Facilities; Conveyance of Title—*Option to Purchase the Facilities*” in this Appendix B. “*Rating Agency*” means S&P, Moody's or such other national rating agency issuing a rating with respect to the Bonds.

“*Rating Agency*” means S&P, Moody's or such other national rating agency issuing a rating with respect to the Bonds.

“*Rebate Fund*” means the Rebate Fund by that name established and maintained pursuant to the Indenture.

“*Record Date*” means the close of business on the fifteenth day (whether or not a Business Day) of the month preceding a Payment Date.

“*Redemption Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Redemption Price*” means, with respect to any Series 2024 Bond (or portion thereof), the principal amount with respect to such Series 2024 Bond (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Series 2024 Bond and the Indenture.

“*Registered Owner*” whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

“*Release Right*” has the meaning set forth under the heading “GROUND LEASE—Lease of Property—*Release*” in this Appendix B.

“*Released Parcel*” has the meaning set forth under the heading “GROUND LEASE—Lease of Property—*Release*” in this Appendix B.

“*Rent Commencement Date*” has the meaning set forth under the heading “FACILITIES LEASE—Base Rent; Abatement; Additional Rent—*Base Rent*” in this Appendix B.

“*Rental Payments*” means, collectively, Base Rent payments and Additional Rent payments.

“*Rental Period*” means the twelve-month period commencing on Rent Commencement Date of each year during the term of the Facilities Lease.

“*Requirements of Law*” means all applicable requirements relating to land and building construction (including those specifically applicable to the Tenant’s contemplated use of the Facilities), 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 of 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 Facilities; provided, however, in all events, the Landlord shall only be responsible for compliance with Requirements of Law relative to the construction of the Facilities in effect as of the date of the issuance of the Permits, and, following the Substantial Completion of the Facilities, the Tenant shall be responsible for compliance with Requirements of Law pertaining to the Tenant’s intended use, operation and/or occupancy of the Leased Premises.

“*Revenue Fund*” means the fund by that name established and maintained pursuant to the Indenture.

“*Revenues*” 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 for the payment of the principal of, premium, if any, and interest on, the Bonds, including (a) Base Rent payments by the County pursuant to the Facilities Lease; (b) insurance and condemnation proceeds with respect to the Leased Premises and (c) contract rights and other rights and assets now or hereafter owned by the Landlord in connection with the Facilities Lease and the Leased Premises.

“*Schematic Drawings*” means drawings establishing the general scope, conceptual design, design intent and scale and relationship among the components of the Facilities, attached as an exhibit to the Work Letter, as the same have been mutually approved by the Landlord and the Tenant.

“*Securities Depositories*” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attention: Call Notification Department, Fax (212) 855-7232 in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a written Certificate of the Authority delivered to the Trustee.

“*Series 2024 Bonds*” means the California Enterprise Development Authority Lease Revenue Bonds (Riverside County Library Facilities Project), Series 2024.

“*Special Record Date*” means the date established by the Trustee pursuant to the Indenture as a record date for the payment of defaulted interest on the Series 2024 Bonds.

“*Special Redemption Account*” means the account by that name in the Redemption Fund established and maintained pursuant to the Indenture.

“*Standard & Poor’s*” or “*S&P*” means S&P Global Ratings, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved, liquidated or shall no longer perform the functions of a securities rating agency, then the term “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County or, if the County is in default under the Facilities Lease, the Landlord and approved by the Authority, with notice to the Trustee.

“*State*” means the State of California.

“*Substantial Completion*” or “*Substantially Complete*” shall mean that each of the following events shall have occurred with respect to the Facilities:

(a) the Landlord shall have notified the Tenant in writing when the Facilities are Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items and activities required for Silver LEED certification (or as otherwise agreed by the Tenant);

(b) the Design-Builder shall have issued its “Certificate of Substantial Completion” in the form of AIA Document G744 – 2014;

(c) the County has issued a final or temporary certificate of occupancy or other approval (such as final sign-off by the applicable building inspector(s)) sufficient for occupancy of the Leased Premises;

(d) the Landlord has obtained the Fire and Life Safety permit(s) from the County of Riverside Fire Department, which has also issued its approval for occupancy such that the Tenant is permitted and could pursuant to such issued Fire and Life Safety permit(s) and certificate of occupancy or comparable approval, physically occupy the Leased Premises;

(e) the State shall have issued to the Landlord a right to use elevator permit(s), as applicable;

(f) access to the Leased Premises has undergone inspection by a certified access specialist and has been determined pursuant to such inspection to meet all applicable construction-related accessibility standards under California Civil Code Section 55.53;

(g) the Landlord shall have caused a Notice of Completion under California Civil Code Section 9204 to be recorded; and

(h) the Tenant shall have accepted the Facilities as Substantially Complete (which acceptance shall not be unreasonably withheld, conditioned or delayed and will presumptively be granted the conditions described in (a) through (g) above have been satisfied), subject to completion of the Punch List items agreed upon by the Tenant.

“*Supplemental Assigned Agreement*” means any agreement duly authorized and entered into between the Landlord and a party to an Assigned Agreement, supplementing, modifying or amending the Assigned Agreement; but only if and to the extent that such Supplemental Assigned Agreement is specifically authorized under the related Assigned Agreement.

“*Supplemental Facilities Lease*” means any agreement hereafter duly authorized and entered into between the Landlord and the County, supplementing, modifying or amending the Facilities Lease; but only if and to the extent that the Supplemental Facilities Lease is specifically authorized under the Indenture.

“*Supplemental Indenture*” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

“*Tax Regulatory Agreement*” means the Tax Regulatory Agreement executed by the Authority, the Landlord and the County, as amended or supplemented from time to time in connection with the issuance of the Series 2024 Bonds.

“*Taxes*” means all taxes, fees and assessments of any nature whatsoever, including but not limited to excise taxes, fees, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Leased Premises or upon any interest of the Landlord therein or in this Facilities Lease; provided, however, the Tenant may, at the Tenant’s expense and in its name, in good faith contest any such taxes, fees and assessments and, in the event of such contest, may permit such taxes, fees and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Landlord shall notify the Tenant that, in the opinion of the Landlord, by nonpayment of any such items, the interest of the Landlord in the Leased Premises will be materially endangered or the Leased Premises, or any portion thereof, will be subject to loss or forfeiture, in which event the Tenant shall promptly pay such taxes, fees and assessments or provide the Landlord with full security against any loss which may result from nonpayment, in form satisfactory to the Landlord.

“*Taxes and Assessments*” has the meaning set forth under the heading “FACILITIES LEASE—Taxes and Assessments” in this Appendix B.

“*Tenant*” means the County, and its successors and assigns.

“*Tenant-Caused Delay*” means any period of delay in the overall progress of design, construction, and completion of the Facilities that is caused by (a) the Tenant-initiated change orders to the Design-Build Agreement, (b) the Tenant-initiated changes to the Construction Documents, (c) the Tenant’s failure to timely approve, disapprove, decide, or otherwise respond to, the Landlord, the Developer or the Design-Builder with respect to a particular item for which the Tenant’s response is required under the Work Letter

or under the Design-Build Agreement within the time frames provided in the Work Letter, (d) the Tenant's failure to deliver plans, specifications, or other information in response to written requests for such plans, specifications and other information within the time frames provided in the Work Letter, (e) any interference or other acts or omissions of the Tenant or the Tenant's members, officers, employees or agents, (f) failure of the Construction Documents to adequately reflect specifications required for the Tenant's use, occupancy and/or operation of the Facilities solely as a result of the Tenant's failure to provide such specifications to the Landlord or the Developer (but excluding for purposes of this subsection, specifications determinable by Applicable Laws), (g) the Tenant's failure to comply with the terms and conditions of the Program Funding Agreement or failure to timely request or process payment applications related to the Program Funding Agreement if, and only if, any such failure results in a delay in the payment of Project Costs pursuant to the terms of the Construction Contracts (provided such failure is not caused by the Landlord's breach of its obligations under the Work Letter, the Developer's breach of its obligations under the Development Agreement or the Design-Builder's breach of its obligations under the Design-Build Agreement), and (h) changes in Applicable Laws after the issuance of Permits necessitating modifications to the Construction Documents and the construction of the Facilities. The Final Project Schedule and the Project Costs may be increased on account of the Tenant-Caused Delays as provided in the Work Letter. However, a the Tenant Caused Delay shall not include: (i) delay to the extent caused by the Landlord's, the Developer's or the Design-Builder's failure to provide, within the time frames allowed under the Work Letter, 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 the Tenant is entitled to receive under the Work Letter or which is reasonably requested by the Tenant in connection with any such decision or response, or (ii) delay to the extent caused by the existence of reasonable cause to suspect that construction of the Facilities or any other services provided by the Landlord, the Developer or the Design-Builder have not been performed in accordance with Construction Documents and other requirements under the Work Letter, in which case, the Tenant-Caused Delays shall not include the amount of additional time reasonably needed by the Tenant to determine whether such construction or other services conform to all requirements under the Work Letter.

"Tenant Contingency" means the contingency or reserve line item in the Final Project Budget funded from the proceeds of the Bonds the use of which is subject to the sole discretion of the Tenant.

"Tenant Contingency Account" means the account by that name established under the Indenture.

"Title Policies" shall mean any leasehold policy of title insurance issued to the Landlord upon its acquisition of a leasehold interest in the Property pursuant to the Ground Lease or closing of the financing for the Project, and any lender's policy of title insurance issued to the Trustee upon the recording of the leasehold mortgage or deed of trust upon the Property in favor of the Trustee.

"Trustee" means Wilmington Trust, National Association, a national banking association organized and existing under the laws of the United States of America, having a Corporate Trust Office in Costa Mesa, California, or its successor, as trustee under the Indenture.

"Trustee and Issuer Administrative Fees Account" means the account by that name established and maintained pursuant to the Indenture.

"Utility Costs" means the costs of water, gas, electricity, sewer, telecommunication and any other publicly mandated services being provided to the Leased Premises.

"Utility Lines" has the meaning set forth under the heading "GROUND LEASE—Development of the Leased Premises—Ground Lessor's Reserved Rights" in this Appendix B.

“*Warranty Period*” has the meaning set forth under the heading “FACILITIES LEASE—Warranty—*Warranty Period*” in this Appendix B.

“*Work Letter*” means the Work Letter attached as an exhibit to the Facilities Lease, including all exhibits and attachments thereto, as amended from time to time.

INDENTURE

Execution and Delivery of Additional Bonds

To finance the cost of Alterations or to refinance the Project, 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 stated below and under the heading “—Additional Requirements for Additional Bonds” below, provide for the issuance of Additional Bonds. Additional Bonds issued for such purposes shall 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 2024 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 shall 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 shall include any and all Alterations completed with the proceeds of the Additional Bonds).

(b) The Trustee shall 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 2024 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, shall 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.

(e) Any Additional Bonds shall have a maturity date of November 1 and shall not mature later than the Lease Expiration Date.

Additional Requirements for Additional Bonds

Additional Bonds may be issued on a parity with the Series 2024 Bonds. Whenever requesting the issuance of any Additional Bonds, the Landlord shall deliver or cause to be delivered to the Trustee and the Authority the following:

- (a) A written statement by the Landlord approving the issuance of such Additional Bonds and a written Statement by the County approving the issuance of such Additional Bonds.
- (b) A resolution duly adopted by the Authority authorizing the issuance of the Additional Bonds and the execution and delivery of the Supplemental Indenture.
- (c) Originally executed counterparts of the Supplemental Facilities Lease.
- (d) Originally executed counterparts of a Supplemental Indenture, designating the new series of Bonds to be created and prescribing expressly or by reference to the Bonds of such series:
 - (i) the principal amount of Bonds of such series;
 - (ii) the text of the Bonds of such series;
 - (iii) the maturity dates thereof, which shall be November 1 and not later than the Lease Expiration Date;
 - (iv) the rate or rates of interest and the date from which interest is payable provided, however, that interest on any Additional Bonds shall be payable on May 1 and November 1 of each year;
 - (v) provisions as to redemption;
 - (vi) any additional security to be provided for the Bonds of such series;
 - (vii) any other provisions necessary to describe and define such series within the provisions and limitations of the Indenture; and
 - (viii) any other provisions and agreements in respect thereof authorized pursuant to the Indenture.
- (e) Certificates of the Landlord and the County that no default then exists under the Facilities Lease or that upon issuance of the Additional Bonds then applied for, no default will exist under the Facilities Lease, and no event or condition exists which, with the passage of time or the giving of notice or both, would become such default.
- (f) An opinion or opinions of Counsel reasonably acceptable to the Authority that:
 - (i) all instruments furnished to the Trustee conform to the requirements of the Indenture and constitute sufficient authority thereunder for the issuance of the Additional Bonds then applied for;
 - (ii) the Supplemental Indenture, when duly executed by the Authority, the Landlord and the Trustee, will be valid and binding obligations of the Authority, the Landlord and the Trustee, respectively;

(iii) the Supplemental Facilities Lease, when duly executed by the Landlord and the County, will be valid and binding obligations of the Landlord and the County, respectively;

(iv) the issuance of the Additional Bonds has been sufficiently and duly authorized by the Authority;

(v) the Additional Bonds then applied for, when issued, will be secured under the Indenture equally and ratably with all Series 2024 Bonds and Additional Bonds theretofore issued and then Outstanding thereunder; and

(vi) the exclusion from gross income for federal income tax purposes of the interest on the Series 2024 Bonds and any other tax-exempt Additional Bonds Outstanding will not be impaired by the issuance of the Additional Bonds then applied for.

Establishment and Application of Costs of Issuance Fund

The Trustee shall establish and maintain in trust a separate fund designated as the “Costs of Issuance Fund.” Moneys deposited in said fund shall be used to pay Costs of Issuance with respect to the Series 2024 Bonds upon receipt by the Trustee of a Requisition of the Landlord in the form attached to the Indenture, stating the Person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. At the end of 180 days from the date of initial issuance of the Series 2024 Bonds, or upon earlier receipt of a Certificate of the Landlord that amounts in said fund are no longer required for the payment of Costs of Issuance, said fund shall be terminated and any amounts then remaining in said fund shall be transferred to the Project Development Costs Account of the Project Fund.

Establishment and Application of the Project Fund

The Trustee shall establish and maintain in trust a separate fund designated as the “Project Fund.” Moneys deposited in said fund and the accounts created therein shall be used as described under this heading “—Establishment and Application of the Project Fund.” Notwithstanding any other provision of the Indenture, except with the written consent of the Registered Owners of at least 66 2/3% in aggregate principal amount of Bonds then Outstanding, no disbursement shall be made from the Project Fund or the accounts created therein so long as any Event of Default has occurred and is continuing. Upon the written approval of the County, if the County is not in default under the Facilities Lease, the Trustee may, upon the written request of the Landlord accompanied by such approval, reallocate amounts in the various accounts within the Project Fund.

(a) ***Project Design and Construction Costs Account.*** Within the Project Fund, the Trustee shall establish and maintain in trust a separate account designated as the “Project Design and Construction Costs Account.” All moneys in the Project Design and Construction Costs Account shall be used to pay costs incurred by the Landlord pursuant to the Design-Build Agreement or to reimburse the Landlord for such costs. Disbursements from the Project Design and Construction Costs Account shall be made in accordance with and pursuant to the requirements contained in a Requisition the form of which is attached to the Indenture. Within three Business Days of the receipt of such Requisition or such later date as directed by the Landlord in such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Design and Construction Costs Account. The Trustee need not make any such payment if it has received written notice of any lien, right to lien or attachment upon, or written

claim affecting the right to receive payment of, any of the moneys to be so paid which has not been conditionally released or will not be released simultaneously with such payment.

Upon the completion of the Project and the Substantial Completion (as defined in the Work Letter) of the Premises, the Landlord shall (i) cause the County to deliver a Confirmation of Rent Commencement Date to the Trustee and (ii) deliver a Completion Certificate to the Trustee and the Authority. Upon the receipt of the Confirmation of Rent Commencement Date and the Completion Certificate from the County, the Trustee shall transfer any remaining balance in the Project Design and Construction Costs Account (but less the amount of any retention), (i) to the Principal Fund in an amount not greater than the amount, together with amounts on deposit in the Principal Fund, required to pay the principal of the Bonds on the next scheduled Principal Payment Date and thereafter to the Interest Fund, or (ii) at the written direction of the Landlord and the County for any other lawful purpose as the Landlord and the County may direct upon receipt by the Trustee and the Authority of a Favorable Opinion of Bond Counsel.

(b) ***Project Development Costs Account.*** Within the Project Fund, the Trustee shall establish and maintain in trust a separate account designated as the “Project Development Costs Account.” All moneys in the Project Development Costs Account shall be used to pay costs incurred in connection with the Project (other than the costs of FF&E) and not payable from the other accounts within the Project Fund, including, but not limited to, development costs, permits and fees, property taxes, insurance premiums, legal, accounting, survey, testing and inspection fees, wages and benefits of employees, impact and mitigation fees, fees and expenses of consultants, additional design, demolition, abatement and construction costs for the Facilities not included in the Project Design and Construction Costs Account at the time of the issuance of the Bonds, and expenses for equipment, machinery and supplies directly related to the Project. Disbursements from the Project Development Costs Account shall be made in accordance with and pursuant to the requirements contained in a Requisition of the Landlord in the form attached to the Indenture. Within three Business Days of the receipt of such Requisition or such later date as directed by the Landlord in such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Development Costs Account. Upon the receipt of the Confirmation of Rent Commencement Date and the Completion Certificate, the Trustee shall transfer any remaining balance in the Project Development Costs Account (but less the amount of any retention), (i) to the Principal Fund in an amount not greater than the amount, together with amounts on deposit in the Principal Fund, required to pay the principal of the Bonds on the next scheduled Principal Payment Date and thereafter to the Interest Fund, or (ii) at the written direction of the Landlord and the County for any other lawful purpose as the Landlord and the County may direct upon receipt by the Trustee and the Authority of a Favorable Opinion of Bond Counsel.

(c) ***FF&E Account.*** Within the Project Fund, the Trustee shall establish and maintain in trust a separate account designated as the “FF&E Account.” The Trustee shall deposit into the FF&E Account amounts provided by the County on the Closing Date (not constituting proceeds received from the sale of the Series 2024 Bonds) identified as being for deposit to the FF&E Account and (if the County elects in its sole discretion) thereafter from time to time prior to Landlord’s delivery of the Completion Certificate to the Trustee. All moneys in the FF&E Account shall be used to pay the costs of the FF&E. Disbursements from the FF&E Account shall be made in accordance with and pursuant to the requirements contained in a Requisition of the Landlord in the form attached to the Indenture. Within three Business Days of the receipt of such Requisition or such later date as directed by the Landlord in such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the FF&E Account. Upon the completion of the acquisition of the FF&E, any remaining balance in the FF&E Account (but less the amount of any retention) shall be transferred by the Trustee, at the written direction of the

County, and (A) applied to the cost of other or additional capital improvements, equipment or furnishings constituting part of the Premises, (B) applied to any other lawful purpose as the County may direct, and/or (C) returned to the County. All FF&E is and at all times will be the County's sole property. The County may, at any time during the term of the Facilities Lease remove, replace or add any additional FF&E, subject to all terms and conditions of the Facilities Lease, provided that the County shall repair any damage caused by the removal and installation of any FF&E.

(d) ***Project Management Account.*** Within the Project Fund, the Trustee shall establish and maintain in trust a separate account designated as the "Project Management Account." The Trustee shall make disbursements to the Developer, the Landlord and others on the first Business Day of each month, commencing October 1, 2019 until the amount on deposit in the Project Management Account is exhausted without the need to receive a Requisition from the Landlord.

(e) ***Project Development Fee Account.*** Within the Project Fund, the Trustee shall establish and maintain in trust a separate account designated as the "Project Development Fee Account." All moneys in the Project Development Fee Account shall be used to pay the Development Fee due to the Developer and Landlord. Disbursements from the Project Development Fee Account shall be made from time to time in accordance with and pursuant to the requirements contained in any Requisition of the Landlord in the form attached to the Indenture. Within three Business Days of the receipt of such Requisition or such later date as directed by the Landlord in such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Development Fee Account. Upon the receipt of the Confirmation of Rent Commencement Date and the Completion Certificate, the Trustee shall transfer any remaining balance in the Project Development Fee Account to the Developer and Landlord.

(f) ***Project Contingency Account.*** Within the Project Fund, the Trustee shall establish and maintain in trust a separate account designated as the "Project Contingency Account." All moneys in the Project Contingency Account shall be used to pay Costs of the Project (other than the costs of the FF&E, except as may be directed by the County) for which sufficient funds are not budgeted or available to pay such Costs of the Project from the other Accounts within the Project Fund. Disbursements from the Project Contingency Account shall be made in accordance with and pursuant to the requirements contained in a Requisition of the Landlord in the form attached to the Indenture. Within three Business Days of the receipt of such Requisition or such later date as directed by the Landlord in such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Contingency Account. Upon the receipt of the Confirmation of Rent Commencement Date and the Completion Certificate, the Trustee shall transfer any remaining balance in the Project Contingency Account (but less the amount of any retention), (i) to the Principal Fund in an amount not greater than the amount, together with amounts on deposit in the Principal Fund, required to pay the principal of the Bonds on the next scheduled Principal Payment Date and thereafter to the Interest Fund, or (ii) at the written direction of the Landlord and the County for any other lawful purpose as the Landlord and the County may direct upon receipt by the Trustee and the Authority of a Favorable Opinion of Bond Counsel.

The Authority shall not have any duty to investigate the disbursements or expenditures of amounts requisitioned from the Project Fund or any account therein.

Establishment of Substantial Completion; Obligation of Landlord to Complete

As soon as the Project is Substantially Complete, an authorized representative of the Landlord, on behalf of the Landlord, shall evidence the Substantial Completion by providing a Certificate (the "Completion Certificate") to the Trustee, with a copy to the Authority and the County, stating the Costs of the Project and further stating that (a) the Project has been completed substantially in accordance with the plans and specifications therefor, and all labor, services, materials and supplies used in the Project have been paid for or stating the amount required to be retained in the accounts in the Project Fund to fully provide for any disputed amounts; and (b) all other equipment, furniture and facilities for the operation of the Project (including without limitation FF&E) have been acquired, constructed and installed in accordance with the plans and specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for. Notwithstanding the foregoing, the Completion Certificate may state that it is given without prejudice to any rights of the Landlord against third parties.

At the time the Completion Certificate is delivered to the Trustee, moneys remaining in the Project Fund, including any earnings resulting from the investment of such moneys, less an amount representing a reasonable retainage determined by the Landlord, shall be used as described above under the heading "— Establishment and Application of the Project Fund."

In the event the moneys in the accounts in the Project Fund available for payment of the Costs of the Project (excluding the FF&E Account) should be insufficient to pay the Costs of the Project in full, and unless Additional Bonds shall have been issued for that purpose, the Landlord agrees to pay directly, or to deposit in the Project Fund and the accounts therein established for the Series 2024 Bonds, moneys sufficient to pay, any costs of completing the Project in excess of the moneys available for such purpose in the accounts in the Project Fund (excluding the FF&E Account), or otherwise cause the Project to be completed, unless such excess costs are the responsibility of the County pursuant to the Facilities Lease in which case the Landlord's obligation shall be limited to enforcing the County's obligation under the Facilities Lease to provide such funds. The Authority makes no express or implied warranty that the moneys deposited in the Project Fund and the accounts therein and available for payment of the Costs of the Project under the provisions of the Indenture will be sufficient to pay all the amounts which may be incurred in connection with the Project. The Landlord agrees that if, after exhaustion of the moneys in the Project Fund, the Landlord should pay, or deposit moneys in the Project Fund and the accounts therein for the payment of, any portion of the Costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Authority, the Trustee or the Registered Owners of any of the Series 2024 Bonds.

Pledge and Assignment and Revenue Fund

(a) Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, there are pledged in the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture, all of the interests of the Landlord and the Authority 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, and the Operating Contingency Fund. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act.

(b) Each of the Authority and the Landlord transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Registered Owners from time to time of the Bonds, (i) all of its interests in the Base Rent and the Additional Rental to be paid by the County, (ii) all of its interests in the Revenues and other assets pledged in subsection (a) above, (iii) all of the right, title and interest of the Authority and the Landlord in the Ground Lease and the Facilities Lease and (iv) all of the real and personal property granted to the Authority pursuant to the terms of the Deed of Trust.

(c) The Trustee shall be entitled to and shall collect and receive all of the Base Rent and Additional Rent and any such amounts collected or received by the Authority or the Landlord shall be deemed to be held, and to have been collected or received, by the Authority or the Landlord as the agent of the Trustee and shall forthwith be paid by the Authority or the Landlord to the Trustee. All Base Rent and Additional Rent deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

The Trustee also shall be entitled to and shall take all steps, actions and proceedings following a default under the Facilities Lease reasonably necessary in its judgment to enforce all of the rights of the Authority which have been assigned to the Trustee and all of the obligations of the County under the Facilities Lease.

(d) Except as otherwise provided in the Indenture, all Revenues shall be promptly deposited with the Trustee and upon receipt thereof the Trustee shall deposit such Revenues into a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold until such time as the Bonds are paid in full or defeased and all Additional Rent is paid, all as described under the heading "—Defeasance" below. Except as otherwise provided in the Indenture, moneys or deposits in the Revenue Fund and the earnings therein shall be utilized to fund the payment of principal of, premium, if any, and interest on the Bonds and to make other deposits or payments in accordance with the terms and order of priorities established by the Indenture. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

Investment of Moneys in Funds

Subject to the limitations provided in the Indenture, all moneys in any of the funds and accounts established pursuant to the Indenture shall 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. Each written investment direction shall contain a certification that such investments are Investment Securities. All Investment Securities shall be acquired subject to the limitations set forth in the Indenture, the limitations as to maturities set forth in the Indenture, and such additional limitations or requirements consistent with the foregoing as may be established by Request of the County or, if the County is in default under the Facilities Lease, the Landlord. In the absence of written investment directions from the County or the Landlord, the Trustee shall invest solely in Investment Securities set forth in clause (4) of the definition thereof. Investment Securities shall be valued by the Trustee as frequently as deemed reasonably necessary by the County or, if the County is in default under the Facilities Lease, the Landlord, but not less often than quarterly, at the market value thereof.

Moneys in all funds and accounts shall be invested in Investment Securities maturing not later than the dates on which it is estimated that such moneys will be required by the Trustee.

Except as otherwise provided in the Indenture: (i) all interest, profits and other income received from the investment of moneys in the Rebate Fund shall be deposited when received in such fund; (ii) all

interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to the Indenture (other than the FF&E Account) prior to the Trustee's receipt of a Confirmation of Rent Commencement Date and the Completion Certificate, shall be deposited when received to the Capitalized Interest Fund; (iii) all interest, profits and other income received from the investment of moneys in the FF&E Account shall be deposited when received in such account; and (iv) all interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to the Indenture after the Trustee's receipt of a Confirmation of Rent Commencement Date and the Completion Certificate shall be deposited when received to the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

Subject to the Indenture, the Trustee may commingle any of the funds or accounts established pursuant to the Indenture in a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under the Indenture shall be accounted for separately as required by the Indenture. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee, or its affiliates, may act as sponsor, manager, advisor or depository with regard to any Investment Security. The Trustee may sell at the best price reasonably obtainable by it, or present for prepayment, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment. The Trustee shall not be responsible for any tax, fee or other charge in connection with any investment, reinvestment or the liquidation thereof.

Certain Covenants

Against Encumbrances. Neither the Landlord nor the Authority shall create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Series 2024 Bonds are Outstanding, except as provided in the Indenture.

Accounting Records and Financial Statements of Trustee: Access to Project.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete entries shall be made of all transactions of the Trustee relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Base Rent, Additional Rent, the Facilities Lease, the proceeds of the Series 2024 Bonds and all funds and accounts established pursuant to the Indenture. Such books of record and account and other information shall be available for inspection by the Authority, the Landlord, any Registered Owner and, unless the County is in default under the Facilities Lease, the County, or its agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances. On or after the sixth anniversary of the date no Bonds are Outstanding, the Trustee may discard such books of record and account after giving the Authority, the Landlord and the County 30 days' prior written notice, so that the Authority, the Landlord and, unless the County is in default under the Facilities Lease, the County may have the opportunity to request copies of such books of record and account.

(b) The Trustee shall file and furnish to the Landlord and, unless the County is in default under the Facilities Lease, the County each month, a statement (which need not be audited) covering receipts, disbursements, allocation and application of Base Rent and Additional Rent and

any other moneys (including proceeds of Series 2024 Bonds) in any of the funds and accounts established pursuant to the Indenture for the preceding month.

(c) The Trustee and any holder of at least 10% in aggregate principal amount of the Bonds then Outstanding may, upon reasonable notice and at reasonable times during regular business hours, have access to the Premises for the purpose of inspecting same; provided, that no such inspection or related activity which would cause disruption of or interference with regular operations or any program being conducted by the Landlord or the County, at the Premises shall be permitted and the Trustee shall have no duty to inspect.

Limitation on Creation of Liens. The Landlord covenants and agrees that it will not create, assume or suffer to be created or permit to exist any Lien (including the charge upon Property purchased under conditional sales or other title retention agreements) (a “security interest”) upon the Premises or the Revenues, whether now owned or hereafter acquired, unless the obligations of the Landlord under the Indenture shall be secured prior to any indebtedness or other obligation secured by such security interest, and the Landlord further covenants and agrees that if such a security interest is created or assumed by the Landlord, it will make or cause to be made effective a provision whereby the obligations of the Landlord under the Indenture will be secured prior to such indebtedness or other obligation secured by such security interest; provided, however, that notwithstanding the foregoing provisions, the Landlord may create, suffer or assume Permitted Liens.

Limitations on Disposition of Property, Plant and Equipment. The Landlord agrees that it will not sell or otherwise dispose, including any disposition by lease, of the Property, Plant and Equipment (including all or any part of the Premises), except for disposition or transfers:

(a) of the Premises pursuant to any lease; provided that the Landlord shall first obtain a Favorable Opinion of Bond Counsel with respect to such disposition or transfer;

(b) of Property, Plant and Equipment no longer necessary for the operation of the Premises; and

(c) of Property, Plant and Equipment replaced by Property, Plant and Equipment of similar type and of substantially equivalent function and value.

Nothing shall restrict the County’s rights to remove, replace or add any additional FF&E, subject to all terms and conditions of the Facilities Lease.

Indebtedness. The Landlord covenants that it will not, without the prior written approval of the Authority, incur any Indebtedness.

Events of Default and Remedies

Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of and interest on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) default by the Authority or the Landlord in the observance of any of the other covenants, agreements or conditions on its part contained in the Indenture, if such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring

the same to be remedied, shall have been given to the Authority or the Landlord by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration, due to the fact that the Authority or the Landlord, as applicable, is diligently pursuing such remedy;

(c) a default under the Facilities Lease or any other Assigned Agreement (beyond any applicable notice or cure periods);

(d) if the Landlord files a petition in voluntary bankruptcy, for the composition of its affairs or for its reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Premises;

(e) if a court of competent jurisdiction shall enter an order, judgment or decree declaring the Landlord insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of the Landlord or of the whole or any substantial part of the Premises, or approving a petition filed against the Landlord seeking reorganization of the Landlord under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof;

(f) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Landlord or of the whole or any substantial part of the Premises, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control; or

(g) if a final judgment or order for the payment of money in excess of \$100,000 (exclusive of amounts covered by insurance) shall be rendered against the Landlord and the same shall remain undischarged for a period of 60 days during which issuance shall not be effectively stayed, or if any judgment, writ, assessment, warrant of attachment, or issuance or similar process shall be issued or levied against a substantial part of the Premises and such judgment, writ, or similar process shall not be released, stayed, vacated or otherwise dismissed within 60 days after issue or levy.

Within three Business Days after a responsible officer of the Trustee obtains actual knowledge of any Event of Default under the Indenture, the Trustee shall send the Authority and the Registered Owners notice of the occurrence of such Event of Default by first class mail and by facsimile transmission (if a facsimile number has been provided to the Trustee).

Acceleration of Maturities. Upon the occurrence of an Event of Default, the Trustee may, and shall, at the direction of the Registered Owners of not less than a majority in aggregate principal amount of Bonds Outstanding, by written notice to the Authority and the Landlord, declare the principal of all Outstanding Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. The Trustee shall mail, by first class mail (postage prepaid), to all Registered Owners at their addresses appearing on the registration books of the Trustee, notice of such declaration as soon after such declaration as is practicable, but not more than five days thereafter.

Any such declaration of acceleration of maturities, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Trustee a sum sufficient to pay all the

principal of the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all Bonds with interest on such overdue installments of principal and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the reasonable satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall on behalf of the Registered Owners, by written notice to the Authority and the Landlord, rescind and annul such declaration and its consequences and waive such default; and provided further that no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon. In the case of any such annulment, the Landlord, the Authority, the Trustee and the Registered Owners shall be restored to their former positions and rights under the Indenture.

Other Remedies.

(a) If an Event of Default shall occur and be continuing, the Trustee shall notify the Registered Owners of such Event of Default by first class mail, which notice shall describe the facts and circumstances of such Event of Default and shall request the written consent of such Registered Owners to the commencement of foreclosure proceedings under the Deed of Trust by private sale or judicial foreclosure. Upon receipt of the written (and unrescinded) consents of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds, and upon being indemnified to its satisfaction for the costs, expenses and liabilities relating thereto, the Trustee shall commence foreclosure of the Deed of Trust and exercise the Trustee's rights under the Financing Documents.

(b) If an Event of Default has occurred and is continuing, the Trustee shall at the written request of the Registered Owners of not less than a majority in aggregate principal amount of Bonds Outstanding take such actions, including the filing and prosecution of lawsuits, as may be required to enforce for the benefit of the Registered Owners the terms of any agreements or instruments relating to the Premises which the Trustee may be entitled to enforce, including without limitation (i) the Financing Documents (including the right to continue to collect revenues thereunder), (ii) the Design-Build Agreement and all other agreements and contracts which have been entered into with respect to the construction, maintenance, repair and operation of the Premises, (iii) any construction contracts, design contracts or consulting contracts or operating agreements, (iv) any insurance policies, completion guaranties or the performance and payment bonds, and (v) any other agreements or instruments which the Trustee may be entitled to enforce.

(c) If an Event of Default has occurred and is continuing, the Trustee upon the written request of the Registered Owners of not less than a majority in aggregate principal amount of Bonds Outstanding shall, do the following:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce its rights or the rights of the Registered Owners, including the right to receive and collect the Revenues and to re-let the Premises pursuant to the Facilities Lease;

(ii) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners;

(iii) as a matter of right, have a receiver or receivers appointed for the Revenues and other funds and assets pledged under the Indenture and under the Deed of Trust and for the earnings, income, issues, products, profits and revenues thereof pending such proceedings, with such powers as the court making such appointment shall confer, and

(iv) take such action with respect to any Investment Securities or any agreements or instruments which it may be entitled to enforce as the Trustee shall deem necessary and appropriate, subject to the terms of such agreements, instruments or Investment Securities.

(d) Notwithstanding any contrary provision of the Indenture, the Trustee shall not exercise any remedy in respect of an Event of Default unless (i) it has first received a written opinion of qualified legal counsel of regional or national reputation in the area of secured lending to the effect that the exercise of any such remedy is reasonable under the circumstances and in light of applicable provisions of California law limiting the remedies of secured lenders, including, without limitation, the so called “one action,” “fair value” and “anti-deficiency” provisions of California law, and (ii) it has received the written and unrescinded consents of the Registered Owners of a majority in aggregate principal amount of Bonds Outstanding.

Application of Revenues and Other Funds after Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee and/or the Landlord under any of the provisions of the Indenture (except moneys held for particular Bonds and except for moneys on deposit in the Rebate Fund, the FF&E Account, the Operating Expense Account and the Capital Expenses Account) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the reasonable opinion of the Trustee to protect the interests of the Registered Owners, and payment of reasonable fees, charges and expenses of the Trustee and the Authority (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of the principal or Redemption Price and interest then due on the Bonds (upon presentation of the Bonds to be paid, and noting thereon the payment if only partially paid, or surrender thereof if fully paid), and the principal of, premium, if any, subject to the provisions of the Indenture, as follows:

(i) Unless the principal of the Bonds shall have become or have been declared due and payable;

FIRST, to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of the payment date of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

SECOND, to the payment to the Persons entitled thereto of the unpaid principal or Redemption Price on any Bonds which shall have become due, whether at a payment date or by call for redemption, in the order of their due dates, with interest on the overdue principal of the Bonds at the rate borne by the respective Bonds and, if the amount available shall not be sufficient to pay or redeem in full all the Bonds due on any date, together with such interest, then to the payment or redemption thereof ratably, according to the amounts of principal or Redemption Price due on such date to the persons entitled thereto, without any discrimination or preference; and

(ii) If the principal of the Bonds shall have become or have been declared due and payable, to the payment of the principal of and interest then due and unpaid on the Bonds with interest on the overdue principal of the Bonds at the rate borne by the Bonds and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Trustee to Represent Registered Owners. The Trustee is, in the Indenture, irrevocably appointed (and the successive respective Registered Owners of the Bonds by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Registered Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Registered Owners under the provisions of the Bonds, the Indenture, the Assigned Agreements, and applicable provisions of law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Registered Owners, the Trustee in its discretion may, or upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Registered Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power therein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee, or in such Registered Owners under the Indenture, the Assigned Agreements, or any applicable law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture pending such proceedings. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Registered Owners subject to the provisions of the Indenture.

Registered Owners' Direction of Proceedings. The Registered Owners of at least 66 2/3% in aggregate principal amount of Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to require that it first be indemnified and held harmless to its satisfaction, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Registered Owners not parties to such direction.

Limitation on Registered Owners' Right to Sue. No Registered Owner shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, any Supplemental Agreement, any Assigned Agreements or any applicable law with respect to such Bond, unless: (a) such Registered Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Registered Owners of not less than 25% in aggregate principal amount of the Bonds and then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Registered Owner or said Registered Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and

(d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Registered Owner of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Registered Owners shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Registered Owners, or to enforce any right under the Indenture, any Supplemental Indenture, any Assigned Agreements, the Act or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit and protection of all Registered Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Notwithstanding any other provision in the Indenture, each Registered Owner shall have the right to receive payment of the principal and the premium, if any, and interest represented by said Registered Owner's Bond at the respective dates on which the same become due and payable in accordance with the terms, from the source and in the manner provided in such Bond and in the Indenture, and, to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Registered Owner.

Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Registered Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Registered Owners, then in every such case the Authority, the County, the Landlord, the Trustee and the Registered Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Landlord, the County, the Trustee and the Registered Owners shall continue as though no such proceedings had been taken.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or to the Registered Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

No Waiver of Default. No delay or omission of the Trustee or of any Registered Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or the Registered Owners may be exercised from time to time and as often as may be deemed expedient.

Waivers of Events of Default. Except as otherwise provided in the Indenture, the Trustee shall upon the written request of the Registered Owners of at least 66 2/3% in aggregate principal amount of Bonds then Outstanding, waive any Event of Default under the Indenture and rescind its consequences. In the case of any such waiver and rescission, the Authority, the County, the Landlord, the Trustee and the Registered Owners shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right

consequent thereon. All waivers under the Indenture shall be in writing and a copy thereof shall be delivered to the Authority, the County and the Landlord.

The Trustee

Appointment, Duties, Immunities and Liabilities of Trustee

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in the Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Authority, the County or, if the County is in default under the Facilities Lease, the Landlord (with the consent of the Authority) may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Registered Owners of not less than 66 2/3% in aggregate principal amount of Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible as described in clause (e) below, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or its property or affairs for the purpose of rehabilitation, conservation or liquidation; in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint, with the written consent of the other party, a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority, the County and the Landlord, and by giving the Registered Owners notice of such resignation by mail at their addresses appearing on the Bond registration books maintained by the Trustee. Upon receiving such notice of resignation, the County or, if the County is in default under the Facilities Lease, the Landlord (with the consent of the Authority) or the Registered Owners of at least 66 2/3% in aggregate principal amount of Bonds then Outstanding (to the extent the County or, if the County is in default under the Facilities Lease, the Landlord fails or refuses to appoint a successor Trustee) shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal, resignation or termination of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment and assumption of duties by the successor Trustee. If no successor Trustee shall have been appointed, has accepted appointment and has assumed the duties of the Trustee within 30 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Registered Owner (on behalf of himself and all other Registered Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, the County and the Landlord and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Indenture; but, nevertheless, at the Request of the Authority, the County or the Landlord or the request of the successor Trustee, such predecessor Trustee shall issue any and all instruments of conveyance or

further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority, the County and the Landlord shall issue any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall cause such Trustee to mail to the Registered Owners of all Outstanding Bonds at their addresses appearing on the Bond registration books maintained by the Trustee notice of the succession of such Trustee to the trusts under the Indenture.

(e) Any Trustee shall be a trust company, commercial bank or member of a bank holding company having the powers of a trust company and authorized to act as a trustee under California law, having a combined capital and surplus (including for such purpose the capital and surplus of any parent or holding company of such entity) of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such commercial bank, trust company or bank holding company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection (e) the combined capital and surplus of such commercial bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case any successor Trustee shall cease at any time to be eligible in accordance with the provisions of this clause (e), such successor Trustee shall resign immediately in the manner and with the effect specified herein.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claim) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners, and any recovery or judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds to the extent and in the manner provided in the Indenture. The Landlord and the Trustee agree in the Indenture, without in any way limiting the effect and scope thereof, that the pledge and assignment under the Indenture shall constitute an Authority appointment coupled with an interest on the part of the Trustee which, for all purposes of the Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Landlord or its default under the Indenture.

Modification or Amendment of Documents

The Indenture, the Facilities Lease and the other Assigned Agreements, and the rights and obligations of the Authority, the County, the Landlord, the Registered Owners and the Trustee may be modified or amended from time to time and at any time with the written consent of the County unless the County is in default under the Facilities Lease, by a Supplemental Indenture, Supplemental Facilities Lease, and/or other Supplemental Assigned Agreement, as applicable, which shall have been filed with the Trustee and which the Authority, the Landlord and the Trustee, as applicable, may enter into with the written consent of the Registered Owners of at least 66 2/3% in aggregate principal amount of Bonds then Outstanding; and provided that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular stated payment date remain Outstanding, the consent of the Registered Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding.

No such modification or amendment shall: (i) extend the stated payment date of any Bond, or reduce the amount of principal represented thereby, or extend the time of payment or reduce the amount of any Minimum Sinking Fund Account Payment provided in the Indenture for the payment of any Bond, or reduce the rate of interest with respect thereto, or extend the time of payment of interest with respect thereto, or reduce any premium payable upon the redemption thereof, without the consent of the Registered Owner of each of the Bonds affected; or (ii) reduce the aforesaid percentage of Bonds the consent of the Registered Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture (except as provided with respect to Additional Bonds), or deprive the Registered Owners of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Registered Owners of the Bonds then Outstanding. It shall not be necessary for the consent of the Registered Owners to approve the particular form of any Supplemental Indenture, Supplemental Facilities Lease or other Supplemental Assigned Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority, the Registered Owner and the Trustee of any Supplemental Indenture, Supplemental Facilities Lease, or other Supplemental Assigned Agreement, as applicable, pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, Supplemental Facilities Lease or other Supplemental Assigned Agreement to the Registered Owners at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture, Supplemental Facilities Lease or other Supplemental Assigned Agreement.

The Indenture, the Facilities Lease and any other Assigned Agreements and the rights and obligations of the Authority, the Landlord, the Trustee and the Registered Owners may also be modified or amended from time to time and at any time by a Supplemental Indenture, Supplemental Facilities Lease or other Supplemental Assigned Agreement, respectively, which the Authority, the Landlord, and the Trustee, as applicable, may enter into without the written consent of any Registered Owners only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority, the County or the Landlord contained in the Indenture, the Facilities Lease or the other Assigned Agreements other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved in the Indenture to or conferred upon the Authority, the County or the Landlord, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Registered Owners or revoke any right granted the Registered Owners under the Indenture;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, the Facilities Lease or the other Assigned Agreements, or in regard to matters or questions arising under the Indenture, the Facilities Lease or the other Assigned Agreements, as the Authority, the County, the Trustee or the Landlord (with the consent of the others) may deem necessary or desirable and not inconsistent with said Indenture, and which shall not materially adversely affect the interests of the Registered Owners or revoke any right granted the Registered Owners thereunder;

(c) to modify, amend or supplement the Indenture, the Facilities Lease and/or the other Assigned Agreements in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which modification, amendment or supplement shall not materially adversely affect the

interests of the Registered Owners or revoke any right granted the Registered Owners under the Indenture;

(c) to modify, amend or supplement the Indenture, the Facilities Lease and/or the Assigned Agreements in such a manner as to maintain the exclusion from gross income of interest payable on the Series 2024 Bonds and any Additional Bonds the interest on which is excluded from gross income for federal income tax purposes; and

(d) to make any other changes which will not materially adversely affect the interests of the Registered Owners or revoke any right granted the Registered Owners under the Indenture.

The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise. The Indenture may only be amended if, concurrently with such amendment, the Trustee shall have received a Favorable Opinion of Bond Counsel.

Defeasance

Discharge of Indenture. Upon the delivery to the Trustee, for cancellation by the Trustee, of all Bonds then Outstanding, and any amounts owed or which will be owed to the Authority or the Trustee have been paid in full, then and in that case the obligations created by the Indenture shall thereupon cease, terminate and become void except for the right of the Registered Owners and the obligation of the Trustee to apply such moneys and Investment Securities to the payment of the Bonds and the Trustee shall turn over to the County, and except as otherwise provided in the Indenture subject to the application of moneys on deposit in the Rebate Fund, as an overpayment of Base Rent and any Additional Rent, any surplus in the Revenue Fund and all balances remaining in any other funds or accounts other than as set forth above and other than moneys and Investment Securities held for the payment of the Bonds at the stated payment date thereof or on redemption, which moneys and Investment Securities shall continue to be held by the Trustee in trust for the benefit of the Registered Owners and shall be applied by the Trustee to the payment, when due, of the principal and any redemption premium and interest on the Bonds, and after such payment, the Indenture shall become void.

If moneys or Investment Securities are deposited with and held by the Trustee, such moneys or Investment Securities shall be accompanied by a report of an Accountant or other financial services firm acceptable to each Rating Agency verifying that the amount of such moneys or Investment Securities deposited will be sufficient, together with interest to accrue thereon, to pay all the Bonds at or before their stated payment date, and the Trustee shall within 30 days after such Investment Securities shall have been deposited with it cause a notice to be mailed by first class mail to the Registered Owners: (a) setting forth the stated payment date or date fixed for redemption, as the case may be, of the Bonds; (b) setting forth a description of the Investment Securities, if any, so held by it; and (c) stating that the Indenture has been released, or will be, as described above.

Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee moneys or Investment Securities in the necessary amount to pay or prepay any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture (exclusive of the Rebate Fund) and shall be: (a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to the payment date, except that, in the case of Bonds which are to be redeemed prior to the stated payment date and in respect of which notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price

of such Bonds and all unpaid interest thereon to the stated payment or redemption date; or (b) Investment Securities (which are noncallable and nonprepayable by the issuer thereof prior to maturity), the principal of and interest on which when due will provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to the stated payment date, or to the redemption date, as the case may be, represented by the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the payment date thereof, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of the County or, if the County is in default under the Facilities Lease, the Landlord) to apply such money to the payment of such principal or Redemption Price and interest on such Bonds.

Payment of Bonds after Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee (other than moneys in the Rebate Fund) in trust for the payment of the principal or Redemption Price, or interest on any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at the stated payment date or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon Request of the County or, if the County is in default under the Facilities Lease, the Landlord and consent of the Authority, be repaid to the County free from the trusts created by the Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease. In the event of the repayment of any such moneys to the County as aforesaid, the Registered Owners of the Bonds with respect to which such moneys were deposited shall thereafter be deemed to be general unsecured creditors of the County for amounts equivalent to the respective amounts deposited for the payment of such Bonds and so repaid to the County (without interest thereon), subject to any applicable statute of limitations.

GROUND LEASE

Definitions

The following are definitions of certain terms used in the following summary of the Ground Lease. See “DEFINITIONS” above for the definition of certain additional terms used in the following summary of the Ground Lease.

“*Effective Date*” shall have the meaning set forth under “Term—*Commencement and Duration*” below.

“*Ground Lessee*” means the Landlord.

“*Ground Lessor*” means the County.

“*Permitted Use*” shall have the meaning set forth under “Possession and Use—*Permitted Use*.”

“*Taxes and Assessments*” shall have the meaning set forth under “Taxes and Assessments” below.

“*Term*” shall have the meaning set forth under “Term—*Commencement and Duration*” below.

Lease of Property

General. The Ground Lessor leases to the Ground Lessee, and the Ground Lessee leases from the Ground Lessor, the Property, upon and subject to the terms, covenants and conditions set forth in the Ground

Lease, and subject to all encumbrances and matters of record as of the date of the Ground Lease and any future encumbrances permitted under the Ground Lease or under the Facilities Lease. The Property is subject to modification as described under the heading “—Release” below.

Release. During the Term, the Ground Lessor (through the determination made by the Chief Executive Officer of the Ground Lessor, or his or her designee, in his or her sole discretion, that such action is necessary for the Ground Lessor’s use for the development of a future administrative building or any other use) shall have the option to elect by written notice delivered to the Ground Lessee and the Trustee to require that the Released Parcel, as defined herein, be released from the Property (“*Release Right*”). The Ground Lessee acknowledges that the Ground Lessor shall not be required to compensate nor reimburse the Ground Lessee or the Trustee for any cost associated with the Ground Lessor’s exercise of the Release Right or any loss to the Ground Lessee in connection therewith (other than reasonable costs and expenses incurred in connection with amending the Ground Lease, the Facilities Lease, the Deed of Trust and related documents), nor shall there be any reduction in the Ground Rent or any rent payable under the Facilities Lease. Within sixty (60) days after the Ground Lessor’s delivery of notice of the exercise of the Release Right, the parties to the Ground Lease agree to amend the Ground Lease, the Facilities Lease, the Deed of Trust and any other documents relating to the Series 2024 Bonds that require amendment as a result of such release to reflect the Property under the Ground Lease does not include the Released Parcel, and the Ground Lessee shall remove any personal property of the Ground Lessee from the Released Parcel. The Ground Lessee’s and the Trustee’s written consent to the Ground Lessor’s exercise of the Release Right shall not be required; provided, however, the Ground Lessee and the Trustee shall cooperate with the Ground Lessor as may be necessary to effectuate the release of the Released Parcel. The “*Released Parcel*” means that certain 1.47 acres located along the northern boundary of the Property, as further depicted and described in the Schedule “J” Finance and Conveyance Map approved by the Ground Lessor’s Board of Supervisors on March [], 2024, and attached to the Ground Lease.

Term

Commencement and Duration. The term of the Ground Lease shall commence on the “*Effective Date*,” which shall be the date the Series 2024 Bonds are issued and, unless sooner terminated pursuant to the terms and conditions provided in the Ground Lease, shall continue until the Lease Expiration Date (the “*Term*”). Notwithstanding the foregoing (subject to the Facilities Lease), the Term shall be automatically extended for a period of time equal in duration to the period that all or any portion of the Leased Premises are unavailable for use and occupancy by the Ground Lessor as Tenant under the Facilities Lease as a result of an abatement with respect to all or any portion of the Leased Premises following the expiration of the rental interruption insurance coverage described in the Facilities Lease; provided, however, the Term shall in no event be extended more than ten years beyond the Lease Expiration Date. During the Term, the Ground Lessee shall exercise commercially reasonable efforts to satisfy or cause to be satisfied all requirements and conditions to the Ground Lessee’s development, planning, entitlement, designing, building, equipping and financing of the Facilities 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 by the Ground Lessee; and all other matters related to the development, design and construction of the Facilities, all as more fully set forth in the Facilities Lease. The cost of such efforts shall be included in the Project Costs for purposes of the Facilities Lease.

Term Coterminal with Facilities Lease Term Generally. The Term of the Ground Lease shall be coterminal with the stated term of the Facilities Lease except in the event of any earlier termination of the Facilities Lease (i) by the Ground Lessee as landlord under the Facilities Lease by reason of an uncured monetary default (i.e., the non-payment of Base Rent or Additional Rent only) by the Ground Lessor as Tenant under the Facilities Lease, (ii) by the Ground Lessor as Tenant under the Facilities Lease by reason of the filing of bankruptcy by the Ground Lessor and rejection of the Facilities Lease (in which case the

Ground Lease shall continue for the duration of the Term stated in the Ground Lease), or (iii) pursuant to the Facilities Lease following defeasance or redemption of all of the Series 2024 Bonds. Upon the termination or expiration of the Ground Lease, the Ground Lessee shall quit and surrender the Property in the same good order and condition as the same was in at the time of commencement of the term under the Ground Lease, except for acts of God and reasonable wear and tear and any actions taken by the Ground Lessor that may affect the condition of the Property, and agrees that any permanent improvements and structures existing upon the Property at the time of such termination or expiration of the Ground Lease shall remain thereon and title thereto shall vest in the Ground Lessor.

Option for Early Termination. Commencing on the Rent Commencement Date and at any time thereafter until the expiration of the Term, the Ground Lessor shall have the right to terminate the 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 or permitted portion thereof in connection with the election by the Ground Lessor, as Tenant under the Facilities Lease, to purchase the Facilities or portions thereof located on the Property pursuant to the terms and conditions provided in the Facilities Lease.

Rent

The consideration for (i.e. rent payable under) the Ground Lease shall be one dollar a year (the “*Ground Rent*”) for the duration of the Term which shall be deemed paid in whole in advance on the Effective Date. No Ground Rent shall be refunded in the event of any early termination (whole or partial) of the Ground Lease.

Taxes and Assessments

For purposes of the Ground Lease, the Ground Lessee and the Ground Lessor agree that the parties to the Ground 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 Property and the Facilities thereon during the Term as described in the following sentence. Any such Taxes and Assessments (i) will be included as part of Project Costs 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 paid by the County under and 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. The parties to the Ground Lease agree to cooperate and assist each other in obtaining any applicable mitigations or exemptions regarding Taxes and Assessments.

Possession and Use

Permitted Use. Subject to the provisions of the Ground Lease and Applicable Requirements, the Ground Lessee is entitled to possession and use of the Property for the exclusive purpose of (i) developing, planning, entitling, designing, building, financing, equipping, and leasing the Facilities thereon as described in the Facilities Lease, and (ii) all permitted uses contemplated by the Facilities Lease and for all uses contemplated by the Ground Lessor in its capacity as Tenant of the Leased Premises under and pursuant to the Facilities Lease (collectively, the “*Permitted Use*”). To the extent that BHCIP Funds or other grant programs are applied to the Project (or any portion thereof) and require use covenants and restrictions, a long-term covenant and restriction may be recorded against the Property (or applicable portion thereof) to ensure compliance with such requirements.

No Other Use. So long as the Facilities Lease has not been terminated due to an uncured monetary default by the Ground Lessor as Tenant under the Facilities Lease, or by reason of the filing of bankruptcy

by the Ground Lessor and rejection of the Facilities Lease, the Property 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 the Ground Lessor, which consent shall be at the sole and absolute discretion of the 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 the Ground Lessor as Tenant under the Facilities Lease, or by reason of the filing of bankruptcy by the Ground Lessor and rejection of the Facilities Lease, the Ground Lessor shall not unreasonably withhold, condition, or delay its approval to a change in use desired by the Ground Lessee.

Quiet Enjoyment. The Ground Lessee shall have, hold, and quietly enjoy the use of the Property and related easements upon the Effective Date of the Ground Lease so long as there is no default by the Ground Lessee under the terms and conditions of the Ground Lease that continues beyond any applicable notice and cure period described herein.

Expiration. The Ground Lessee agrees, upon the expiration of the Ground Lease, to quit and surrender the Property.

Covenants Running with the Land. The Ground Lessee shall not cause the Property to be used for any purpose in violation of a covenant running with the land for the Property, if any, to the extent that such use would materially adversely affect the interests of the Owners of the Series 2024 Bonds.

Development of the Leased Premises

Consistent with the use granted to the Ground Lessee and purposes of the Ground Lease, the Ground Lessee, as landlord under the Facilities Lease, shall be obligated to design, plan, finance, construct, and equip the Facilities on the Property pursuant and subject to the terms and conditions of the Ground Lease and the Facilities Lease (including, without limitation, the Work Letter). The payment of the costs associated with the Project shall be included as Project Costs and subject to the availability of proceeds from the Series 2024 Bonds issued therefor and the BHCIP Funds. The Ground Lessee shall not cause any development or construction on the Property except as contemplated by the Ground Lease and the Facilities Lease or as otherwise specifically agreed to in writing by the Ground Lessor and the Ground Lessee.

Ground Lessor's Reserved Rights. Notwithstanding any easement and other rights granted to the Ground Lessee in the Ground Lease or in the Facilities Lease, the 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 Property outside the footprint of the actual buildings constructed on the Property, so long as the Ground Lessee's ability to satisfy its obligations under the Ground Lease or under the Facilities Lease or its utilities easement rights (if any) are not unreasonably interfered with. In all events, the Ground Lessor will cause the surface of the Property outside the footprint of the actual buildings constructed on the Property altered by the Ground Lessor's rights 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 the Ground Lessor or its agents or contractors. Any right of the Ground Lessor described herein shall not be exercised until completion of the Facilities, and then only unless the Ground Lessor shall provide at least thirty (30) days prior written notice to the Ground Lessee of the exercise of such right; provided, however, in the event such right must be exercised by reason of emergency, then the Ground Lessor shall give the Ground Lessee such notice in writing as is reasonable under the existing circumstances. The Ground Lessor and the 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 Property 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 the Ground Lessor, 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. The Ground Lessor agrees to use commercially reasonable, good faith and diligent efforts to minimize any interference to the Ground Lessee’s development of the Property caused by the Ground Lessor’s exercise of its rights under the Ground Lease.

Title to Facilities

Title to the Facilities acquired with proceeds of the Series 2024 Bonds shall be and remain vested with the Ground Lessee until the expiration or termination of the Ground Lease (or applicable portion thereof). Upon the expiration or termination of the Ground Lease (or applicable portion thereof), title to the Facilities (or applicable portion thereof) shall pass to and vest in the Ground Lessor without cost or charge to it, except as described below under “*Term—Option For Early Termination.*”

Ownership of Fee Title to Property

Title and ownership of the fee interest in the real property comprising the Property shall remain with the Ground Lessor. The Ground Lessor shall not be obligated to subordinate or permit the subordination of its fee ownership of the Property except in connection with the Series 2024 Bonds.

Maintenance

Maintenance of Property by the Ground Lessee. The Ground Lessee shall, during the Term prior to the date the Ground Lessor, as Tenant, takes occupancy of the Leased Premises under the Facilities Lease, but subject to the Design-Builder’s obligations under the Design-Build Agreement:

(a) Before commencement of construction of the Facilities, not commit or permit waste, or cause or permit nuisances to exist or be maintained, upon the Property. The costs of abating such nuisances shall be included in Project Costs as set forth in the Facilities Lease.

(b) After the Design-Builder takes possession and control of the Property under the Design-Build Agreement, cause the Developer to cause and require the Design-Builder to comply with its obligations under the Design-Build Agreement, the costs of which shall be included in Project Costs as set forth in the Facilities Lease.

(c) comply with and abide by all applicable federal, state, county, municipal and other governmental statutes, ordinances, laws, and regulations affecting the Property, all buildings and improvements now or hereafter located thereon, or any activity or condition on or in the Property. To the extent the costs of complying with applicable statutes, ordinances, laws or regulations are incurred prior to completion of the Project, such costs shall be included in Project Costs as set forth in the Facilities Lease.

No Obligation of Maintenance of Property by the Ground Lessor. Upon the Effective Date of the Ground Lease and prior to the Rent Commencement Date, the Ground Lessor, in its capacity as the Ground Lessor of the Property, shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Property or any buildings or improvements now or hereafter located thereon.

Maintenance of Leased Premises upon Rent Commencement Date. Upon the Rent Commencement Date, the Ground Lessor, as Tenant under the Facilities Lease, shall, subject to the terms and provisions of the Facilities Lease, be solely responsible for any and all maintenance, repairs, replacements or renewals of any kind, nature or description whatsoever with respect to the Leased Premises.

Ground Lessee's Default and Ground Lessor's Remedies

Ground Lessee Default. The Ground Lessee's failure to perform any of its obligations under the Ground Lease shall constitute a default by the Ground Lessee under the Ground Lease if the failure continues for thirty (30) days after written notice of the failure from the Ground Lessor to the Ground Lessee and the Trustee. If the required performance to cure such default by the Ground Lessee cannot be completed within thirty (30) days, the Ground Lessee's failure to perform shall constitute a default under the Ground Lease unless the Ground Lessee commences to cure the failure within thirty (30) days after written notice of the failure from the Ground Lessor to the Ground Lessee and the Trustee and diligently and continuously takes action to complete the cure as soon as reasonably possible and in no event later than one-hundred twenty (120) days after written notice of the failure from the Ground Lessor to the Ground Lessee and the Trustee. Except as otherwise provided in the Facilities Lease and in the Work Letter, the Ground Lessor may pursue any remedies at law or in equity to recover costs and damages resulting from the Ground Lessee's failure to perform; provided, however, the Ground Lessee shall in no event be liable to the Ground Lessor or any other parties for any consequential, special or punitive damages and the Ground Lessor waives any and all claims for any such damages.

Provided a Completion Delay has not occurred, in the event the Ground Lessee's breach under the Ground Lease is the failure to achieve Substantial Completion of the Facilities by the Outside Completion Date, the Ground Lessor's remedies for such failure shall be as Tenant under the Facilities Lease as described under the heading "WORK LETTER—Remedies" above.

Termination of Ground Lease for Completion Delay. The Ground Lessor shall have the right to terminate the Ground Lease or replace the Ground Lessee under the Ground Lease subject to the provisions below:

(a) Subject to the rights of the Trustee under the Lease Assignment Agreement, in the event of a Completion Delay, the Ground Lessor may terminate the Ground Lease or replace the Ground Lessee under the Ground Lease which shall be effective thirty (30) days after written notice of the Ground Lessor's election to terminate the Ground Lease or replace the Ground Lessee under the Ground Lease is delivered by the Ground Lessor to the Ground Lessee and the Trustee, with a copy to the Developer.

(b) Prior to invoking the right to terminate the Ground Lease or replace the Ground Lessee under the Ground Lease described in (a) above, the Ground Lessor shall first serve a final written notice on the Ground Lessee and the Trustee, with a copy to the Developer, specifying the outstanding default and any documentation the Ground Lessor may possess supporting such default. The Ground Lessee shall serve a written response to the Ground Lessor and the Trustee setting out its position and any support for its position within ten (10) days following receipt of the Ground Lessor's final written notice, time being of the essence, and the Ground Lessee shall waive any right to further delay the Ground Lessor's exercise of remedies if it fails to timely respond to the Ground Lessor's final written notice. Within ten (10) days following receipt of the Ground Lessee's response, the parties to the Ground Lease will meet to resolve the default. After such meeting, if no resolution has been agreed to, the Ground Lessor may pursue any such remedies as are available to the Ground Lessor.

(c) The Ground Lessee covenants and agrees to take all necessary action as directed by the Ground Lessor in connection with the Ground Lessor's exercise of its rights described under this subheading.

Eminent Domain

Condemnation. Should any part of the Property be taken by eminent domain and the remaining part of the Property remains usable by the Ground Lessor as Tenant under the Facilities Lease for the purposes set forth in the Facilities Lease, the Ground Lease shall terminate, solely as to the part of the Property 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 Property be taken by eminent domain, or should such part of the Property be taken so that the remaining part of the Property is rendered unusable by the Ground Lessor as Tenant under the Facilities Lease for the purposes set forth in the Facilities Lease as reasonably determined and elected by the Ground Lessor as Tenant under the Facilities Lease, the Ground Lease shall terminate in its entirety.

Compensation. If a part or all of the Property be so taken, the compensation awarded upon such taking shall be paid to the parties to the Ground Lease 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, the Ground Lessor shall not receive any eminent domain award unless and until the Ground Lessee shall be awarded not less than the amount necessary to pay in full any outstanding balance of the Series 2024 Bonds encumbering the Property.

Insurance

During the Term of the Ground Lease, the Ground Lessor and the Ground Lessee shall maintain (or cause others to maintain) all insurance required under the Facilities Lease.

Right to Encumber/Right to Cure

Ground Lessee's Right to Encumber. The Ground Lessor acknowledges and agrees that the Ground Lessee has granted or will grant certain liens and security interests in the Ground Lessee's leasehold estate and the Leased Premises to the Authority pursuant to the Indenture and the Deed of Trust, which the Authority will transfer to the Trustee, or other security-type instruments, and the provisions described herein shall be subject to the rights of the Trustee under such agreements.

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

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

(ii) **No Amendment or Modification.** The Ground Lease may be amended and the rights and obligations of the Ground Lessor and the Ground Lessee under the Ground Lease may be amended at any time by an amendment to the Ground Lease which shall become binding upon execution and delivery by the Ground Lessor and the Ground Lessee, but only in accordance with the provisions of the Indenture and with the prior written consent of the Trustee, not to be unreasonably withheld, delayed or conditioned.

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

(iv) *Trustee Right to Cure.* The 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 the Ground Lease, for the Ground Lessee to remedy same and the Ground Lessor shall accept such performance by or at the instance of the Trustee as if the same had been made by the Ground Lessee. If the default is reasonably susceptible of cure, but cannot reasonably be remedied within ninety (90) days, the Ground Lessor shall not terminate the Ground Lease, so long as (i) defaults in the payment of money under the Ground Lease are cured within ninety (90) days and all rent and all other items required to be paid by the Ground Lessee under the Ground Lease are paid as and when the same becomes due and payable, and (ii) the cure for any non-monetary default under the 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 Property by termination of the Ground Lease and/or the Facilities Lease or by other appropriate means by reasonable diligence, or until such earlier time as all defaults of the Ground Lessee are cured. The provisions described herein shall be construed to extend the Ground Lease beyond the Term, nor to require the Trustee to continue such termination proceedings after all defaults are cured. Once all defaults are cured, the Ground Lease shall continue in full force and effect as if the Ground Lessee had not defaulted.

(v) *New Lease.* If the Ground Lease is terminated prior to or after completion of the Facilities by the Ground Lessee and the Series 2024 Bonds have not been fully paid, then the Ground Lessor agrees that in the event of termination of the Ground Lease by reason of the bankruptcy of the Ground Lessee, any uncured default by the Ground Lessee or otherwise due to the default of the Ground Lessee, the Ground Lessor will, at the request of the Trustee, enter into a new lease ("*New Lease*") covering the Property with the Trustee or its nominee for the remainder of the Term of the Ground Lease. To the extent the termination of the Ground Lease was not caused by an uncured default under the Ground Lease or an uncured monetary default by the Ground Lessor under the Facilities Lease, or by reason of the filing of bankruptcy by the Ground Lessor and rejection of the Facilities Lease, then (i) the Ground Lessor shall provide a New Lease to the Trustee or its nominee and (ii) the 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 Ground Lessor ("*New Facilities Lease*"). The New Lease upon execution shall be deemed to be effective as of the date of the termination of the Ground Lease. The New Lease shall be on the same terms, provisions, covenants and agreements (including but not limited to the Rent) contained in the Ground Lease, provided, however, such New Lease shall not include provisions relating to development of the Leased Premises or any other provisions related to the completion of the Facilities or any warranties of any design-build or general contractor, except that, notwithstanding the foregoing, such New Lease shall provide that the Ground Lessor, as Tenant under the New Facilities Lease, shall have the right, but not the obligation, to assume control of the completion of the Facilities, either directly, or by replacement of the 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 Ground Lessor shall send written notice of such assumption to the Ground Lessee (as Landlord under the New Facilities Lease) and the Trustee and, upon receipt of such notice, the Ground Lessee shall forthwith assign to the Ground Lessor all the 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 the Trustee shall

recognize the Ground Lessor and disburse to the Ground Lessor all remaining proceeds of the Indenture, subject to and in accordance with, the terms of the Indenture, including, without limitation, satisfaction by the Ground Lessor of all conditions to disbursement set forth in the Indenture. If the Ground Lessor assumes control of completion of the Project as described above, the Ground Lessor 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 Ground Lessor under the New Facilities Lease). In order to obtain the New Lease, the Trustee or its nominee, must make written request upon the Ground Lessor for the New Lease within thirty (30) business days after the Trustee receives written notice from the Ground Lessor of the termination of the Ground Lease. The Ground Lessee under the New Lease shall have no greater right, title, or interest in and to the Property than the Ground Lessee had under the Ground Lease.

(vi) *Exercise of Remedies.* Notwithstanding anything to the contrary in the Ground Lease, any exercise of rights or remedies under the Indenture shall not be deemed to violate the Ground Lease or require the consent of the Ground Lessor. If the Trustee exercises remedies against the Ground Lessee under the Indenture, the Ground Lessor agrees to forebear from the exercise of any remedies available to the Ground Lessor under the Ground Lease for thirty (30) days after the expiration of the Ground Lessee's cure period under the Ground Lease. Notwithstanding the foregoing, the Trustee shall not be required to institute proceedings against the Ground Lessee under the Indenture if it is able to acquire and does acquire the Ground Lessee's leasehold interest by any other legal means, including, without limitation, voluntary assignment. The 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 the Trustee instituting proceedings against the Ground Lessee under the Indenture or otherwise exercising remedies to acquire the Ground Lessee's leasehold interest under the Ground Lease, the Trustee or its nominee shall not: (i) be subject to or responsible for provisions relating to development of the Leased Premises or any other provisions related to the completion of the Facilities or any warranties of any general contractor, except that, notwithstanding the foregoing, if the Ground Lessor, as Tenant under the Facilities Lease, assumes control of the completion of the Facilities, either directly, or by replacement of the Ground Lessee (as Landlord under the Facilities Lease) as construction manager for the Facilities, the Trustee shall recognize the Ground Lessor and disburse to the Ground Lessor all remaining proceeds of the Indenture, subject to and in accordance with, the terms of the Indenture, including, without limitation, satisfaction by the Ground Lessor of all conditions to disbursement set forth in the Indenture, (ii) have any liability under the Ground Lease prior to the date the Trustee or nominee shall succeed to the rights of the Ground Lessee under the Ground Lease, or (iii) be subject to, or have any liability for, claims, offsets, defenses which arose (or are based upon events) which the Ground Lessor might have had against the Ground Lessee or which occur prior to the Trustee or its nominee taking possession pursuant to foreclosure or other procedure.

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

(b) Except as described above, the Ground Lessee shall not permit any other liens or encumbrances on the Property or its interest therein.

Assignment; Binding on Successors

During the Term of the Ground Lease, the Facilities shall not be conveyed, transferred, or assigned except pursuant to the terms of the Facilities Lease, the Indenture, the Deed of Trust, and the Lease Assignment Agreement. At all times, the owner of the leasehold interests of the Ground Lessee under the Ground Lease shall also be the owner of the Facilities financed with proceeds of the Series 2024 Bonds. 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 the Ground Lessor is permitted to construct Alterations as provided in and subject to the Facilities Lease, the Ground Lessee shall allow no other party to construct any improvements on the Property without the Ground Lessor's prior written consent.

FACILITIES LEASE

Term

Commencement and Duration; Lease Year. The term of the Facilities Lease (the "*Term*") shall commence on the date the Series 2024 Bonds are issued (the "*Effective Date*") and, unless sooner terminated pursuant to the terms and conditions provided in the Facilities Lease, shall continue until _____, 2059 (the "*Lease Expiration Date*"). Notwithstanding the foregoing, the Term shall be automatically extended for a period of time equal in duration as the Leased Premises or any portion thereof are unavailable for the Tenant's use and occupancy as a result of an abatement with respect to the Leased Premises following the expiration of the rental interruption insurance coverage described in the Facilities Lease; provided, however, the Term shall in no event be extended more than ten years beyond the Lease Expiration Date. All of the other terms and provisions of the Facilities Lease shall be effective from and after the Effective Date (except as otherwise provided in the Facilities Lease, such as the 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.

Termination for Completion Delay. The Tenant shall have the right to terminate the Facilities Lease and the Ground Lease or replace the Landlord under the Facilities Lease and Ground Lease in the event of a Completion Delay, subject to the provisions below:

(a) Subject to the rights of the Trustee under the Lease Assignment Agreement and the Facilities Lease as described in paragraph (b) below, in the event of a Completion Delay, the Tenant may terminate the Facilities Lease and the Ground Lease or replace the Landlord under the Facilities Lease and the Ground Lease which shall be effective thirty (30) days after written notice of the Tenant's election to terminate the Facilities Lease and the Ground Lease or replace the Landlord under the Facilities Lease and Ground Lease is delivered by the Tenant to the Landlord and the Trustee, with a copy to the Developer.

(b) Prior to invoking the right to terminate the Facilities Lease and the Ground Lease or replace the Landlord under the Facilities Lease and Ground Lease described in paragraph (1) above, the Tenant shall first serve a final written notice on the Landlord and the Trustee, with a copy to the Developer, specifying the outstanding default and any documentation the Tenant may possess supporting such default. The Landlord shall serve a written response to the Tenant and the Trustee setting out its position and any support for its position within ten (10) days following receipt

of the Tenant's final written notice, time being of the essence, and the Landlord shall waive any right to further delay the Tenant's exercise of remedies if it fails to timely respond to the Tenant's final written notice. Within ten (10) days following receipt of the Landlord's response, the Parties will meet to resolve the default. After such meeting, if no resolution has been agreed to, the Tenant may pursue any such remedies as are available to the Tenant.

(c) The Landlord covenants and agrees to take all necessary action as directed by the Tenant in connection with the Tenant's exercise of its rights described under this subheading.

Assignment. Subject to the rights of the Trustee under the Lease Assignment Agreement, in the event of termination by the Tenant of the Facilities Lease and concurrent termination of the Ground Lease pursuant to any provisions of the Facilities Lease or the Ground Lease or replacement of the Landlord under the Facilities Lease and Ground Lease as described under the heading "*—Termination for Completion Delay,*" the Landlord shall promptly 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 the Tenant of certain agreements for such services as described below. The Landlord, the Developer and the Design Builder (without duplication) shall be entitled to payment and reimbursement for any costs and expenses incurred for Work performed by the Landlord, the Developer and the Design-Builder in accordance with the Construction Documents and the Facilities Lease through the date of termination.

Following and subject to the Tenant's satisfaction of all payment obligations set forth in the agreements referenced in this paragraph, the Landlord shall assign to the Tenant or the Tenant's designee, or cause the Developer to assign to the Tenant or the Tenant's designee, any agreements entered into by the Landlord or the Developer in connection with the Project prior to such termination or replacement to the extent the Tenant elects in writing in its sole discretion to assume such agreements and such agreements are assignable, together with any rights the Landlord or the Developer may have with respect to any work product or permits generated under the assigned agreements that the Tenant elects in its sole discretion to assume. Any agreements which the Tenant elects not to assume or which are not assignable shall be terminated by the Landlord or the Developer, as applicable. Any such assignment which includes a transfer of work product performed under the assigned agreement is conditioned upon the Tenant's payment to the Landlord, the Developer or Design-Builder of the amounts owed to the Landlord, the Developer or Design-Builder for such specific work product performed under the assigned agreement, as evidenced by supporting documentation such as invoices and receipts.

Base Rent; Abatement; Additional Rent

The Facilities Lease is a triple net lease and the Tenant agrees that, except as otherwise specifically provided in the Facilities Lease, the Rental Payments are an absolute net return to the Landlord, free and clear of any expenses, charges or set offs whatsoever.

Base Rent. Subject to provisions described under the heading "*—Abatement*" below, commencing upon the fifteenth (15th) day of April or October next succeeding the Substantial Completion of the Facilities by the Landlord ("*Rent Commencement Date*"), the Tenant shall pay, in arrears, to the Landlord, or at the Landlord's direction to the Trustee, rent for the Leased Premises in semi-annual installments ("*Base Rent*"), and continuing on the fifteenth day of each April and October after the Rent Commencement Date for the duration of the Term, unless terminated sooner pursuant to the terms of the Facilities Lease. Base Rent payments shall be as set forth in the base rent schedule attached to the Facilities Lease. Any amount held in the Revenue Fund, the Interest Fund or the Principal Fund (other than amounts resulting from the prepayment of the Base Rent payments in part but not in whole pursuant to the Facilities Lease) on any Base Rent Payment Date shall be credited towards the Base Rent payment then due and payable as

permitted under the Indenture. If the Tenant should fail to make any of the Base Rent payments required by the Facilities Lease, the payment in default shall continue as an obligation of the Tenant until the amount in default shall have been fully paid.

Abatement. During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by the Tenant of any portion of the Leased Premises, Rental Payments due under the Facilities Lease with respect to the Leased Premises shall be abated to the extent that the total fair rental value of the portion of the Leased Premises in respect of which there is no substantial interference is less than the remaining scheduled Rental Payments, in which case the Rental Payments shall be abated only by an amount equal to the difference. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and end with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of title defect or substantial completion of the work of repair or replacement of the portions of the Leased Premises so damaged, destroyed, defective or condemned.

Any abatement of Rental Payments under the Facilities Lease shall not be considered an Event of Default as defined in the Facilities Lease, but shall result in the extension of the Term by a period equal to the period of abatement for which Rental Payments have not been paid in full (but in no event later than 10 years after the Lease Expiration Date), and Rental Payments for such extension period shall be equal to the unpaid Rental Payments during the period of abatement but without interest thereon.

In the event that Rental Payments are abated, in whole or in part, pursuant to the Facilities Lease due to damage or destruction of the Leased Premises, or any portion thereof, a defect in title to the Leased Premises, or condemnation of any part of the Leased Premises, and the Tenant is unable to repair, replace or rebuild the Leased Premises from the proceeds of insurance or condemnation awards, if any, the Tenant agrees to apply for and to use its best efforts to obtain any appropriate State and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Premises.

Notwithstanding the foregoing, to the extent that net proceeds of rental interruption insurance are available for the payment of Rental Payments, Rental Payments shall not be abated as provided in the Facilities Lease but, rather, shall be payable by Tenant as a special obligation payable solely from such net proceeds.

Fair Rental Value. The Rental Payments for the Leased Premises for each Rental Period shall constitute the total rental for such Leased Premises for such Rental Period, and shall be paid by the Tenant in each Rental Period for and in consideration of the right of the use of, and the continued quiet use and enjoyment of, the Leased Premises during such Rental Period. The parties to the Facilities Lease have agreed and determined that the total of all Rental Payments for the Leased Premises is not greater than the total fair rental value of the Leased Premises. Further, the Rental Payments for the Leased Premises for each Rental Period do not exceed the fair rental value of the Leased Premises for such Rental Period. In making such determinations, consideration has been given to the costs of planning, entitling, developing, designing, financing, constructing and equipping of the Facilities upon the Property, the appraised or market value of the Leased Premises, the insured value of the Leased Premises, the current and future value of rent paid by tenants of the Leased Premises other than the Tenant, other obligations of the parties under the Facilities Lease, the uses and purposes which may be served by the Leased Premises and the benefits therefrom which will accrue to the Tenant and the general public.

Additional Rent. In addition to the Base Rent, commencing on the Rent Commencement Date and continuing thereafter throughout the Term, the Tenant agrees, subject to the provisions described under the heading “—*Abatement*” above, to pay as additional rent the following costs and expenses for the use and possession of the Leased Premises (“*Additional Rent*”): (1) Operating Costs; (2) Utility Costs; (3) Taxes;

(4) Insurance Premiums; (5) Indemnification Claims; (6) Bond Related Charges; (7) Landlord Fees and Costs; and (8) all other necessary costs and expenses required to operate and maintain the Leased Premises in accordance with the Facilities Lease.

Amounts constituting Additional Rent payable under the Facilities Lease shall be paid by the Tenant directly to the person or persons to whom such amounts shall be payable. The Tenant shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from the Landlord or the Trustee to the Tenant stating the amount of Additional Rent payments then due and payable and the purpose thereof. If the Tenant should fail to make any of the Additional Rent payments required under the Facilities Lease, the payment in default shall continue as an obligation of the Tenant until the amount in default shall have been fully paid.

No-Offset. Except as otherwise provided in the Facilities Lease, the Facilities Lease shall not terminate, nor shall the Tenant have any right to terminate the Facilities Lease or be entitled to any abatement of Base Rent or Additional Rent. It is the intention of the Tenant and the Landlord that the obligations of the Tenant under the Facilities Lease shall be separate and independent covenants and agreements, that (except as otherwise provided in the Facilities Lease), the Base Rent and Additional Rent shall continue to be payable in all events and that the obligations of the Tenant under the Facilities Lease shall continue unaffected in all events, unless the requirement to pay or perform the same shall have been abated or terminated pursuant to an express provision of the Facilities Lease. Notwithstanding anything to the contrary contained in the Facilities Lease, the Tenant retains a separate and independent right to sue the Landlord for damages or seek equitable remedies against the Landlord with respect to any claim the Tenant may have against the Landlord or in any way relating to the Facilities Lease or the Leased Premises as provided in the Facilities Lease and the Work Letter; provided, however, such damages shall not include any consequential, special or punitive damages and the Tenant waives any and all claims for any such damages.

Application of Capitalized Interest; Operating Contingency Fund. The Landlord and the Tenant acknowledge that the Bonds are interest-only for the first [thirty-six (36)] months (i.e., through _____, the “*Capitalized Interest Period*”), and that during the Capitalized Interest Period interest payments on the Bonds shall be made from the proceeds of the Bonds received by the Trustee upon issuance of the Bonds. To the extent the Landlord achieves Substantial Completion of the Facilities prior to the end of the Capitalized Interest Period and the Rent Commencement Date occurs prior to the end of the Capitalized Interest Period, proceeds of the Bonds in the Capitalized Interest Fund established pursuant to the Indenture shall be credited to the interest component of the Base Rent payment due from the Tenant. Following Final Acceptance and payment of all Project Costs required to be paid all remaining proceeds of the Bonds that are on deposit in the Project Fund (including the various accounts therein) shall be transferred to and deposited into the Operating Contingency Fund and/or the Optional Redemption Account as directed by the Tenant and applied in accordance with the provisions of the Indenture applicable to such fund or account.

Defeasance. In the event that the 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 the Indenture, then upon such deposit and compliance with the terms of the Indenture, and provided that the Tenant has fulfilled all other obligations under the Facilities Lease, including payment of any Additional Rent then due, the Landlord shall (subject to the provisions described under the heading “Options to Purchase the Facilities; Conveyance of Title—*Conveyance of Leased Premises*” below) convey its interests in the Leased Premises to the Tenant, the Facilities Lease shall automatically terminate, no further payments need be made of any Base Rent or Additional Rent under the Facilities Lease and the Landlord shall not be

entitled to any lien, benefit or security in the Leased Premises, except the right to receive the funds so set aside for payments to the Landlord, and neither the Landlord nor the Tenant shall have any further obligation to the other under the Facilities Lease. Pursuant to the Indenture, the 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 Authority or the Trustee and subject to the provisions of the Indenture, all remaining amounts under the Indenture shall be delivered to the Tenant. In the event the Leased Premises are conveyed to the Tenant as described in this paragraph, the Ground Lease shall also automatically terminate.

Application of Unused Project Contingency, Unused Base Rent, etc. If upon Substantial Completion of the Facilities and payment of all costs of the Project (including the payment of a portion of the Project Costs Savings (as defined in the Work Letter)) to the Developer, there are funds remaining in the Project Fund and the accounts thereunder, such amounts shall be applied as provided in the Indenture.

Budget for Base Rent and Additional Rent. The Tenant agrees to take such action as may be necessary to include all Base Rent and Additional Rent due under the Facilities Lease in its annual budget and to make the necessary annual appropriations for all such Base Rent and Additional Rent, subject to the provisions described under the heading “Base Rent; Abatement; Additional Rent—*Abatement*” above. The covenants on the part of the Tenant herein described 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 the 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 the Tenant to carry out and perform the covenants and agreements on the part of the Tenant described herein. The obligation of the Tenant to pay Base Rent and Additional Rent does not constitute an obligation of the Tenant for which the Tenant is obligated to levy or pledge any form of taxation or for which the Tenant has levied or pledged any form of taxation. The obligation of the Tenant to pay Base Rent and Additional Rent does not constitute indebtedness of the Tenant, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Advances. If the Tenant shall fail to perform any of its obligations under the Facilities Lease, the Landlord may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Tenant shall be obligated to repay all such advances as Additional Rent as soon as possible and shall pay interest on such advances from the date of any such advance to the date of repayment at a rate equal to []%.

Options to Purchase the Facilities; Conveyance of Title

Option to Purchase the Facilities. Subject to the terms of the Indenture relating to the redemption of the Bonds, commencing on the Rent Commencement Date (the “*Optional Prepayment Date*”) and at any time thereafter until the expiration of the Term, the Tenant shall have the option (the “*Purchase Option*”) to purchase, subject to the provisions of the Indenture, the Facilities and thereby terminate the Facilities Lease and the Ground Lease. The purchase price of the Facilities shall be the amount required to fully redeem all outstanding Bonds to the extent the Bonds are subject to optional redemption pursuant to the Indenture on the purchase date or to defease all outstanding Bonds in accordance with the Facilities Lease and the Indenture, together with any 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 (the “*Purchase Price*”). The Tenant shall be responsible for paying all costs associated with the exercise of the Purchase Option.

Exercise of Purchase Options. The Tenant shall give the Landlord and the Trustee not less than sixty (60) days’ (or such shorter period as may be agreed to by the Landlord and the Trustee) prior written notice of its irrevocable election to exercise the Purchase Option. 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.

Option to Partially Prepay Base Rent. 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, the Tenant shall have the option (the “*Partial Prepayment Option*”) to partially prepay the principal component of Base Rent, in \$5,000.00 increments. The Tenant shall give the Landlord and the Trustee not less than sixty (60) days’ (or such shorter period as may be agreed to by the Landlord and the Trustee) prior written notice of its irrevocable election to exercise its Partial Prepayment Option. On the date for the redemption of the Bonds, the Tenant shall pay to the 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 and prepayment premium, if any, with instructions that such funds shall be used to optionally redeem Bonds. The Tenant shall be responsible for paying all costs associated with the exercise of the Partial Prepayment Option.

Accounting; Disputed Amounts. Within twenty (20) days of its receipt of a notice of a Purchase Option or Partial Purchase Option, the Landlord shall provide, or cause to be provided to, the Tenant 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 relates to a Partial Purchase Option, the accounting shall relate only to Additional Rent for the Facilities being purchased. If the Tenant does not dispute such accounting, the Tenant shall pay all such Additional Rent and other amounts due and owing on the purchase date. If the Tenant disputes the amounts set forth in the accounting provided by the Landlord and an agreement cannot be reached within twenty (20) days of receipt of the accounting, then the Tenant shall pay all undisputed amounts on the purchase date, and any amounts remaining in dispute are not waived by the Landlord, and, notwithstanding the conveyance of the Leased Premises, the Landlord may seek those amounts through any lawful dispute resolution process. Amounts paid by the Tenant to prepay Base Rent and redeem or defease the Bonds and cause conveyance of some or all of the Facilities shall be used only for that purpose and shall not be applied to Additional Rent.

Conveyance of Leased Premises. In the event of an exercise of the Purchase Option or Partial Prepayment Option, the Landlord shall convey to the Tenant its interests in and to the Facilities 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 the Facilities Lease, as a result of the full payment and retirement or defeasance of all outstanding Bonds (or portion applicable to one or more of the Buildings, 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 grant deed or other instrument reasonably acceptable to the Tenant by which the Landlord conveys the Facilities or portion thereof to the Tenant may not list any exceptions other than covenants, conditions and restrictions then recorded against the Leased Premises or portion thereof, if any, which: (i) were in effect on the Effective Date, (ii) were approved by the Tenant prior to the recording thereof; (iii) consist of non-delinquent real estate taxes and assessments or (iv) arise by reason of the Tenant’s activities. The Tenant shall pay the cost for any owner’s policy of title insurance it elects to obtain in connection with such conveyance. The Landlord shall not be required to make any representations regarding the conditions of the Facilities or portion thereof being transferred, and the Tenant agrees to accept the Facilities or portion thereof in an “as is” condition. Upon conveyance, the Ground Lease or applicable portion thereof shall automatically terminate, and, upon request by either Party, the Parties shall execute and record a termination of Ground Lease and the Facilities Lease or portion thereof in the real property records of the Tenant. In addition, prior to the conveyance, maintenance records, management records and records of contracts and payments with vendors for the entire Term of the Facilities Lease commencing with the Rent Commencement Date shall be made available to the Tenant, or transferred into the Tenant’s possession. Complete transfer of records is not required until disputes, if any, are resolved.

Security

Except to the extent included in Project elements to be designed and constructed pursuant to the Work Letter, the Tenant shall, on and after the Rent Commencement Date, be solely responsible for providing any required security guard, security patrol, or other security services for the Leased Premises at its sole cost and expense.

Alterations and Additions

Alterations by the Landlord. From and after the Rent Commencement Date, the Tenant may require or request the Landlord to manage the completion of alterations, additions, improvements or modifications to the Leased Premises (“*Alterations*”) which shall be subject to the prior written approval of the 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 the Indenture. The Landlord shall provide, or cause to be provided, 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 the Landlord mutually acceptable to the Tenant and the Landlord) for the Tenant’s review and approval. If the Tenant approves a written cost estimate for an Alteration, the Tenant shall pay the Landlord for the costs of such Alteration prior to the commencement of performance of the Alteration by the Landlord’s contractor or property manager, and the 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 (collectively, “*Applicable Requirements*” and the requirements of all insurance policies required under the Facilities Lease. Any Alterations completed by the Landlord pursuant to the Facilities Lease shall become part of the Leased Premises for purposes of the Facilities Lease.

Lien Free. The Landlord shall pay or cause to be paid, 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 Leased Premises or the 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 the Tenant making all required payments in a timely manner, the Landlord shall cause all Alterations to be lien free, completed in a workmanlike manner and in compliance with all Applicable Laws.

Prevailing Wage. The Landlord shall require that all contractors and subcontractors performing Alterations to the Leased Premises comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code, and as described in the Work Letter, 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 Facilities Lease.

Alterations by the Tenant. Any Alterations to be undertaken by the Tenant shall not diminish the fair market value of the Leased Premises. Any Alterations made by the Tenant shall remain the Tenant’s property and may be removed by the Tenant at or prior to the expiration of the Facilities Lease; provided, however, that such removal does not cause injury or damage to the Leased Premises or result in the diminution of the value of the Leased Premises. The Landlord shall, upon reasonable notice and request, have access to all plans and specifications relating to Alterations made by the Tenant to Leased Premises. The Tenant 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 undertaken by the Tenant, and which may be secured by a mechanics’, materialman’s or other lien against the Leased Premises or the

Landlord'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. The Tenant shall cause all Alterations undertaken by the Tenant to be lien free, completed in a workmanlike manner and in compliance with all Applicable Laws.

Communications Equipment. The 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 Leased Premises as the Tenant deems reasonably necessary or desirable, provided the Tenant shall first obtain the Landlord's approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Upon the removal by the Tenant of any such satellite dishes, links, or antennas, the Tenant shall repair any damage incurred in connection with such removal. Any work by the Tenant shall be subject to compliance with the Landlord's reasonable requirements, including, without limitation, the requirement that any work affecting any roof of the Facilities be undertaken in a manner so as not to affect any roof warranty then in effect.

General Insurance Provisions—All Lines

(a) **Insurance Company Rating.** Any insurance carrier providing insurance coverage under the Facilities Lease shall be admitted to the State 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 to the Facilities Lease, and except that the County may obtain any or all of its required insurance from Prism or a 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) **Deductibles.** The Landlord or the Landlord's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed [\$__00,000.00] 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 the County, at the election of the County's Risk Manager, the Landlord's carriers shall either: 1) reduce or eliminate such deductibles or self-insured retentions as respects the Facilities Lease with the County, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

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

(d) **Primary Insurance.** It is understood and agreed by the parties to the Facilities Lease and the Landlord's insurance company(s) that the endorsements and policies shall so covenant and shall be construed as primary insurance, and the Tenant's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory for the Landlord's indemnity obligations in the Facilities Lease.

Warranty

Warranty Period. The Landlord shall cause all Contractors and subcontractors to guaranty or warrant that (a) the Work and all materials and equipment furnished by all Contractors and subcontractors for the Work shall be of good quality and new, (b) the Work shall be free of defects and (c) all Base Building Systems shall be fully operational in accordance with manufacturers' specifications for the period specified for each applicable component of the Work (including all Base Building Systems) (collectively, the "Warranties"), but in no event less than a period of one year from the date of Substantial Completion of the Facilities (the "Warranty Period"). If the Work or any defective material or equipment requires repair or replacement within the Warranty Period, the Landlord shall cause all Contractors and subcontractors, to repair or replace the Work or such defective material or equipment. The Landlord agrees to obligate, or cause to be obligated, all Contractors and subcontractors hired by or on behalf of the Landlord to warranties and guarantees of workmanship imposed by state law or state agency at the time of contracting, including, without limitation, written manufacturer's warranty for the heating, ventilation and air conditioning systems. All Warranties shall be in the name of the Tenant. The Tenant shall be entitled to directly make claims on, collect and/or enforce all Warranties, provided the Landlord shall assist the Tenant in prosecuting enforcement of all such Warranties. At the request of the Tenant, the Landlord agrees to enforce all Warranties for the Tenant's benefit. The parties to the Facilities Lease acknowledge and agree that any Warranty provided for the Work and any material or equipment comprising part of the Work shall specifically exclude any remedy for damage or defect caused by abuse, alternations to the Work not performed by the responsible Contractor or subcontractor, improper or insufficient maintenance, improper operation, or normal wear and tear. Notwithstanding anything herein to the contrary, in the event the Landlord fails to perform its obligations as described under this subheading, the Tenant may, following prior written notice to the Landlord specifying the nature of such failure, withhold amounts due the Landlord as a component of Additional Rent, and apply such withheld amounts as an offset to any costs incurred by the Tenant or its representatives in undertaking the obligations imposed on the Landlord pursuant to the Facilities Lease as described under this subheading. All amounts received by the Landlord or the Tenant from the enforcement of any warranty or guaranty shall be applied to the repair or replacement of the defective item or component.

Repair and Replacement. In the event that any portion of the Work shall require repair or replacement during the Warranty Period, the Tenant shall deliver written notice to the Landlord specifying in detail the required repair or replacement. In the event the Landlord should fail, neglect or refuse to seek and diligently pursue any permits required or otherwise to commence the repair or replacement of any damaged or defective portion of the Work within thirty (30) days after written notice has been delivered to the Landlord by the Tenant, the Tenant shall provide written notice to the Trustee of the Landlord's failure to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. Within ten (10) Business Days of the receipt of such written notice, the Trustee shall notify the Tenant of the actions to be taken by or at the direction of the Trustee to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. In the event the Trustee is unable to seek and diligently pursue any permits required or otherwise to commence such repair and replacement, the Tenant shall have the right to undertake the repair and replacement of the defective item or component of the Work and to deduct the cost of such repair or replacement from the amounts due the Landlord as a component of Additional Rent.

Emergency. In the event that during the Warranty Period any damaged or defective component of the Work results in an emergency, upon the Landlord's failure, neglect or refusal to seek and diligently pursue any permits required to commence the repair or replacement of any such damaged or defective portion of the Work, or fail, neglect or refuse to pursue said repair or replacement work with reasonable diligence to completion, within 24 hours or such longer period of time as may be reasonable under the circumstances, after notice has been delivered by the Tenant, the Tenant, at its sole election, may repair or replace such damaged or defective component of the Work and deduct the cost of such repair or replacement from the amount of Additional Rent payments due to the Landlord.

Commencement of Work. The term "*commence*" means that the Landlord shall show reasonably satisfactory progress in performing the work or, if required, in procuring any required permits and entering into contracts in pursuance of doing the work. An "*emergency*" means (a) a situation creating an immediate risk to life, health or safety or (b) the Work or a portion thereof being rendered unusable because of a utility disruption, including, without limitation, the HVAC systems, water, electricity or sewer lines or more than one elevator in a Building being inoperable.

Eminent Domain

Total Condemnation of all or Portion of Leased Premises. If all of the Leased Premises are condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose, the 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 pursuant to the provisions described under the heading "Base Rent; Abatement; Additional Rent—*Abatement*" above. If a portion of the Leased Premises is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose, but the remaining portion of the Leased Premises is useable by the Tenant for the purposes of the Tenant permitted by the Facilities Lease as reasonably determined by the Tenant, the Facilities Lease attributable to the portion of the Leased Premises that is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose thereto will terminate as of the date of title vesting in that proceeding, and the Base Rent will be abated pursuant to the Facilities Lease.

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

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

Deposit of Condemnation Award. The net proceeds of a condemnation award resulting from any condemnation by eminent domain, inverse condemnation, or sale in lieu of condemnation for any public or quasi-public use or purpose of the Property shall be deposited in the Insurance and Condemnation Proceeds Fund held by the Trustee promptly upon receipt thereof and applied as set forth in the Indenture. In accordance with the Indenture, the Tenant shall notify the Landlord and the Trustee of its election with respect to the application of any net proceeds of a condemnation award.

Tenant Covenants. Notwithstanding anything to the contrary set forth in the Facilities Lease, if and to the extent permitted by applicable Laws, the Tenant 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 under the Facilities Lease, or (ii) take any action to rezone the Property for any use not consistent with the intended uses set forth in the Facilities Lease.

Assignment and Subletting

Assignment. During the term of the Facilities Lease, the Ground Lease and the Leased Premises 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.

Subleases, Licenses and Operating Agreements. Notwithstanding the foregoing, the Tenant may enter into subleases or licenses of, and operating agreements with respect to, the Leased Premises or any portion thereof, without the prior consent of the Landlord, provided that any and all such subleases, licenses and operating agreements are in compliance with the Tax Regulatory Agreement and are subject and subordinate to the terms of the Facilities Lease. The Tenant shall not be released of any liability under the Facilities Lease by reason of any sublease, license or operating agreement entered into by the Tenant with respect to the Leased Premises or any portion thereof.

Default

Landlord's Default.

(a) ***Failure to Perform.*** The Landlord's failure to perform any of its obligations under the Facilities Lease shall constitute a default by the Landlord under the Facilities Lease if the failure continues for thirty (30) days after written notice of the failure from the Tenant to the Landlord and the Trustee. If the required performance to cure such default by the Landlord cannot be completed within thirty (30) days, the Landlord's failure to perform shall constitute a default under the Facilities Lease unless the Landlord commences to cure the failure within thirty (30) days after written notice of the failure from the Tenant to the Landlord and the Trustee and diligently and continuously takes action to complete the cure as soon as reasonably possible and in no event later than one-hundred twenty (120) days after written notice of the failure from the Tenant to the Landlord and the Trustee. Except as otherwise provided in the Facilities Lease and in the Work Letter, the Tenant may pursue any remedies at law or in equity to recover costs and damages resulting from the Landlord's failure to perform; provided, however, the Landlord shall in no event be liable to the Tenant or any other parties for any consequential, special or punitive damages and the Tenant waives any and all claims for any such damages.

In the event the Landlord's breach under the Facilities Lease is the failure to achieve Substantial Completion of the Facilities by the Outside Completion Date, the Tenant's sole remedy

for such failure shall be as provided in the Work Letter, as described under the heading “WORK LETTER—Remedies—*Liquidated Damages*.”

(b) *Tenant’s Right to Cure the Landlord’s Default.* If the Tenant provides notice to the Landlord of the Landlord’s failure to perform any of its obligations under the Facilities Lease and the Landlord fails to perform such obligations as required by the terms of the Facilities Lease within the period specified, the Tenant may take the required actions if: (i) the Tenant delivers to the Landlord an additional written notice advising the Landlord that the Tenant intends to take the required actions if the Landlord does not begin the required actions within ten (10) days after the written notice; and (ii) the Landlord fails to begin the required actions within this ten (10) day period. Any election by the Tenant to cure a Landlord default shall not impact the Landlord’s cure period described above with respect to such default.

Tenant’s Default.

(a) *Non-Monetary Default.* Except as provided to the contrary in the Facilities Lease, the Tenant’s failure to perform any non-monetary obligations under the Facilities Lease, or (i) the making by the Tenant of any general assignment for the benefit of creditors, (ii) the filing by or against the Tenant of a petition to have the 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 the Tenant, the same is dismissed within sixty (60) days), (iii) the appointment of a trustee or receiver to take possession of substantially all of the Tenant’s assets located at the Leased Premises or of the Tenant’s interest in the Facilities Lease, where possession is not restored to the Tenant within sixty (60) days, or (iv) the attachment, execution or other judicial seizure of substantially all of the Tenant’s assets located at the Leased Premises or of the Tenant’s interest in the Facilities Lease where such seizure is not discharged within sixty (60) days, shall constitute a default by the Tenant under the Facilities Lease if the failure or condition continues for thirty (30) days after written notice of the failure or condition from the Landlord to the Tenant. If the required performance to cure cannot be completed within thirty (30) days, the Tenant’s failure to perform or continuation of such default condition shall constitute a default under the Facilities Lease unless the Tenant undertakes to cure the failure within thirty (30) days (or such longer period as is reasonably necessary to commence such cure) 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 the Landlord provides notice to the Tenant of the Tenant’s failure to perform any of its non-monetary obligations under the Facilities Lease and the Tenant fails to provide such action as required by the terms of the Facilities Lease within the periods specified above, the Landlord may take the required action if: (i) the Landlord delivers to the Tenant an additional written notice advising the Tenant that the Landlord intends to take the required action if the Tenant does not begin the required action within ten (10) days after the written notice; and (ii) the Tenant fails to begin the required action within this ten (10) day period. The Landlord may pursue any remedies at law or in equity to recover costs and damages resulting from the Tenant’s failure to perform.

(b) *Monetary Default.* In the event of default by the Tenant in the payment of Base Rent, Additional Rent or any other monetary obligations of the Tenant, the Landlord (or the Trustee, as assignee of the rights of the Landlord pursuant to the Indenture and the Lease Assignment Agreement) shall have the remedies described in paragraph (d) below; provided the Landlord or the Trustee delivers written notice to the Tenant of the Tenant’s failure to pay any Base Rent, Additional Rent or other monetary obligation of the Tenant and the Tenant fails to cure such failure as required by the terms of the Facilities Lease within thirty (30) days of receipt of said notice.

(c) *Consequences of Abatement.* Neither the Landlord nor the Trustee may terminate the Facilities Lease or exercise any default remedy as a consequence of any rental abatement under the Facilities Lease. Abatement of rental payments will neither be an event of default under the Facilities Lease nor permit the Landlord to take any action (except as provided in the applicable abatement provisions in the Facilities Lease and (if any) in the Ground Lease) or avail themselves of any remedy against the Tenant.

(d) *Remedies on Default.*

(1) Upon the occurrence of any monetary default (and subject to the provisions described in paragraph (b) above), the Landlord (or the Trustee as assignee of the rights of the Landlord pursuant to the Indenture and the Lease Assignment Agreement) may exercise those remedies granted to it pursuant to law or under the Facilities Lease, subject to the terms of the Facilities Lease. The Landlord, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(A) to terminate the Facilities Lease in the manner hereinafter described on account of default by the Tenant, notwithstanding any retaking of possession or re-letting of the Leased Premises as hereinafter described in subparagraph (1)(B) below, and to retake possession of the Leased Premises. In the event of such termination, the Tenant agrees to surrender immediately possession of the Leased Premises, without let or hindrance, and to pay the Landlord all damages recoverable at law that the Landlord may incur by reason of default by the 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 Leased Premises. Neither notice to pay Base Rent or Additional Rent nor to deliver possession of the Leased Premises given pursuant to law, nor any proceeding in unlawful detainer or otherwise, brought by the Landlord for the purpose of obtaining possession of the Leased Premises, nor the appointment of a receiver upon initiative of the Landlord to protect its interest under the Facilities Lease shall of itself operate to terminate the Facilities Lease, and no termination of the Facilities Lease on account of monetary default by the Tenant shall be or become effective by operation of law or acts of the Parties to the Facilities Lease, unless and until the Landlord shall have given written notice to the Tenant of the election on its part to terminate the Facilities Lease; or

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

(2) In the event the Landlord does not elect to terminate the Facilities Lease in the manner described in paragraph (1)(B) above, the Tenant shall remain liable and agrees to keep or perform all covenants and conditions contained in the Facilities Lease to be kept or performed by the Tenant to the end of the Term of the Facilities Lease, notwithstanding any retaking of possession of the Leased Premises by the Landlord or suit in unlawful detainer, or otherwise, brought by the Landlord for the purpose of obtaining possession of the Leased Premises. Should the Landlord elect to retake possession of the Leased Premises as provided in the Facilities Lease, the Tenant irrevocably appoints the Landlord as the agent and attorney-in-fact of the Tenant to re-let the Leased Premises, or any portion thereof, from time to time, in the Landlord's name or otherwise, upon such terms and conditions and for such use and period as the Landlord may deem advisable and

the Tenant indemnifies and agrees to hold harmless the Landlord 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 Leased Premises by the Landlord or its duly authorized agents in accordance with the provisions herein described, except for any such costs, loss or damage resulting from the intentional or grossly negligent actions of the Landlord or its agents. The Tenant agrees that the terms of the Facilities Lease constitute full and sufficient notice of the right of the Landlord to re-let the Leased Premises in the event of such reentry without effecting a surrender of the Facilities Lease, and further agrees that no acts of the Landlord in effecting such re-letting shall constitute a surrender or termination of the 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 the Tenant, the right to terminate the Facilities Lease shall vest in the Landlord to be effected in the sole and exclusive manner described in paragraph (1)(A) above. The Tenant further waives the right to rental payments obtained by the Landlord in excess of the Base Rent and conveys and releases such excess to the Landlord as compensation to the Landlord for its services in re-letting the Leased Premises or any items thereof.

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

(e) *Further Limitations on Remedies Following the Tenant's Default.* In no event shall the Landlord have the right to accelerate any payments owing by the Tenant under the Facilities Lease.

(f) *Section 1951.4 Remedy.* In the event of any default by the Tenant, beyond the expiration of the applicable notice and cure period, the Landlord has the remedy described in California Civil Code Section 1951.4 (the Landlord may continue the Facilities Lease in full force and effect after the Tenant's breach and abandonment and recover Base Rent and Additional Rent as it becomes due, if the Tenant has the right to sublet or assign the Facilities Lease subject only to reasonable limitations).

Covenant Concerning Hazardous Waste

The Tenant shall not cause or permit the Leased Premises or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, State and local laws or regulations, nor shall the Tenant cause or permit, as a result of any intentional or unintentional act or omission on the part of the Tenant or any tenant or subtenant, a release of Hazardous Substances onto the Leased Premises. The Tenant shall comply with and ensure compliance by all tenants and subtenants with all applicable federal, State and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals,

registrations or permits required thereunder. The Tenant shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Leased Premises (A) in accordance with all applicable federal, State and local laws, ordinances, rules, regulations, and policies, (B) to the satisfaction of the Trustee, and (C) in accordance with the orders and directives of all federal, State and local governmental authorities, and (ii) to the extent permitted by law, defend, indemnify, and hold harmless the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (A) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, and/or (C) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the mortgage trustee, which are based upon or in any way related to such Hazardous Substances including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. In the event that the Trustee elects to control, operate or otherwise claim property rights in the Leased Premises following an event of default by the Tenant under the Facilities Lease, the Tenant shall deliver the Leased Premises free of any and all Hazardous Substances so that the conditions of the Leased Premises shall conform with all applicable federal, State and local laws, ordinances, rules or regulations affecting the Leased Premises.

WORK LETTER

Duty to Construct

Beginning with Commencement of Construction, the Landlord, at its sole expense, shall, solely from and limited to the proceeds of the Bonds and, to the extent available, the BHCIP Funds, construct, or cause to be constructed, upon the Property, the Facilities, including all buildings, parking facilities, roadways, landscaping, walkways, and utility improvements in accordance with all the terms and conditions of the Facilities Lease, Applicable Laws and the parties' agreed upon design, plans and specifications of the Facilities. Construction of the Facilities shall commence at such time as (i) the Design-Build Agreement, the Development Agreement, the Landlord financing for the Facilities, the Final Project Schedule, Base Rent Schedule and the Final Project Budget are finalized and complete, (ii) the Tenant approves the Final Project Budget and authorizes the Landlord to commence with construction (thereby waiving the Tenant's right to terminate the Facilities Lease prior to the Commencement of Construction), (iii) the Tenant approves the Final Project Schedule and the Base Rent Schedule, and (iii) except for approvals or Permits related to Off-Site Improvements, which the Landlord will secure prior to commencement of construction of Off-Site Improvements, the Landlord has obtained or caused to be obtained the required approvals from all governmental and regulatory agencies with jurisdiction over the Facilities, including the required Permits to commence construction. The Landlord shall use commercially diligent efforts to achieve, or cause the achievement of, Substantial Completion of the Facilities by the date set forth in the Final Project Schedule, subject to Force Majeure Delays and the Tenant-Caused Delays.

The parties to the Work Letter covenant and agree that (a) the Landlord shall only be responsible for compliance with Applicable Laws in effect as of the date of the issuance of the Permits, (b) subject to provisions of the Work Letter described under the heading "*—Changes to Work—Change in the Work Initiated by Landlord*" below, the Tenant shall be solely responsible for compliance with Applicable Laws following the issuance of Permits, (c) the Tenant shall be solely responsible for compliance with Applicable Laws following the Substantial Completion of the Facilities, and (d) the Tenant shall be solely responsible for Licensing and Accreditation Requirements.

Diligent Efforts; Relationship of the Parties

The Landlord accepts the relationship of trust and confidence established with the Tenant by the Facilities Lease and the Work Letter and agrees that in providing the services set forth in the Work Letter, the Landlord shall use its diligent efforts and shall furnish its best skill and judgment and shall cooperate with, coordinate, manage, direct and oversee, the Developer, the Design-Builder, all other Contractors, all other engineers, design consultants, managers and other persons retained in connection with the design, development, permitting, construction and equipping of the Facilities (or cause such parties to be managed and overseen by the Developer) so as to cause Substantial Completion of the Facilities in accordance with the Facilities Lease, the Work Letter, and the Contract Documents, on or before the Outside Completion Date, free and clear of all liens, but excluding those liens resulting from or arising out of the Tenant's failure to perform under the Work Letter.

BHCIP Disbursements

In connection with any Applications for Payment to be paid or reimbursed from BHCIP Funds, the Landlord shall cause the Developer to prepare the application for disbursement in accordance with the requirements set forth in the Program Funding Agreement, and the Tenant shall cooperate with the Developer or its designee as needed to satisfy all conditions of disbursement within the Tenant's control. The Tenant shall promptly submit and diligently process each completed BHCIP application for disbursement in accordance with the Program Funding Agreement. The Landlord and the Tenant shall notify the Developer and the Trustee to the extent the payment of BHCIP Funds is delayed beyond the time frame in the Program Funding Agreement.

Final Project Budget

Except for Tenant-Caused Delays or as otherwise approved in writing by Tenant, the total Project Costs set forth in the Final Project Budget established by Landlord and Tenant shall not increase. The Final Project Budget sets forth a detailed itemization and category of all estimated Project Costs. The Final Project Budget shall include the Project Contingency and the Tenant Contingency.

Project Contingency. The Landlord shall cause to be established under the Indenture a Project Contingency Account within the Project Fund into which shall be deposited an amount equal to the Project Contingency as set forth in the Final Project Budget.

Use of Project Contingency. The amounts set forth in the various line items of the Final Project Budget are estimates only of Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Final Project Budget exceed the amount shown for such line item and such increase is not attributable to a Tenant-Caused Delay, the Landlord shall first allocate cost saving amounts in other line items, in which the known actual Project Costs shall have been less than the amount in the Final Project Budget, to the line item in which the excess actual Project Cost(s) has occurred. If, following the allocation by the Landlord as set forth in the preceding sentence with respect to all line items, the actual Project Costs in any line item of the Final Project Budget exceed the amount shown for such line item, the amount of such increase in costs shall be paid (a) from amounts on deposit in the Project Contingency Account; provided, however, in the event the amount to be applied from the Project Contingency Account for any Project Costs is in excess of \$1,000,000, the Tenant's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed) shall be required to use amounts in the Project Contingency Account, (b) to the extent the Project Contingency Account has been fully depleted, from amounts then on deposit in the Developer Fee Reserve Account, and (c) to the extent the Project Contingency Fund and the Developer Fee Reserve Account have been fully depleted, with the written consent of the Tenant, from amounts on deposit in the Tenant Contingency Account or from proceeds of Additional Bonds issued

pursuant to the Indenture, as determined by the Tenant in its sole discretion. For the avoidance of doubt, with respect to a Material Site Defect, the Tenant acknowledges and agrees that the Landlord will request a Change Order and the Tenant shall reasonably approve the same, upon which such Change Order will be considered a Change Order initiated by the Tenant and treated as described under the heading “—Changes to Work” below.

Tenant Contingency. The Landlord shall cause to be established under the Indenture a Tenant Contingency Account within the Project Fund into which shall be deposited an amount equal to the Tenant Contingency line item as set forth in the Final Project Budget.

Use of Tenant Contingency. The amounts in the Tenant Contingency Account may only be applied to the payment of Project Costs with the written approval of the Tenant. Amounts remaining in the Tenant Contingency Account following Final Acceptance shall be applied in accordance with the provisions of the Indenture.

Increase in Project Costs Due to Force Majeure Delay. The Landlord shall notify the Tenant or shall cause the Developer or the Design-Builder to notify the Tenant of any Force Majeure Delays within five (5) days after the Landlord, the Developer or the Design-Builder has actual knowledge of the event that the Landlord believes will result in a Force Majeure Delay. The Final Project Schedule and the Project Costs may be increased on account of Force Majeure Delays to the extent there is delivered to the Tenant by or on behalf of the Landlord evidence of an actual, reasonable and substantiated line item increase in Project Costs caused by such Force Majeure Delay. Any increase in a line item of the Final Project Budget attributable to a Force Majeure Delay shall be offset by cost saving amounts in other line items of the Final Project Budget as determined at the time of the Force Majeure Delay. Any increase in a line item of the Final Project Budget attributable to a Force Majeure Delay that cannot be offset by cost saving amounts in other line items of the Final Project Budget shall be paid from the Developer Fee Reserve Account.

Predevelopment Obligations

The Landlord shall be responsible for causing the Developer to take all actions reasonably necessary to cause the development of the Facilities in accordance with the Contract Documents including, but not limited to:

Design Services. The Landlord shall cause design services to be performed by the Design-Builder or other qualified architects or design-builders, contractors, engineers and other professionals and paid as part of the Final Project Budget. In accordance with the Development Agreement, the Landlord shall cause the Developer to contract directly with all Contractors used to satisfy the Landlord’s obligations under the Work Letter.

Construction Documents. The Landlord shall prepare or cause to be prepared the Schematic Drawings, the Design Development Drawings and the Construction Drawings for the Facilities for the Tenant’s review and approval. Notwithstanding the Landlord’s responsibility to prepare or cause to be prepared the Construction Documents, the Tenant assumes responsibility for determining and communicating to the Landlord and the Developer all details of the Construction Drawings and Detailed Specifications that the Tenant requires for the use, occupancy and/or operation of the Facilities for the Tenant’s intended purpose. The Tenant’s approval of Construction Documents shall be deemed a conclusive determination by the Tenant that the Construction Documents meet or exceed all requirements for the Tenant’s use, occupancy and/or operation of the Facilities for the Tenant’s intended purpose. If it is later determined that the Construction Documents do not meet any such requirements and the Construction Documents must be modified as a result, then any resulting delays or changes shall be deemed the Tenant-Caused Delays and/or the Tenant-initiated changes to the Construction Documents.

Tenant's Design Review. The Landlord shall submit, or cause to be submitted, to the Tenant, and the Tenant shall review within thirty (30) days following its receipt of the Construction Drawings, and provide the Landlord written notice of its approval or disapproval thereof, specifying in the case of its disapproval, its reason therefor. The Tenant's disapproval of the Construction Drawings shall be limited to elements that (i) do not meet the Project Requirements, (ii) do not comply with Applicable Laws, (iii) are not consistent with Design Development Drawings approved by the Tenant, or (iv) propose changes in work or materials that would result in a material change in appearance or diminution in quality of the Facilities.

If the Tenant's objections or comments are submitted in writing within the timeframe and in accordance with the requirements described in the preceding paragraph, the Landlord shall cause the Developer to cause the Design-Builder to make changes in the Construction Drawings consistent with the objections or comments made by the Tenant and shall resubmit the same to the 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 the Parties. Thereafter, there shall be no material change in the Construction Documents except as described under the heading "—Changes to Work".

Permit and Construction Documents. The Landlord shall cause the Developer to cause the Design-Builder and other design professionals to prepare Construction Documents as required for submittal of Permits required for construction of the Facilities by the Contractors.

Permits. The Landlord shall obtain, or cause to be obtained by the Developer, all Permits necessary to construct the Facilities through the County and the Riverside County Department of Environmental Health, and all other agencies and quasi-governmental agencies and utility providers from which approvals and permits are required to commence and complete construction of the Facilities in accordance with the Work Letter. The Tenant shall be solely responsible for obtaining all approvals and licenses required for the use, occupancy and/or operation of the Facilities for the Tenant's intended purpose in accordance with the Work Letter.

Design-Builder. The Landlord shall oversee, or cause to be overseen by the Developer, all design work done by the Design-Builder and design and other professionals for the design and development of the Facilities. The Landlord, the Developer and the Tenant shall expeditiously review design documents during their development and the Landlord or the Developer shall advise the Tenant on proposed site use and improvements, selection of materials, building systems and equipment and methods of project delivery. The Design-Builder, with the Developer's and the Landlord's input, shall be responsible for feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation, construction and factors related to construction costs including, but not limited to, costs of alternative designs or materials, and budgets, in connection with the Work. The Landlord shall consult with the Developer, the Tenant and the Design-Builder regarding the Construction Documents and provide input. Notwithstanding the foregoing, means and methods of construction shall be the responsibility of the Design-Builder in accordance with the Design-Build Agreement.

Construction Management Services

The Landlord shall provide, or cause to be provided, all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Facilities on or before the Outside Completion Date, in accordance with industry standards, all Applicable Laws, and in accordance with and subject to the Contract Documents (except the Tenant's responsibilities identified in the Work Letter), including, without limitation, the following: (i) notifying the Tenant of any Project schedule issues that may impair the Landlord's ability to substantially complete the Facilities prior to the Outside Completion Date; (ii) coordinating and integrating the Design-Builder's services with the

Landlord's and the Tenant's responsibilities with anticipated construction schedules, highlighting critical and long lead time items; (iii) consulting with the Tenant and the Design-Builder regarding the Construction Documents and making recommendations whenever design details may adversely affect constructability, cost or schedules; (iv) causing the Design-Builder to establish the assignment of responsibilities for temporary utility facilities and equipment, materials and services for common use of the Contractors; (v) reviewing the Construction Documents as required to provide that (A) the Work of the Contractors is coordinated; (B) all requirements for the Project have been assigned to the appropriate Construction Contract; and (C) proper coordination has been provided for sequenced construction; (vi) preparing a Final Project Schedule for the Project, providing for the general components of the Work and consulting with the Developer and the Design-Builder in connection with the preparation and updating of the Final Project Schedule, including times of commencement and completion required, ordering and delivery of products requiring long lead time, and the occupancy requirements of the Tenant; (vii) coordinating the ordering and delivery of materials requiring long lead times; (viii) coordinating the professional services of surveyors, special consultants and testing laboratories required for the Project; (ix) providing an analysis of the types and quantities of labor required for the Project, the availability of appropriate categories of labor required for critical phases and making recommendations for actions designed to minimize adverse effects of labor shortages; (x) developing bidders' interest in the Project, establishing bidding procedures, issuing bidding documents to bidders, conducting pre-bid conferences with prospective bidders, causing the Design-Builder to submit a list of prospective bidders and assisting the Design-Builder with respect to questions from bidders and the issuance of addenda; (xi) assisting Design-Building in receiving bids, preparing bid analyses and awarding contracts or rejecting bids; (xii) scheduling and coordinating the sequence of construction so as to cause Substantial Completion of the Facilities to occur on or before the Outside Completion Date, as set forth in the Final Project Schedule; (xiii) administering and enforcing the Development Agreement and the Design-Build Agreement; (xiv) assuring that the Design-Builder is responsible for the purchase, delivery and storage, protection and security of such materials, systems and equipment that are part of the Facilities until such items are incorporated into the Facilities; (xv) subject to the Tenant's obligations with respect to BHCIP Funds, preparing requests for disbursement of BHCIP Funds based on the Design-Builder's Applications for Payment; and (xvi) causing all Work to be performed in compliance with Applicable Laws.

Delays

The Outside Completion Date set forth in the Final Project Schedule shall, pursuant to the definition thereof, be extended to the extent of Force Majeure Delays and the Tenant-Caused Delays. The existence of Force Majeure Delays and/or the Tenant-Caused Delays shall excuse the Landlord for resulting delays and changes in the Final Project Schedule.

Remedies

Failure to Achieve Substantial Completion. In the event the Landlord fails to achieve Substantial Completion of the Facilities by the Outside Completion Date, the Tenant's sole remedy shall be as described in this paragraph. If the Landlord fails to achieve substantial completion of the Facilities by the Outside Completion Date, then, as the Tenant's sole and exclusive remedy for damages for such delay and instead of any actual damages, the Landlord shall pay or cause to be paid to the Tenant promptly on demand by the Tenant, as compensation to the Tenant for the loss of the beneficial use of the Facilities during the period of delay, but not a penalty, liquidated damages [in the amounts specified in an exhibit attached to the Work Letter]. Upon written notice from the Tenant of the Landlord's obligation to make payment of liquidated damages as agreed to in the Work Letter, the liquidated damages amounts specified in the Work Letter shall be paid, on a monthly basis, from the following accounts, in the following order of priority: (a) first from the Design-Builder's Fee Reserve Account of the Project Fund to the Tenant Contingency Account of the Project Fund until the amounts in such Design-Builder's Fee Reserve Account are or have been fully

depleted; and (b) second, from the Design-Builder Liquidated Damages Account of the Project Fund to the Tenant Contingency Account of the Project Fund until the amounts in such Design-Builder Liquidated Damages Account are or have been fully depleted; and (c) third, from the Developer Fee Reserve Account of the Project Fund to the Tenant Contingency Account of the Project Fund until the amounts in such Developer Fee Reserve Account are or have been fully depleted. The Landlord's obligation to pay liquidated damages under the Work Letter as described under this heading are limited to and capped by the available funds in the Design-Builder's Fee Reserve Account, Design-Builder Liquidated Damages Account and the Developer Fee Reserve Account.

Design-Builder Liquidated Damages. The Landlord shall cause the Developer to enforce the provisions of the Design-Build Agreement relating to the payment by the Design-Builder of Design-Builder Liquidated Damages in the event the Design-Builder fails to achieve Substantial Completion of the Facilities by the Outside Completion Date. All Design-Builder Liquidated Damages paid by the Design-Builder shall be transferred to the Trustee and deposited by the Trustee pursuant to the Indenture.

Tenant's Right to Cure. The Landlord shall promptly provide the Tenant and the Trustee with a copy of any notice of default ("*Notice of Default*") received from the Design-Builder. Provided that the Tenant has not received, prior to the Tenant's delivery to the Landlord of a Cure Election Notice (as defined below), written notice from the Landlord stating that the Landlord has cured or has commenced to cure the default specified in the applicable Notice of Default, the Tenant shall have the right, but not the obligation, by written notice to the Landlord delivered prior to the expiration of the applicable cure period ("*Cure Election Notice*"), to cure the default specified in the applicable Notice of Default within ten (10) days after the end of the applicable cure period. The Landlord, upon written notice from the Tenant accompanied by reasonable supporting documentation evidencing such amounts incurred, shall promptly (but in any event within ten (10) days) reimburse the Tenant for all such amounts. If the Landlord fails to reimburse the Tenant within said ten (10) day period, the Tenant shall have the right to have the Trustee withhold from payments due under the Design-Build Agreement all such amounts due, and to have such amounts paid to the Tenant.

Off-Site Improvements

As a component of the Facilities, the Landlord shall, at its expense as part of the Project, extend and/or connect or cause to be extended and/or connected in the name of the County of Riverside, to the Property, sewer, water, telephone, fiber, gas, electrical and other utilities that may be required by the Tenant in the use, operation and maintenance of the Facilities. The Landlord shall also construct at its expense as part of the Project all other improvements that are not on the Property but are required for the Landlord to obtain Permits for the construction of the Facilities, including, without limitation, curbs, gutters, sidewalks and roadway improvements. Prior to the Substantial Completion of the Facilities, the Landlord shall be responsible for payment of the cost for the use of such utility services and improvements as part of the Final Project Budget. Following the Substantial Completion of the Facilities, the Tenant shall be responsible for the payment of the cost of such utilities and improvements under the Facilities Lease. While the Off-Site Improvements will be completed as part of the Facilities, they will be dedicated to a governmental entity and will not be part of the Leased Premises.

Changes to Work

No Changes without the Tenant Approval. Following approval of the Construction Documents and the Design-Build Agreement by the Tenant there shall be no changes in the Construction Documents, the Design-Build Agreement or the Work, except for Minor Deviations or except as permitted in accordance with the provisions described herein.

Change in the Work Initiated by the Tenant. The Tenant may request changes to the Construction Documents, the Design-Build Agreement and the Work in accordance with the Work Letter, provided that the Landlord shall not be required to accommodate any changes, additions, or deletions to the Construction Documents, the Design-Build Agreement and the Work if it would (i) increase the Project Costs beyond those which are set forth on the Final Project Budget, unless funds are available to pay for such increase in Project Costs, (ii) violate Applicable Laws, (iii) violate sound engineering practices, or (iv) delay the Substantial Completion of the Facilities beyond the Projected Completion Date or the Outside Completion Date, unless such dates are extended to account for such delay by the Tenant in accordance with the provisions described under the heading “—*Procedures for Change in the Work Initiated by the Tenant.*”

Procedures for Change in the Work. If any Change Order requested by the Tenant delays Substantial Completion of the Facilities, then the Projected Completion Date and Outside Completion Date shall be extended by the period of such delay. At its option, the Tenant may elect to amend the Facilities Lease and fund the costs of such Change Order with the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

Field Change Orders in the Work. Field change orders (“Field Change Orders”) may be approved by the Landlord, without prior Tenant approval, but only if the Field Change Order authorized by the Landlord shall not have the effect of delaying the Substantial Completion of the Facilities beyond the Outside Completion Date, materially altering the Work or increasing the Project Costs in excess of the Final Project Budget (including with respect to any line item thereof). As soon as practical, the Landlord shall provide, or cause to be provided, the Tenant with all Field Change Orders approved by the Landlord. For the purposes of this paragraph, the effect of a Field Change Order shall be deemed to be “material” if it would reduce the intended quality of the Facilities or any component thereof, result in an increase to the Tenant’s operational costs over time, or result in an unequal substitution of any of the systems in the Facilities (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, security systems, and infrastructure components).

Change in the Work Initiated by Landlord. If the Landlord believes that a change in the Construction Documents is required to clarify a discrepancy or omission in the Construction Documents or it otherwise believes a change in the Construction Documents is in the best interest of the Tenant or the Project, then it shall submit a request to Tenant to modify the Construction Documents, which request must contain a description and supporting documentation of the changes and set forth the effect on Project Costs (including with respect to any line item of the Final Project Budget) on account of any such change being considered and the delay, if any, in the Projected Completion Date or Outside Completion Date that will result therefrom. The Tenant shall respond to such request within the time frames provided in the Work Letter.

Change in the Work Required by Applicable Laws. To the extent there is a change in Applicable Laws following the issuance of Permits requiring changes to the Contract Documents and the Work, such changes shall be deemed a change in the Work initiated by the Tenant.

Change in the Work Required by DHCS. To the extent any change to the Contract Documents or the Work requires the prior approval (written or otherwise) of AHP and/or DHCS pursuant to the Program Funding Agreement, the Tenant shall cooperate fully with the Landlord to secure such approval, which shall include the assembly and submission of all documents and information requested by AHP and/or DHCS necessary to substantiate and approve such change.

Substantial Completion

Substantial Completion of Facilities. The Landlord shall exercise all due diligence and commercially reasonable, good faith and diligent efforts to achieve Substantial Completion of the Facilities prior to the Outside Completion Date.

Tenant's Occupancy of Facilities. Until Substantial Completion of the Facilities has occurred, the Tenant shall not occupy any portion of the Facilities or any individual Building; provided, however, that limited use of the Facilities and any Building within the Facilities shall be permitted for storage, move-in or installation of personal property by the Tenant, or as may be necessary to satisfy Licensing and Accreditation Requirements when such use is determined by the Landlord and the Design-Builder to not likely result in any interference or delay in completing the Facilities.

DEED OF TRUST

Definitions

The following are definitions of certain terms used in the following summary of the Deed of Trust. See "DEFINITIONS" above for the definition of certain additional terms used in the following summary of the Deed of Trust.

"Beneficiary" means the Authority as beneficiary under the Deed of Trust.

"Bond Documents" means the Deed of Trust, the Indenture, the Ground Lease, the Facilities Lease and any and all other documents now or hereafter executed by the Grantor or any other person or party in connection with the Bonds or in connection with the payment of the Indebtedness or the performance and discharge of the Obligations, and any and all modifications, extensions, renewals, restatements, consolidations, replacements, and supplements thereof.

"Bond Trustee" means Wilmington Trust, National Association, a national banking association and its successors and assigns, in its capacity as trustee under the Indenture.

"Books and Records" means all books and records pertaining to any or all of the Property, including any development or construction related thereto, the activities conducted in connection therewith, financial statements related thereto, records relating to the Ground Lease, the Facilities Lease, Leases, lessees and activities under any Leases, and the qualification of such lessees, records relating to the application and allocation of any federal, state, and local tax credits or benefits related thereto, and computer-readable memory and any computer hardware or software necessary to access and process such memory.

"Charges" means all fees, charges, and/or any other things of value, if any, contracted for, charged, taken, received, or reserved by the Authority or the Bond Trustee in connection with the transactions relating to the Deed of Trust and the other Bond Documents, which are treated as interest under applicable law.

"Code" means the Uniform Commercial Code as adopted by the state in which the Property is situated, as the same may be amended from time to time.

"Contracts" means all of the right, title, and interest of the Grantor in, to, and under any and all of the following, whether now or hereafter existing: (i) contracts for the purchase or sale of all or any portion of the Property; (ii) earnest money or other deposits escrowed or to be escrowed, letters of credit provided or to be provided, security, or other deposits under any of the Contracts with respect to the Property;

(iii) contracts, licenses, permits, and rights relating to water, wastewater, and other utility services which are directly or indirectly related to, or connected with, the Property whether executed, granted, or issued by a private person or entity or a governmental or quasi-governmental agency; (iv) certificates, licenses, zoning variances, permits, and no-action letters from each Governmental Authority related to the Property, including those required to evidence compliance by the Grantor, and all Improvements with all governmental requirements and legal requirements applicable to the Property and to develop and/or operate the Property for its intended use; (v) construction contracts, design services contracts, and other contracts, subcontracts, leases, licenses, and permits which in any way relate to the development, construction, use, enjoyment, occupancy, operation, maintenance, or ownership of the Property or the activities conducted thereon, including maintenance agreements and service contracts; (vi) all amendments, supplements, restatements, and renewals of or to any of the foregoing; and (vii) all of the revenues, proceeds, insurance proceeds, deposits, fees, receivables, payments, rents, reimbursements, awards, and other rights or benefits arising from or in connection with any of the foregoing; provided that the term “Contracts” shall not include Leases or Rents.

“*Default Rate*” means the lesser of 6.00% per annum or the Maximum Lawful Rate.

“*Disposition*” means any sale, lease, exchange, assignment, conveyance, transfer, trade, or other disposition of all or any portion of the Property (or any interest therein), or all or any part of the beneficial ownership interest in the Grantor (if the Grantor is a corporation, limited liability company, partnership, general partnership, limited partnership, joint venture, trust, or other type of organization). Notwithstanding the foregoing, the following transfers of the Property shall be permitted and shall not be a “Disposition” hereunder:

- (i) A transfer of the Property together with payment in full of the Indebtedness;
- (ii) Any lease or assignment or other disposition of all or any portion of the Property (or any interest therein) permitted under the Ground Lease or Facilities Lease; and
- (iii) The partial reconveyance of portions of the Land pursuant to the Deed of Trust.

“*Equipment*” means the equipment, trade fixtures, furniture, furnishings, and machinery owned by the Grantor which is located on the Land or used in connection with the operation of the Improvements.

“*Fixtures*” means all materials, supplies, equipment, systems, apparatus, and other items now owned or hereafter acquired by the Grantor and now or hereafter attached to (temporarily or permanently) any of the Improvements or the Land which constitute “fixtures” under the laws of the State, including, to the extent applicable, partitions, dynamos, floor coverings, awnings, motors, engines, boilers, furnaces, pipes, cleaning, and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, swimming pools, heating, ventilating, refrigeration, plumbing, laundry, lighting, generating, waste disposal, stairway, elevator, escalator, conveyor, incinerating, air conditioning, and air cooling equipment and systems, gas and electric machinery and equipment, recreational equipment and facilities, cables, telephone and communication systems, and water, gas, electrical, storm, and sanitary sewer facilities, and all other utilities, whether or not situated in easements, together with all accessions, appurtenances, replacements, betterments, and substitutions for any of the foregoing and the proceeds thereof.

“*Governmental Authority*” means any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise), whether now or hereafter in existence.

“*Grantor*” means the Landlord.

“*Impositions*” means all of the following: (i) all real estate and personal property taxes, charges, assessments, standby fees, excises, and levies and any interest, costs, or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or after the execution of the Deed of Trust may be assessed, levied, or imposed upon the Property or with respect to the construction, ownership, use, occupancy, or enjoyment thereof, or any portion thereof, or the sidewalks, streets, storm drainage facilities, landscape areas, or alleyways adjacent thereto; (ii) any charges, fees, license payments, or other sums payable for or under any easement, license, or agreement maintained for the benefit of the Property; (iii) water, gas, sewer, electricity, and other utility charges and fees relating to the Property; and (iv) assessments and charges arising under any subdivision, utility district, condominium, planned unit development, or other declarations, restrictions, regimes, or agreements affecting the Property.

“*Improvements*” means any and all buildings, covered garages, air conditioning towers, open parking areas, structures, Fixtures, and other improvements of any kind or nature, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed, or constructed upon the Land or any part thereof.

“*Indebtedness*” means all of the following: (i) the principal and accrued but unpaid interest, from time to time, on the Bonds; (ii) any other amounts, payments, obligations, reimbursements, costs, interest, or premiums payable by the Grantor under the Bond Documents; and (iii) any and all renewals, modifications, amendments, restatements, rearrangements, consolidations, substitutions, replacements, enlargements, and extensions of any of the foregoing. Notwithstanding the foregoing provisions of this definition, the Deed of Trust and the other Bond Documents shall not secure any such other Indebtedness with respect to which the Authority is by applicable law prohibited from obtaining a lien on real estate.

“*Land*” means the real property or interest therein described in the Deed of Trust (as amended from time to time), together with all right, title, interest, and privileges of the Grantor now owned or hereafter acquired, if any, in and to: (i) all streets, ways, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights, and public places, existing or proposed, abutting, adjacent, used in connection with, or pertaining to such real property or the improvements thereon; (ii) any strips or gores of real property between such real property and abutting or adjacent properties; (iii) all water, water rights and water stock, timber, and crops, pertaining to such real property; (iv) all development rights and credits and air rights pertaining to such real property; and (v) all appurtenances and all reversions and remainders in or to such real property.

“*Leasehold Estate*” means the leasehold estate created by the Ground Lease, together with any and all rights, privileges and benefits of whatever character, derived by the Grantor, or to which the Grantor may be entitled, under or by virtue of the Ground Lease, including any and all rights (i) to exercise options (including options to purchase, renew, extend, terminate, reject or assume); (ii) to give consents and receive payments, reimbursements and refunds; (iii) to modify, supplement, terminate, or surrender the Ground Lease; (iv) to release or discharge the County of or from any of the County’s obligations and covenants under the Ground Lease; (v) to any and all claims and rights to the payment of damages that may presently exist or hereafter arise under or in connection with the Ground Lease or the rights of the Grantor thereunder, including any such claim or right that may arise as a result of the rejection or disaffirmance of the Ground Lease by the County, or by any trustee of the County, pursuant to the Bankruptcy Code; and (vi) to which the Grantor may be entitled pursuant to Section 365 of the Bankruptcy Code, including all of the Grantor’s rights to remain in possession after rejection or disaffirmance of the Ground Lease by the County or by any trustee of the County.

“*Leases*” and all leases, master leases, subleases, licenses, concessions, or other agreements (whether written or oral, or now or hereafter in effect), excluding the Ground Lease and the Facilities Lease,

which grant to third parties a possessory interest in and to, or the right to use or occupy, all or any part of the Property, together with all the Grantor's interest in security and other deposits related thereto, and all other the Grantor's rights and benefits arising from the Leases except the Rents.

“Maximum Lawful Rate” means the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by the Beneficiary in accordance with the applicable laws of the State (or applicable United States federal law to the extent that such law preempts such State's laws or permits the Beneficiary to contract for, charge, take, receive, or reserve a greater amount of interest than under such State's laws), taking into account all Charges made in connection with the transaction evidenced by the Bonds and the other Bond Documents. Additionally, to the extent permitted by applicable law now or hereafter in effect, the Beneficiary may, at its option and from time to time, utilize any method of establishing the Maximum Lawful Rate under such applicable law by giving notice, if required, to the Grantor as provided by applicable law now or hereafter in effect. To the extent United States federal law permits the Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under such State's laws, the Beneficiary will rely on United States federal law instead of such State's laws for the purpose of determining the Maximum Lawful Rate.

“Obligations” means any and all of the covenants, conditions, warranties, representations, and other obligations (other than to repay the Indebtedness) made or undertaken by the Grantor to the Authority, the Bond Trustee, or the Trustee as set forth in the Bond Documents.

“Permitted Liens” shall have the meaning set forth in the Indenture.

“Personalty” means all of the right, title, and interest of the Grantor in and to any of the following, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on or relating to Land or Improvements: (i) the Equipment and other goods (including, but not limited to, building and other materials, supplies, inventory and work in process, signs, embedded software included therein and supporting information); (ii) notes, money or cash receipts, insurance policies, prepayments of insurance premiums and insurance or condemnation awards or proceeds, accounts (including health-care insurance receivables), chattel paper (whether electronic or tangible), inventory, instruments (including promissory notes), agreements, documents, drafts, investment property, documents, deposit accounts, receivables, contract rights, licenses, letters of credit (whether electronic or tangible) and letter of credit rights, general intangibles (including payment intangibles and software), proceeds of the sales of promissory notes, any other rights to the payment of money, trademarks, tradenames, service marks, copyrights, and supporting obligations; (iii) all refundable, returnable, or reimbursable fees, deposits, or other funds or evidences of credit or indebtedness deposited by or on behalf of the Grantor with any Governmental Authorities, providers of utility services, public or private, including tap fees, utility deposits, commitment fees, development costs, and any awards, remunerations, reimbursements, settlements, or compensation heretofore made or hereafter to be made by any Governmental Authority pertaining to the Land, Improvements, or Personalty, including those for any vacation of, or change of grade in, any streets affecting the Land or the Improvements and those for municipal utility district or other utility costs incurred or deposits made in connection with the Land or the Improvements; (iv) development rights and credits and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any Governmental Authority with respect to the Property; (v) the Leases and rights and interests therein (but not the obligations) and the Fixtures to the extent they are personal property; (vi) all other Contracts; (vii) any plans and specifications related to the Property; (viii) all funds held by the Authority or the Bond Trustee, whether or not disbursed; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Property or any portion thereof; (ix) the Books and Records; and (x) all other personal property of any kind or character as defined in and subject to the provisions of the Code (Article 9 – Secured Transactions); any and all of which are now owned or hereafter acquired by the Grantor, and which are now or hereafter situated in, on, or about the

Land or the Improvements, or used in connection with the planning, development, construction, financing, use, occupancy, or operation thereof, or acquired (whether delivered to the Land or stored elsewhere) for use in or on the Land or the Improvements; together with all additions, accessions, replacements, substitutions, revenues, and proceeds of each of the foregoing. Notwithstanding anything contained in the foregoing to the contrary, “Personalty” shall not include Rents.

“*Property*” means, subject to the terms of the Ground Lease, all of the Grantor’s right, title and interest of the Grantor now owned or hereafter acquired in and to the Ground Lease, Leasehold Estate, Fixtures, Improvements, Personalty, Contracts, and Leases, together with any and all other security and collateral of any nature whatsoever, now or hereafter given for the repayment of the Indebtedness or the performance and discharge of the Grantor Obligations. As used in the Deed of Trust, the term “Property” shall be expressly defined as meaning all or, where the context permits or requires, any portion of the above and all or, where the context permits or requires, any interest therein.

“*Rent License*” means a limited, non-assignable license, subject to automatic termination, under the Deed of Trust, and all other terms and provisions thereof, to exercise and enjoy all incidences of the status of a lessor with respect to the Rents, including the right to collect, demand, sue for attach, levy, recover, and receive the Rents as the Beneficiary’s agent and to give proper receipts, releases and acquittances therefor.

“*Rents*” means all of the rents, revenues, income, proceeds, profits, and receivables, but excluding security and other types of deposits, paid, payable to, or otherwise inuring to the benefit of the Grantor pursuant to or in connection with any Leases.

“*Subordinate Mortgage*” means any mortgage, deed of trust, pledge, lien (statutory, constitutional, or contractual), security interest, encumbrance or charge, or conditional sale or other title retention agreement, covering all or any portion of the Property executed and delivered by the Grantor, the lien of which is subordinate and inferior to the lien of the Deed of Trust.

“*Trustee*” means First American Title Insurance Company, or any successor trustee duly appointed in accordance with the terms of the Deed of Trust.

Grant

To secure payment of the Indebtedness and the performance of the Grantor’s obligations under the Bond Documents (the “*Grantor Obligations*”), and for the purposes of and upon the terms and conditions in the Deed of Trust, the Grantor has irrevocably granted, bargained, sold, conveyed, transferred and assigned to the Trustee, in trust with power of sale for the benefit of the Beneficiary, with power of sale and right of entry and possession, subject to the Permitted Liens and the Facilities Lease, the Property.

Assignment of Leases and Rents

In consideration of the Indebtedness, the Grantor has collaterally assigned pursuant to the Indenture and the Lease Assignment Agreement all of its right, title and interest in, to and under (including all moneys due and to become due to the Grantor under) the Facilities Lease. As additional security for and in consideration of the Indebtedness, the Grantor has absolutely and unconditionally granted, bargained, sold, assigned and conveyed the Leases and Rents unto the Beneficiary, in order to provide a source of future payment of the Indebtedness and the Obligations in the event of the termination of the Facilities Lease, subject only to any Permitted Liens applicable thereto and the Rent License. Such assignment is a present, absolute and unconditional assignment to the Beneficiary of all of the Grantor’s right, title and interest in all current and future Leases and Rents (other than the Facilities Lease and the rents due thereunder which

will be collaterally assigned pursuant to the Lease Assignment Agreement), and not an assignment for additional security only.

Security Agreement and Fixture Filing

Security Interest. The Deed of Trust shall constitute and serve as a “Security Agreement” on personal property, until the grant of the Deed of Trust terminates as provided therein, against, in, and to the Personalty and the Fixtures and the Grantor has granted, bargained, conveyed, assigned, transferred and set over unto the Trustee and the Beneficiary, a first and prior security interest and all of the Grantor’s right, title and interest in, to, under and with respect to the Personalty and Fixtures to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations.

Fixture Filing. The Deed of Trust shall also constitute a “fixture filing” for the purposes of the Code with respect to any and all fixtures (as defined in the Code).

Events of Default

The term “*Event of Default*,” as used in the Deed of Trust, shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following.

Monetary. Any sums which are payable pursuant to any Bond Document shall not be received by the Authority or the Bond Trustee in full, in the manner and at the place required in the Bond Documents within 10 days after the due date thereof as provided in the Bond Documents.

Representations and Warranties. Any representation or warranty contained in the Deed of Trust is determined by the Beneficiary to have been false or misleading in any material respect as of the date thereof or shall become so at any time prior to the repayment in full of the Indebtedness.

Non-Monetary. The occurrence of any breach of any covenant or other obligation under the Deed of Trust, other than a breach described in the two immediately preceding paragraphs, and such breach remains uncured for a period of 30 days after the Beneficiary gives the Grantor written notice thereof.

Other Defaults. A “*Default*” or “*Event of Default*” (as defined and used in any of the other Bond Documents) shall occur under any of the other Bond Documents, after the expiration of any applicable period of time for cure.

No Further Encumbrances; Levy and Attachment. The Grantor creates, places, or permits to be created or placed, or through any act or failure to act, acquiesces in the placing of, or allows to remain, any Subordinate Mortgage, regardless of whether such Subordinate Mortgage is expressly subordinate to the liens or security interests of the Bond Documents, with respect to the Property, other than the Permitted Liens, which has not been consented to or approved by the Beneficiary.

Disposition. The Grantor makes a Disposition, without the prior written consent of the Beneficiary.

Abandonment. The Grantor abandons the Leasehold Estate or Improvements or removes the Improvements without the Beneficiary’s prior written consent.

Insolvency. The dissolution or termination of the Grantor’s existence as a going business, the insolvency of the Grantor, the appointment of a receiver for any part of the Grantor’s property, any

assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of the Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of the Grantor's accounts, including deposit accounts, with the Beneficiary. However, this Event of Default shall not apply if there is a good faith dispute by the Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if the Grantor gives the Beneficiary written notice of the creditor or forfeiture proceeding and deposits with the Beneficiary monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by the Beneficiary, in its sole discretion, as being an adequate reserve or bond for the dispute.

Default Under other Lien Documents. The occurrence of any event of default by the Grantor, and after the expiration of any period of time for cure, under and pursuant to any other deed of trust, mortgage, or security agreement which covers or affects any part of the Property.

Remedies

Beneficiary's Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Beneficiary may, at the Beneficiary's option, and by or through the Trustee, by the Beneficiary itself or otherwise, do any one or more of the following:

(a) If the Grantor has failed to keep or perform any covenant whatsoever contained in the Deed of Trust or the other Bond Documents, after the expiration of any applicable period of time for cure, the Beneficiary may, but shall not be obligated to any person to do so, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be and become a part of the Indebtedness, and the Grantor promises, upon demand, to pay to the Beneficiary, at the place where the Bonds are payable, all sums so advanced or paid by the Beneficiary, with interest from the date when paid by the Beneficiary at the Default Rate. No such payment by Beneficiary shall constitute a waiver of any Event of Default. In addition to the liens and security interests hereof, Beneficiary shall be subrogated to all rights, titles, liens, and security interests securing the payment of any debt, claim, tax, or assessment for the payment of which Beneficiary may make an advance, or which Beneficiary may pay. Without limiting the foregoing, if the Grantor should for any reason fail to pay any rent, or violate or fail to comply with any other term or condition of, or breach, or commit an event of default under the Ground Lease (after any notice and opportunity to cure provisions applicable thereunder), the Beneficiary may make additional advances on the Grantor's behalf and/or take such other action or actions as the Beneficiary may deem to be necessary and proper, within the Beneficiary's sole discretion, to pay such rent, to perform such other terms and conditions, to exercise certain options under the Ground Lease including any option to renew or extend the Ground Lease on behalf of the Grantor, to cure or rectify any such default or defaults under the Ground Lease, and/or to prevent additional defaults from occurring in the future.

(b) The Beneficiary may, prior or subsequent to the institution of any foreclosure proceedings, enter upon the Property, or any part thereof, and take exclusive possession of the Property, including all books and records and accounts relating thereto, and exercise without interference from the Grantor any and all rights which the Grantor has with respect to the management, possession, operation, protection, or preservation of the Property, including the right to rent the same for the account of the Grantor and to apply all Rents related thereto and the right to exercise all rights of the Grantor under any Contracts. All such costs, expenses, and liabilities

incurred by the Beneficiary in collecting such Rents and in managing, operating, maintaining, protecting, or preserving the Property, if not paid out of Rents, shall constitute a demand obligation owing by the Grantor and shall bear interest from the date of expenditure until paid at the Default Rate, all of which shall be deemed Indebtedness. If necessary to obtain the possession provided for above, the Beneficiary may invoke any and all legal remedies to dispossess the Grantor, including one or more actions for forcible entry and detainer, trespass to try title, and restitution. Furthermore, without taking possession of any Property, the Beneficiary may, but shall have no obligation to, enter upon the Property and take such actions, and incur and pay such costs, as the Beneficiary deems appropriate, in the Beneficiary's sole discretion, in order to (i) preserve or protect the Property, including paying or otherwise resolving any liens or security interests or any threatened or claimed liens or security interests against any of the Property, making repairs, winterizing the property, securing the property from access by third parties, securing the property from elements, and initiating or completing any construction for such purposes; (ii) exercise the Beneficiary's rights pursuant to paragraph (a) above; and (iii) pay any expenses incurred by the Grantor, or any expenses incurred by the Beneficiary pursuant to the Bond Documents, with respect to the Property, including construction costs, costs incurred pursuant to any Contracts, and any other costs related to the Property (including insurance, title insurance, taxes, assessments, inspections, or compliance with legal requirements).

(c) Except as expressly provided in the Deed of Trust and in the other Bond Documents, the Beneficiary may, without notice, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or any other notice or any other action, all of which are waived by the Grantor and all other parties obligated in any manner whatsoever on the Indebtedness, declare the entire unpaid balance of the Indebtedness immediately due and payable, and upon such declaration, the entire unpaid balance of the Indebtedness shall be immediately due and payable. The failure to exercise any remedy available to the Beneficiary shall not be deemed to be a waiver of any rights or remedies of the Beneficiary under the Bond Documents, at law or in equity.

(d) The Beneficiary may request the Trustee to proceed with foreclosure under the power of sale conferred by the Deed of Trust.

(e) The Beneficiary, or the Trustee, upon written request of the Beneficiary, may proceed by suit or suits, at law or in equity, to enforce the payment of the Indebtedness and the performance and discharge of the Obligations in accordance with the terms of the Deed of Trust, of the Bonds, and the other Bond Documents, to foreclose the liens and security interests of the Deed of Trust as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other nonjudicial remedies available to the Beneficiary with respect to the Bond Documents.

(f) The Grantor stipulates to the court its consent to appointment of a receiver if at the time of the Beneficiary's request an Event of Default exists. The entering upon and taking possession of the Property, the collection of any Rents, the doing of other acts authorized in the Deed of Trust and the application thereof as therein provided shall not cure or waive any default or notice of default thereunder or invalidate any act done pursuant to such notice. Nothing therein contained shall be construed as constituting the Beneficiary or the Authority a mortgagee in possession in the absence of the actual taking of possession of the Property by the Bond Trustee or the Authority or as constituting an action, rendering any of the Grantor's obligations to the Bond Trustee or the Authority unenforceable, in violation of any of the provisions of Section 726 of the California Code of Civil Procedure, or otherwise limiting any rights available to the Bond Trustee

or the Authority. Without limiting the foregoing, the Beneficiary shall have the rights and remedies contained in Section 2938 of the California Civil Code in effect on January 1, 1997, as amended or modified from time to time.

(g) The Beneficiary may exercise its rights of enforcement with respect to Fixtures and Personalty as personal property under the Code, and in conjunction with any sale of any Fixtures and/or Personalty, in addition to or in substitution for the rights and remedies under the Code or other applicable laws.

(h) So long as any part of the Indebtedness and Obligations secured by the Deed of Trust remain unpaid or not fully performed, the fee and leasehold estates to the Property shall not merge but rather shall remain separate and distinct, notwithstanding the union of such estates either in the Grantor, the Authority, the Bond Trustee, any lessee, or any third party purchaser or otherwise. the Beneficiary may from time to time elect to subordinate the lien of the Deed of Trust to any Lease by (i) unilaterally executing and recording an instrument of subordination, (ii) giving written notice to the Grantor and the respective lessee of such subordination, or (iii) including the subordination in the posting for a foreclosure, and upon such election the lien of the Deed of Trust shall be subordinate to the Lease identified in such instrument of subordination; provided, however, in each instance, (x) such subordination will not affect or be applicable to, and expressly excludes, any lien, charge, encumbrance, security interest, claim, easement, restriction, option, covenant, and other rights, titles, interests, or estates of any nature whatsoever with respect to all or any portion of the Property other than the Lease or Leases identified in such instrument of subordination; (y) the Beneficiary may make the subordination conditional so that the subordination is conditioned on the happening of any event or events, or automatically terminates upon specified events or after the passage of a stated amount of time; and (z) upon foreclosure, without limiting any other provisions contained in the Bond Documents, the purchaser at foreclosure shall have no liability or responsibility for any obligations of the landlord that occurred or that accrued under the Lease prior to foreclosure or for any acts of prior landlords, and the lessee of such subordinated Lease shall attorn to the purchaser at foreclosure as the new landlord of the Lease with all rights of the landlord under such Lease but with only the obligations of the landlord that accrue after the foreclosure.

(i) Subject to the terms and conditions in the Indenture, the Beneficiary (i) may surrender the insurance policies maintained pursuant to any of the Bond Documents, and upon receipt shall apply the unearned premiums as a credit on the Indebtedness, and, in connection therewith, the Grantor appoints the Beneficiary as its attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for the Grantor to collect such premiums; and (ii) may apply the reserve for Impositions and insurance premiums, if any, required by the provisions of the Deed of Trust toward payment of the Indebtedness in any order as the Beneficiary may determine in the Beneficiary's sole discretion.

(j) The Beneficiary may be the purchaser of the Property or any part thereof, at any sale thereof, whether such sale be under the power of sale vested in the Trustee or upon any other foreclosure of the liens and security interests of the Deed of Trust, or otherwise, and the Beneficiary shall receive the same rights, benefits, and conveyances as any third party purchaser, upon any such purchase.

Other Rights of Beneficiary. Should any part of the Property come into the possession of the Beneficiary, whether before or after default, the Beneficiary may (for itself or by or through other persons, firms, or entities) hold, lease, manage, use, or operate the Property for such time and upon such terms as the Beneficiary may deem prudent under the circumstances (making such repairs, alterations, additions, and improvements thereto and taking such other action as the Beneficiary may from time to time deem

necessary or desirable) for the purpose of preserving the Property or its value, pursuant to the order of a court of appropriate jurisdiction or in accordance with any other rights held by the Beneficiary in respect of the Property. The Grantor covenants in the Deed of Trust to promptly reimburse and pay to the Beneficiary on demand, at the place where the Bonds are payable, the amount of all reasonable expenses (including the cost of any insurance, Impositions, or other charges) incurred by the Beneficiary, together with interest thereon from the date paid by the Beneficiary at the Default Rate; and all such expenses and interest shall be and become a part of the Indebtedness. It is agreed, however, that the risk of loss or damage to the Property is on the Grantor, and the Beneficiary shall have no liability whatsoever for decline in value of the Property, for failure to obtain or maintain insurance, or for failure to determine whether insurance in force is adequate as to amount or as to the risks insured.

Possession After Foreclosure. If the liens or security interests of the Deed of Trust shall be foreclosed by power of sale granted therein, by judicial action, or otherwise, the purchaser at any such sale shall receive, as an incident to purchaser's ownership, immediate possession of the property purchased. If the Grantor or the Grantor's successors shall hold possession of said property or any part thereof subsequent to foreclosure, the Grantor and the Grantor's successors shall be considered as lessees at sufferance of the purchaser at foreclosure sale (without limitation of other rights or remedies, at a reasonable rental per day, due and payable daily, based upon the value of the portion of the Property so occupied and sold to such purchaser), shall be subject to forcible entry and detainer without further notice, and shall be subject to eviction and removal with or without process of law, and all damages by reason thereof are hereby expressly waived.

Application of Proceeds. The proceeds from any sale, lease, or other disposition described herein shall be applied by the Trustee, or by the Beneficiary, as the case may be, to the Indebtedness in the following order and priority: (i) to the payment of all reasonable expenses of advertising, selling, and conveying the Property or part thereof, and/or prosecuting or otherwise collecting Rents, proceeds, premiums, or other sums, including reasonable attorneys' fees and the reasonable fees of the Trustee; (ii) to the remainder of the Indebtedness as follows: first, to the remaining accrued but unpaid interest, second, to the matured portion of principal of the Indebtedness, and third, to prepayment of the unmatured portion, if any, of principal of the Indebtedness applied to installments of principal in inverse order of maturity; (iii) the balance, if any, and to the extent applicable, remaining after the full and final payment of the Indebtedness and full performance and discharge of the Grantor Obligations, to the holder or beneficiary of any inferior liens covering the Property, if any, in order of the priority of such inferior liens (the Trustee and the Beneficiary shall be entitled to rely exclusively upon a commitment for title insurance issued to determine such liens and their priority); and (iv) the cash balance, if any, to the Grantor. The application of proceeds of sale or other proceeds as otherwise provided in the Deed of Trust shall be deemed to be a payment of the Indebtedness like any other payment. The balance of the Indebtedness remaining unpaid, if any, shall remain fully due and owing in accordance with the terms of the Bonds or the other Bond Documents.

Abandonment of Sale. In the event a foreclosure under the Deed of Trust is commenced by the Trustee, at any time before the sale is consummated, the Trustee may abandon the sale, and the Beneficiary may then institute suit for the collection of the Indebtedness and for the foreclosure of the liens and security interests thereof and of the Bond Documents or exercise any other rights or remedies. If the Beneficiary should institute a suit for the collection of the Indebtedness and for a foreclosure of the liens and security interests, the Beneficiary may, at any time before the entry of a final judgment in said suit, dismiss the same and require the Trustee to sell the Property or any part thereof in accordance with the provisions of the Deed of Trust.

Payment of Costs. To the fullest extent allowable under applicable law, the Grantor agrees to pay all costs incurred or paid by the Beneficiary in connection with the Indebtedness, the Grantor Obligations, or the Bond Documents (i) in collecting payment, whether or not suit is filed; (ii) in defending and/or

bringing suit, or if the Beneficiary otherwise becomes a party to any suit or proceeding where the Indebtedness or the Grantor Obligations is involved, or if the Beneficiary is required to respond to any service of process, including a subpoena in connection therewith; (iii) in foreclosing or taking any other actions to secure possession and exercise the Beneficiary's rights with respect to any collateral; (iv) in connection with any bankruptcy, reorganization, or other similar proceeding, or any probate proceeding, involving the Grantor or any constituent party which in any way affects the exercise by the Beneficiary or the Trustee of its rights and remedies; (v) to otherwise enforce the Beneficiary's rights and remedies pursuant to or which arise out of the Deed of Trust and/or any other Bond Document; (vi) in connection with the negotiation, preparation, and execution of the Deed of Trust and of any other Bond Document and any amendment thereto, or any release, consent, approval, or waiver thereunder or under any other Bond Document; (vii) in connection with the making of any advance of the Indebtedness; (viii) incurred by the Beneficiary which are payable or reimbursable by the Grantor pursuant to any Bond Document; and (ix) which are the obligation of the Grantor or incurred by the Beneficiary pursuant to any of the Bond Documents. All such Costs shall be and become a part of the Indebtedness. Except as provided in the Deed of Trust and in the Indenture, all such costs shall be due and payable when incurred and shall bear interest at the Default Rate during any period an Event of Default exists (without being fully cured) and at the interest rate under the Bonds during any period an Event of Default does not exist from the date such costs are paid by the Beneficiary until the Beneficiary is reimbursed for the respective costs and interest.

Miscellaneous.

(a) *Discontinuance of Remedies.* In case the Beneficiary shall have proceeded to invoke any right, remedy, or recourse permitted under the Bond Documents and shall thereafter elect to discontinue or abandon same for any reason, the Beneficiary shall have the unqualified right so to do and, in such event, the Grantor and the Beneficiary shall be restored to their former positions with respect to the Indebtedness, the Bond Documents, the Property or otherwise, and the rights, remedies, recourses and power of the Beneficiary shall continue as if same had never been invoked.

(b) *Other Remedies.* In addition to the remedies set forth in the Deed of Trust, the Beneficiary and the Trustee shall have all other rights and remedies available to them at law or in equity, and the Beneficiary shall have all other rights and remedies set forth in the other Bond Documents.

(c) *Remedies.* All rights, remedies, and recourses of the Beneficiary granted in the Deed of Trust, the other Bond Documents, or otherwise available at law or equity: (i) shall be cumulative; (ii) may be pursued separately, jointly, successively, concurrently, or in any combination thereof against the Grantor, the Property or any constituent party, or against any one or more of them, in such order as the Beneficiary may determine, in the sole discretion of the Beneficiary; (iii) may be exercised as often as occasion therefor shall arise, it being agreed by the Grantor that the exercise, discontinuance of exercise, or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy, or recourse; (iv) shall be nonexclusive; (v) shall not be conditioned upon the Beneficiary exercising or pursuing any remedy in relation to the Property prior to the Beneficiary bringing suit to recover the Indebtedness or suit on the Obligations; and (vi) shall not be deemed to be an election of nonjudicial or judicial remedies otherwise available to the Beneficiary.

(d) *Partial Reconveyance or Release; Collateral.* From time to time, the Beneficiary may request the Trustee to reconvey, regardless of consideration, any part of the Property without, as to the remainder, in any way impairing, affecting, subordinating, or releasing or reconveying the lien, security interests, or other rights evidenced by the Deed of Trust or the other Bond Documents

and without affecting the obligations of the Grantor or constituent party to pay the Indebtedness or perform and discharge the Obligations. For payment of the Indebtedness, the Beneficiary may resort to any of the collateral therefor in such order and manner as the Beneficiary may elect. The taking of additional collateral, or the amendment, extension, renewal, or rearrangement of the Indebtedness or Obligations, or any part thereof, shall not release or impair the lien, security interests, or other rights granted by the Deed of Trust or by any of the other Bond Documents, or affect the liability of the Grantor, any endorser, constituent party, or any other person or entity obligated for payment or performance of any portion of the Indebtedness or Obligations, or improve the right of any junior lienholder.

(e) *Waiver and Release.* The Grantor irrevocably and unconditionally waives and releases in the Deed of Trust: (i) all benefits that might accrue to the Grantor by virtue of any present or future law exempting the Property from attachment, levy or sale on execution or providing for any appraisal, stay of execution, exemption from civil process, redemption, or extension of time for payment; (ii) except as otherwise expressly required in a Bond Document, all notice of any Event of Default, notice of the exercise of any right, remedy, or recourse provided for under the Bond Documents, or any other notice under or with respect to all of the Bond Documents or any action taken by the Beneficiary in connection therewith; (iii) any right to a marshaling of assets or a sale in inverse order of alienation; (iv) any right to be released, or any claim that a release has occurred, by reason of any extension of time or any modification or change to the terms of any of the Bond Documents, except a party will not be liable for an increase in the amount of principal, or interest on such increased principal, pursuant to any such modification if such principal increase was not contemplated in the Bond Documents (absent such modification) or agreed to in writing by such party; and (v) all rights to the benefits of any statute of limitations, moratorium, or laches now provided or which may hereafter be provided by federal or state law or pursuant to common law, to the fullest extent such rights can be waived and released pursuant to applicable law.

(f) *No Implied Covenants.* The Grantor and the Beneficiary mutually agree that there are no, nor shall there be any, implied covenants of good faith and fair dealing or other similar covenants or agreements in the Deed of Trust and the other Bond Documents. All agreed contractual duties are set forth in the Deed of Trust, the Indenture, and the other Bond Documents.

(g) *Real Property Laws Governing.* Each time the Beneficiary elects to exercise remedies with respect to both real property and personal property which are part of the Property, to the fullest extent allowed by law, such remedies shall be governed by the real property laws of the State and shall not be governed by the personal property laws of the State, thereby rendering inapplicable, without limitation, Sections 9615, 9620, and 9627 of the Code.

Concurrent Assignment

Concurrently with the execution of the Deed of Trust, the Authority is assigning all of its right, title and interests herein to the Bond Trustee pursuant to a Leasehold Deed of Trust Assignment Agreement, dated as of _____ 1, 2024, and upon such assignment, the Bond Trustee shall have all of the rights of the Beneficiary under the Deed of Trust.

DEVELOPMENT AGREEMENT

Appointment

The Landlord appoints the Developer, and the Developer agrees to act, as the Landlord's independent contractor to perform the Development Services upon and subject to the terms and conditions of the Development Agreement.

Development Services

The Developer shall perform the Development Services, as defined below. The Developer shall use the degree of professional care, skill, judgment, and diligence exercised by competent project developers regularly developing projects similar in scope and complexity to the Project in the metropolitan area where the Project is located. The Development Services are as follows:

- (a) enter into the Design-Build Agreement and prepare, or caused to be prepared for the County's approval, the Final Project Budget and the Final Project Schedule;
- (b) obtain, or cause to be obtained, all Permits;
- (c) oversee the Design-Builder and the other Contractors, and administer and enforce the Design-Build Agreement and the other Construction Contracts (or oversee the administration and enforcement thereof, as applicable) in accordance with the terms thereof;
- (d) cause the Design-Builder to construct and complete the Facilities in accordance with the Facilities Lease, Requirements of Law, the Final Project Schedule, the Final Project Budget and the Contract Documents all on or before the Outside Completion Date; and
- (e) provide coordination, management supervision and administration of the Design Builder and the other Contractors to cause the Design Builder and the other Contractors to perform the Work necessary to construct and complete the Facilities on or before the Outside Completion Date.

Notwithstanding the foregoing, none of the Development Services shall include the means and methods of construction. Contractors, including the Design-Builder, shall be solely responsible for, and shall have exclusive control over, the design, construction means, methods, techniques, sequences, and procedures in connection with the Project.

Completion of the Project

Payment Applications. As a part of the Development Services, the Developer shall submit to the Landlord and the County, on a monthly basis, an application for payment ("*Payment Application*") for (i) the applicable portion of the Developer Fee and the Project Management Fee; plus (ii) the Project Costs incurred by the Developer through the end of the period covered by the Payment Application, and for which the Developer has made or is required to make payment prior to the next Payment Application, supported by such data substantiating the Developer's right to payment in the form required of the Contractors under their respective Construction Contracts. Each Payment Application shall be certified to be accurate and complete by the Developer and shall include the following: (i) mechanics' lien waivers and release forms that conform to all Requirements of Law, from all Contractors who have provided labor, services or materials in connection with the Project, which shall be date specific conditional or unconditional waiver and release forms; (ii) a summary of all disbursements to the Developer and all Contractors on a monthly basis; (iii) the percentage of completion of the Facilities as of the date of completion based on the schedule

of values prepared by the Design-Builder and allocating the costs of the Work performed under the Construction Contracts; and (iv) other information reasonably requested by the Landlord, the County, the Trustee, the Title Company or any other source of Project funding. The Landlord shall promptly submit all Payment Applications to the appropriate funding party or parties and shall use commercially reasonable efforts to secure payment for the Developer in accordance with the respective documents pursuant to which the Project Costs will be funded.

Commencement/Completion. The Developer shall, subject to availability of funds, cause the Design-Builder to construct the Facilities (a) in accordance with the Contract Documents, excluding Minor Deviations and Change Orders pursuant to the Work Letter and the Development Agreement, (b) in compliance with all Permits and (c) in compliance with all Requirements of Law. The Developer shall have no responsibility for securing any approvals, accreditations, certificates, licensing, and permits related to or required for the County's intended use and occupancy, and following the Substantial Completion, of the Facilities, all of which shall be the County's responsibility, and the Developer shall not be responsible for any delays in the Developer's ability to achieve Substantial Completion of the Facilities by the Outside Completion Date as a result of the County's failure to secure any of the foregoing approvals, accreditations, certificates, licensing, or permits to the extent required to achieve Substantial Completion of the Facilities.

Force Majeure Delays.

(i) If the Developer shall be delayed from punctually performing any obligation or satisfying any condition under the Development Agreement as a result of Force Majeure Delays, then the time to perform such obligation or satisfy such condition shall be extended. The existence of Force Majeure Delays shall excuse the Developer for resulting delays and changes in the Final Project Schedule. The Developer shall use, and cause the Contractors to use, commercially reasonable efforts to minimize the duration of any Force Majeure Delay. The Developer shall notify the Landlord and the County, or shall cause the Design-Builder to notify the Landlord and the County, of any Force Majeure Delay not more than five (5) Business Days after actual knowledge of the event that the Developer or Design Builder, as applicable, alleged has or will result in a Force Majeure Delay.

(ii) In the event of a Force Majeure Delay, the Final Project Schedule shall be adjusted to the extent required to reflect the actual, reasonable and substantiated increase in time caused by Force Majeure Delay. If the Force Majeure Delay causes a net increase to the Final Project Budget, the Final Project Budget shall be adjusted to the extent required to reflect the actual, reasonable and substantiated line item increase in Project Costs caused by such Force Majeure Delay. The Developer shall provide the Landlord and the County with all documents evidencing the actual, reasonable and substantiated line item increase in Project Costs caused by such Force Majeure Delay prior to any adjustment in the Final Project Budget. Any increase in the Final Project Budget as a result of a Force Majeure Delay shall be paid from amounts on deposit in the following accounts within the Project Fund and in such order until the amount in each such account has been fully depleted: (A) the Project Contingency Account, (B) the Developer Fee Reserve Account, and (C) the Tenant Contingency Account. To the extent the increase in the Final Project Budget as a result of a Force Majeure Delay exceeds amounts on deposit in the Project Contingency Account, the Developer Fee Reserve Account and the Tenant Contingency Account, then such cost increase shall be paid from the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

(iii) If the Facilities, or any portion thereof, are damaged by fire or other casualty prior to the Projected Completion Date or the Outside Completion Date, as applicable, then the Projected Completion Date and Outside Completion Date, as applicable, shall be extended by the period of time reasonably necessary to repair or reconstruct the Facilities, or any portion thereof, damaged by such fire or other casualty, and the Developer shall cause the Design-Builder to repair or reconstruct the Facilities, or any portion thereof, so damaged subject to availability of insurance or other proceeds.

Tenant-Caused Delays. If any of the dates by which the Developer is required to perform or cause Contractors to perform an action set forth in the Development Agreement or the Construction Documents is delayed as a result of a Tenant-Caused Delay, then the date for such action set forth in the Development Agreement and the Construction Documents shall be extended by the time period of such Tenant-Caused Delay. In addition, if the Tenant-Caused Delay causes any net increase to the Project Costs, the Developer shall deliver to the Landlord and the County a detailed description of the increase in the Project Costs to reflect the actual, reasonable and substantiated line item increase in Project Costs caused by such Tenant-Caused Delays and the Final Project Budget shall be adjusted to reflect the line-item increase in Project Costs caused by the Tenant-Caused Delays and, in such event, the Landlord agrees to execute a Change Order documenting the adjustment to the Final Project Budget. The cost increase attributable to Tenant-Caused Delays shall be paid first from the Tenant Contingency Account, and then may, with the Developer's written consent, which consent shall not be unreasonably withheld, conditioned or delayed, be paid from amounts in the Project Contingency Account, and if such consent is withheld, from the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

Liens. Provided that the Landlord complies with the terms of the Development Agreement, including the payment of complete and correct Payment Applications, the Developer will not create or permit the Design Builder to create or to remain, and will, within a reasonable period of time, discharge, or cause the Design Builder to discharge at their respective sole costs and expenses, any lien, encumbrance or charge upon the Property which arises by reason of any labor, services or materials furnished or claimed to have been furnished to the Developer or the Design-Builder, as applicable, with respect to the Project. If any such lien is filed against the Property, the Developer or the Design-Builder, as applicable, shall, within ten (10) Business Days after notice of the filing thereof, cause such lien to be released or discharged with respect to the Property by payment or bonding. If the Developer or the Design-Builder shall fail to cause such lien to be bonded or discharged within ten (10) Business Days after being notified of the filing thereof, then in addition to any other rights and remedies available to the Landlord or the Trustee, as assignee of the Development Agreement, under the terms of the Development Agreement or the Indenture, at law or in equity, the Landlord or the Trustee may, but shall not be obligated to, discharge or bond the same by paying the amount claimed to be due or posting a bond, and the amount so paid by the Landlord or the Trustee and all costs and expenses, including reasonable attorneys' fees incurred by the Trustee in paying, bonding or procuring the discharge of such lien, shall be paid by the Design Builder unless such lien results from any act or omission of the Developer, in which case it shall be paid from amounts in the Developer Fee Account.

Insurance. From the Effective Date of the Development Agreement to the Final Acceptance, the Developer shall maintain or cause the Design-Builder to maintain the following insurance coverage:

(a) Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Said policy shall (A) include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident and (B) 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 Facilities and all areas appurtenant thereto including claims which may arise from or out of the Developer's or the Design-Builder's operations, use, and management of the Facilities, or the performance of its obligations under the Development Agreement. Said policy shall (A) name the Trustee and the County, their respective elected and appointed officials, employees, agents, independent contractors or representatives as additional insureds for the Developer's or the Design-Builder's indemnity obligations in the Development Agreement and (B) 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 Development Agreement or be not less than two (2) times the occurrence limit.

(c) If vehicles or licensed mobile equipment are used on the Property, the Landlord and the Design-Builder 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 Trustee and the County, and their respective elected and appointed officials, employees, agents, independent contractors or representatives as additional insureds for the Developer's and the Design-Builder's obligations in the Development Agreement.

(d) Prior to the Commencement of Construction of the Facilities, the Developer shall (directly or through the Design-Builder) obtain at the Landlord's sole cost and expense (as part of the Project Costs), and keep in full force and effect until the construction of the Facilities is complete in accordance with the Work Letter, a builder's risk policy of insurance covering loss or damage to the Facilities for the full replacement value of such work, including earthquake insurance. The named insureds shall include the Trustee, the Landlord, the County, the Design-Builder and other Contractors as their interests appear. The Trustee shall be named as the loss payee under such builder's risk policy of insurance. The Design-Builder or the other Contractors shall be responsible for any deductible payments that result from a loss or damage to the Facilities under this coverage.

Bonds. The Developer agrees to cause the Design-Builder to obtain a payment and performance bonds in form and substance that is reasonably acceptable to the Landlord and the County. The cost of any bond that is required by the Landlord and the County shall be included in Project Costs. The Trustee shall be named as obligee under such payment and performance bonds.

Change Orders

There shall be no changes in the Contract Documents or the Work contemplated thereby, except for Minor Deviations and Change Orders, except in accordance with the Development Agreement as summarized under this heading. The Landlord, on behalf of the County, or the County may request changes to the Contract Documents, provided that the Developer shall not be required to accommodate any changes, additions, or deletions to the Work if it would (i) increase the Project Costs beyond those which are set forth on the Final Project Budget, unless funds are available in accordance with the Development Agreement below to pay for such increase in Project Costs, (ii) violate any Requirements of Law, (iii) violate sound engineering practices, or (iv) will delay the completion of the Facilities beyond the Projected Completion Date or the Outside Completion Date, unless such dates are extended to account for such delay by the County in accordance with the Development Agreement.

If any Change Order requested by the County or the Landlord on behalf of the County delays Substantial Completion of the Facilities, then the Projected Completion Date and Outside Completion Date shall be extended by the period of such delay. At its option, the County may elect to amend the Facilities Lease and fund the costs of Change Order with the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

Field orders and change orders may be approved by the Developer without prior the Landlord's and the County's approval, but only if the changes authorized by these field orders and change orders shall not have the effect of delaying the Substantial Completion of the Facilities beyond the Outside Completion Date, materially altering the Work or increasing the Project Costs in excess of the Final Project Budget. As soon as practical, the Developer shall provide, or cause to be provided, the Landlord and the County with all field orders and/or change orders approved by the Developer. For the purposes of this paragraph, an alteration shall be deemed to be "material" if it would reduce the intended quality of the Facilities, result in

an increase to the County's operational costs over time, or result in an unequal substitution of any of the systems in the Facilities (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, security systems, and infrastructure components). In the case of either a material alteration or a change that would result in failure to Substantially Complete the Facilities by the Outside Completion Date, prior written approval by the County not to be unreasonably withheld of the proposed change must be received.

The Developer Fee and the Project Management Fee

The Developer shall receive a the Developer fee equal to [_____] percent (___%) of aggregate Project Costs set forth in the Final Project Budget in consideration for providing the Development Services (the "*Developer Fee*"). A portion of the Developer Fee in the amount of the Developer Fee Reserve Requirement shall be set aside in the Developer Fee Reserve Account and only disbursed to the Developer, subject to the following sentence, following Final Acceptance. The portion of the Developer Fee deposited into the Developer Fee Reserve Account shall be applied in accordance with the terms and provisions of the Development Agreement, the Work Letter and the Indenture. The portion of the Developer Fee deposited into the Developer Fee Account shall be paid in equal monthly installments commencing with Commencement of Construction of the Facilities and generally concurrently with the payment of Payment Applications.

The Developer shall receive a project management fee equal to [_____] percent (___%) of aggregate Project Costs set forth in the Final Project Budget in consideration for managing construction of the Facilities, including pre-construction services (the "*Project Management Fee*"). The Project Management Fee will be paid to the Developer from the proceeds of the Bonds in accordance with the provisions of the Indenture. [The Project Management Fee shall be paid in accordance with the following schedule: (i) fifty percent (50%) of the Project Management Fee shall be paid to the Developer concurrent with the Commencement of Construction of the Facilities or as soon as practical thereafter, and (ii) fifty percent (50%) of the Project Management Fee shall paid to the Developer in equal monthly installments commencing with commencement of construction of the Facilities or as soon as practical thereafter.

Upon Final Acceptance, the Developer shall provide to the Landlord and the County, an accounting of the actual final Project Costs. If the actual final Project Costs are less than the Final Project Budget ("*Project Cost Savings*"), then ten percent (10.0%) of such Project Cost Savings shall be disbursed to the Developer as a performance fee and the remaining ninety percent (90.0%) shall be applied pursuant to the Facilities Lease. The calculation of Project Cost Savings shall not include amounts representing the Tenant Contingency.

The Developer Default; Liquidated Damages

The following events shall be Events of Default under the Development Agreement:

(a) The Developer shall fail to observe, perform or comply with any other term, covenant, agreement or condition of the Development Agreement that is to be observed, performed or complied with by the Developer under the provisions of the Development Agreement, and such failure shall continue uncured for thirty (30) calendar days after the giving of written notice thereof by the Landlord to the Developer specifying the nature of such failure, or if the required performance to cure cannot be completed within thirty (30) days, then such longer period as is reasonably necessary to cure provided the Developer commences to cure such failure and diligently and continuously attempts to complete the cure as soon as reasonably possible (but in no event more than 120 days after written notice of the failure from the Landlord to the Developer);

(b) the Developer's and/or the Design-Builder's failure to achieve Substantial Completion of the Facilities by the Outside Completion Date;

(c) the Developer has, in connection with the Project, performed an act or failed to perform any act constituting fraud, misconduct, negligence (unless such negligence is cured within fifteen (15) business days of written notice thereof), or misappropriation or comingling of funds for the Project;

(d) the Developer shall have taken an action without obtaining the written consent of the Landlord or the County where such written consent is required under the terms of the Development Agreement prior to taking such action;

(e) the Developer's admission of its inability to pay its debts as they become due or the Developer becoming "insolvent" by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to the United States Bankruptcy Code, the Uniform Fraudulent Transfers Act, any similar state or federal act or law, or the ruling of any court;

(f) the making of an assignment for the benefit of creditors or the filing of a voluntary petition in bankruptcy by the Developer;

(g) the filing of an involuntary petition in bankruptcy against the Developer which is not dismissed within ninety (90) days after filing or the adjudication of the Developer as a bankrupt or insolvent;

(h) the filing by the Developer of (A) a petition or answer seeking for the Developer any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule or (B) an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Developer in any proceeding of a nature described under subparagraph (A) above;

(i) seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator by the Developer of all or a substantial part of the Developer's properties;

(j) the commencement of a proceeding against the Developer or any of its affiliates seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule not dismissed within sixty (60) days after commencement of the proceeding;

(k) the criminal conviction of the Developer or person with a Controlling Interest in the Developer for fraud or any felony unless such person with a Controlling Interest has been terminated and removed from the Developer (but only to such extent of such person's involvement with the Developer). For purposes of the Development Agreement, a "*Controlling Interest*" means the power to direct the management and policies of the Developer as a result of holding directly or indirectly whether through the ownership of voting securities, by contract or otherwise, which shall include, without limitation, the person(s) with the largest share of voting rights in the Developer; or

(l) the occurrence of an event of default under the Design-Build Agreement.

Except as provided in the Development Agreement with respect to the Event of Default described in subsection (b) above, upon the occurrence and during the continuance of an Event of Default by the Developer under the Development Agreement, the Landlord shall have the right to terminate the Development Agreement by written notice to the Developer and the Landlord shall have all remedies available at law or in equity. Without limiting the foregoing, the Landlord shall have the right from time to time to take action to recover any sum or sums which are owed to the Landlord under the Development

Agreement as a result of the Developer's default under the Development Agreement, including all costs and expenses (including reasonable attorney's fees) incurred by the Landlord in connection with the enforcement of its rights and remedies under the Development Agreement, and without prejudice to the rights of the Landlord thereafter to exercise other remedies on account of any such default. Upon the occurrence and during the continuance of an Event of Default, neither the Landlord nor the Trustee shall have any obligation to pay any Developer Fee or Management Fee to the Developer until such time as such the Developer's default has been cured. Amounts otherwise owed to the Developer upon the occurrence and during the continuance of an Event of Default under the Development Agreement may be applied by the Trustee to remedy such default. In the event of a termination of the Development Agreement by the Landlord or the Trustee pursuant to this Section, the Landlord shall, following the determination of the Developer's obligations to the Landlord or the Trustee arising from the Developer's default, cause to be paid to the Developer, within sixty (60) days following termination, all Reimbursable Expenses incurred by the Developer through the date of termination, together with that portion of the Developer Fee and Project Management Fee earned through the date of termination.

With respect to an Event of Default described in subsection (b) above, if the Developer fails to achieve Substantial Completion of the Facilities on or before the Outside Completion Date but is diligently and continuously proceeding to achieve the Substantial Completion of the Facilities, then, as the Landlord's sole and exclusive remedy for damages for such delay and instead of any actual damages, commencing on the first day following the Outside Completion Date, the Developer shall pay or cause to be paid (i) by Design Builder to the Landlord promptly on demand by the Landlord (or the Landlord may cause the Trustee to withhold the same from amounts on deposit in the Design-Builder Reserve Account the amount of \$ _____/day and to transfer such amounts to the Tenant Contingency Account until the amount on deposit in the Design-Builder Reserve Account is fully depleted, and thereafter, (ii) by the transfer of the amount \$ _____ per day from the Developer Fee Reserve Account to the Tenant Contingency Account, as compensation to the Landlord for such failure during the period of the delay, but not as a penalty ("*Liquidated Damages*"). The Developer and the Landlord agree that the amount of Liquidated Damages required pursuant to the Development Agreement shall not be in addition to Liquidated Damages that may be paid by the Design-Builder to the Trustee pursuant to the Design-Build Agreement or otherwise in connection with the Bonds, and, in the event such other payments are actually paid to the Trustee, such amount shall be deemed to have been paid pursuant to the Development Agreement. Following the payment or depletion of the Liquidated Damages, the Landlord shall have the right to terminate the Development Agreement by written notice to the Developer.

In furtherance of the foregoing, the Developer assigns to the Landlord and the Trustee its right to receive Liquidated Damages from the Design-Builder under the Design-Build Agreement. The Landlord shall have the right to assign its right to receive such Liquidated Damages to the Trustee and, in connection therewith, the Developer shall pay the Liquidated Damages, or cause such amounts to be paid directly, to the Trustee.

Default of The Landlord

If the Landlord (a) fails or fails to cause the County to pay any undisputed amounts due and payable pursuant to the Development Agreement and such failure or refusal continues for fifteen (15) days following the date the Developer notifies the Landlord and the County in writing of such failure or refusal, (b) fails to comply with or perform in any respect any of the material terms and provisions to be complied with or any of the obligations to be performed by the Landlord under the Development Agreement or the Project Documents (including assignment or attempt to assign its rights or obligations under the Development Agreement or the Project Documents), and such failure continues uncured for a period of thirty (30) calendar days after written notice to the Landlord, the County and the Trustee specifying the nature of such default in the case of a monetary default, or if a non-monetary default, such longer period if the required

performance to cure cannot be completed within thirty (30) days, then such longer period as is reasonably necessary to cure provided the Landlord commences to cure such failure within such thirty (30) days and diligently and continuously attempts to complete the cure as soon as reasonably possible (but in no event more than 120 days after written notice of the failure from the Landlord to the Developer), then the Developer shall have, in addition to all other rights and remedies available to the Developer at law or in equity, the right to terminate the Development Agreement by giving written notice thereof to the Landlord, the County and the Trustee. In such event, the Landlord shall pay or cause to be paid to the Developer within sixty (60) days following termination all Reimbursable Expenses incurred by the Developer through the date of termination, together with all of the Developer Fee and the Project Management Fee earned through the date of termination.

DESIGN-BUILD AGREEMENT

Definitions

The following are definitions of certain terms used in the following summary of the Design-Build Agreement. See “DEFINITIONS” above for the definition of certain additional terms used in the following summary of the Deed of Trust.

“*Change Order*” means a written instrument signed by the Developer and Design-Builder stating their agreement upon all of the following: (1) the change in the Work; (2) the amount of the adjustment, if any, in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder’s compensation; and (3) the extent of the adjustment, if any, in the Contract Time.

“*Change Directive*” means a written order signed by the Developer directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder’s compensation, or Contract Time.

“*Claim*” means disputes and matters in question between the Developer and Design-Builder arising out of or relating to the Contract.

“*Contract*” means the Design-Build Documents.

“*Contract Sum*” or “*Guaranteed Maximum Price Amount*” means the maximum amount to be paid to the Design-Builder for the performance of the Work after execution of the Design-Build Amendment.

“*Contract Time*” means the period of time, including authorized adjustments, as set forth in the Design-Build Amendment for Substantial Completion of the Work.

“*Design Amount*” means the maximum amount to be paid to the Design-Builder for performance of the design Work as set forth in the Design-Build Documents.

“*Design-Build Amendment*” means the Design-Build Amendment, executed by the Developer and the Design-Builder, attached as Exhibit A to the Design-Build Agreement.

“*Design-Build Documents*” means the Design-Build Agreement between the Developer and the Design-Builder and its attached exhibits; that certain Pre-Development Agreement, dated as of August 2, 2022 between PMB LLC, a California limited liability company (“PMB”) and the County as amended and assigned to the Developer pursuant to that certain Amendment, Acknowledgement and Assignment and Assumption Agreement made as of July 11, 2023, other documents listed or referenced in the Design-Build Agreement; and Modifications issued after execution of the Design-Build Agreement. A Modification is

(1) a written amendment to the Design-Build Documents signed by both parties, including the Design-Build Amendment, (2) a Change Order, or (3) a Change Directive.

“*Substantial Completion*” means the stage in the progress of the Work when (a) construction is sufficiently complete, in accordance with the Design-Build Documents, so that the County and/or its affiliates can occupy or utilize the Project for the use for which it is intended, subject only to completion of “punch list” items of a minor nature that would not prevent the County and/or its affiliates from occupying or using the Project; and (b) all required permits or approvals for occupancy and utilization including, but not limited to, all “certificates of occupancy” or equivalent certificates, including but not limited to a temporary certificate of occupancy or temporary occupancy permit, have been issued by the authorities having jurisdiction over the Work, provided that Substantial Completion does not include the issuance of required licenses to operate the facility.

“*Project*” means the total design and construction of which the Work performed under the Design-Build Documents may be the whole or a part, and may include design and construction by the Developer and by separate contractors.

“*Work*” means the design, construction and all related items and services required to fulfill the Design-Builder’s obligations under the Design-Build Documents, or reasonably inferable therefrom as necessary to produce the results intended, whether completed or partially completed, and includes all labor, materials, equipment and services provided or to be provided by the Design-Builder. The Work may constitute the whole or a part of the Project. Without limitation, an item of work is deemed inferable from the Design-Build Documents to the extent that such item or work: (i) is customarily provided or furnished, or reasonably expected, in connection with Work depicted or described in the Design-Build Documents, (ii) is needed for the operation or use of any item of work described, depicted or indicated in the Design-Build Documents, (iii) is needed to complete a system of which any part is described, depicted or indicated in the Design-Build Documents, or (v) if not depicted, described or indicated in the Design-Build Documents, cannot reasonably and rationally be assumed by the Design-Builder to have been omitted intentionally from the Work.

Date of Commencement and Substantial Completion

The date of commencement shall be ten (10) days from the receipt by the Contractor of: (1) appropriate permits, (2) evidence of financing, and (3) execution of the Design-Build Amendment and written notice to proceed.

The Contractor shall achieve Substantial Completion of the entire Work not later than 911 calendar days from the date of commencement subject to adjustments to the contract time as provided in the contract documents.

Progress Payments

Based upon Applications for Payment submitted to the Developer by the Design-Builder, the Developer shall make progress payments on account of the Contract Sum to the Design-Builder as provided in the Design-Build Documents. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month. Provided that an Application for Payment is received not later than the 10th day of the month, the Developer shall make payment of the undisputed, certified amount to the Design-Builder not later than the 1st day of the following month.

Applications for Payment where the Contract Sum is based upon the cost of the Work plus a fee with a Guaranteed Maximum Price shall show the percentage of completion of each portion of the Work as

of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Design-Builder on account of that portion of the Work for which the Design-Builder has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the accompanying schedule of values provided by the Design-Builder.

Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows: (1) take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values less retainage required; (2) add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work in accordance with the requirements of the Design-Build Documents, or if approved in advance by the Developer in writing, suitably stored off the site at a location agreed upon in writing; (3) add the Design-Builder's Fee (in an amount that bears the same ratio to that fixed-sum fee as the cost of the Work bears to a reasonable estimate of the probable cost of the Work upon its completion), less retainage of 10%; (4) subtract retainage of 10% from that portion of the Work that the Design-Builder self-performs outside of the general conditions set forth in the Design-Build Documents; (5) subtract the aggregate of previous payments made by the Developer; (6) subtract the shortfall, if any, indicated by the Design-Builder in the documentation required by the Design-Build Documents to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Developer's auditors in such documentation; and (7) subtract amounts, if any, for which the Developer has withheld or nullified a payment as provided in the Design-Build Agreement, and any other amounts properly withheld by Developer under the Design-Build Documents.

Final Payment

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Developer to the Design-Builder not later than 30 days after the Design-Builder has fully performed the Contract and the requirements of the Design-Build Agreement have been satisfied, except for the Design-Builder's responsibility to correct non-conforming Work discovered after final payment or to satisfy other requirements, if any, which extend beyond final payment.

If the Contract Sum is based on the Cost of the Work, the Developer's auditors will review and report in writing on the Design-Builder's final accounting within 30 days after the Design-Builder delivers the final accounting to the Developer. Based upon the Cost of the Work the Developer's auditors report to be substantiated by the Design-Builder's final accounting, and provided the other conditions of the Design-Build Agreement have been met, the Developer will, within seven days after receipt of the written report of the Developer's auditors, either issue a final Certificate for Payment, or notify the Design-Builder in writing of the reasons for withholding a certificate as provided in the Design-Build Agreement.

Design-Builder's Schedules

The Design-Builder shall perform the Work in general accordance with the most recent schedule approved in writing by the Developer, but submittal and approval of such schedules by the Developer shall not extend any of the time periods for completion of the Work absent a properly executed Change Order.

Changes in the Work

Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order or Change Directive, subject to the limitations stated in the Design-Build Documents. A Change Order shall be based upon agreement between the Developer and the Design-Builder. The Developer may issue a Change Directive without agreement by the Design-Builder. Changes in the Work shall be performed under applicable provisions of the Design-Build Documents, and the Design-Builder shall proceed promptly, unless otherwise provided in the Change Order or Change Directive.

The Developer may by Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder's compensation, and Contract Time being adjusted accordingly. A Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

If the Change Directive provides for an adjustment to the Contract Sum or, if prior to execution of the Design-Build Amendment, an adjustment in the Design-Builder's compensation, the adjustment shall be based on one of the following methods: (1) mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation; (2) unit prices stated in the Design-Build Documents or subsequently agreed upon; (3) cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or (4) as described in the following sentence. If the Design-Builder does not respond promptly or disagrees with the method for adjustment in the Contract Sum or, if prior to execution of the Design-Build Amendment, the method for adjustment in the Design-Builder's compensation, the Developer shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount.

If unit prices are stated in the Design-Build Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Developer or Design-Builder, the applicable unit prices shall be equitably adjusted.

[Termination or Suspension Prior to Execution of the Design-Build Amendment

If the Developer fails to make payments to the Design-Builder for Work prior to execution of the Design-Build Amendment in accordance with the Design-Build Agreement and which are not disputed in good faith and such failure continues for fourteen (14) days after receiving written notice of such failure from Design-Builder, such failure shall be considered substantial nonperformance and cause for termination or, at the Design-Builder's option, cause for suspension of performance of services under the Design-Build Agreement. If the Design-Builder elects to suspend the Work, the Design-Builder shall give thirty (30) days' written notice to the Developer before suspending the Work. In the event of a proper suspension of the Work in accordance with the Design-Build Agreement, the Design-Builder shall have no liability to the Developer for delay or damage caused by the suspension of the Work. Before resuming the Work, the Design-Builder shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Design-Builder's Work. The Design-Builder's compensation for, and time to complete, the remaining Work shall be equitably adjusted.

If the Developer suspends the Project for reasons unrelated to and not caused by Design-Builder's performance or lack of performance of the Work, the Design-Builder shall be compensated for the Work

performed prior to notice of such suspension. When the Project is resumed, the Design-Builder shall be compensated for expenses incurred in the interruption and resumption of the Design-Builder's Work. The Design-Builder's compensation for, and time to complete, the remaining Work shall be equitably adjusted.

If the Developer suspends the Project for more than 90 cumulative days for reasons other than the fault of the Design-Builder, the Design-Builder may terminate the Design-Build Agreement by giving not less than seven days' written notice.

Either party may terminate the Design-Build Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of the Design-Build Agreement through no fault of the party initiating the termination.

The Developer may terminate the Design-Build Agreement upon not less than seven days' written notice to the Design-Builder for the Developer's convenience and without cause.

In the event of termination not the fault of the Design-Builder, the Design-Builder shall be compensated for Work performed prior to termination, together with reimbursable expenses then due and any other expenses directly attributable to termination for which the Design-Builder is not otherwise compensated. In no event shall the Design-Builder's compensation as described in this paragraph be greater than the Design Amount.]

Termination by the Developer For Cause

The Developer may terminate the Contract if the Design-Builder: (1) fails to submit a Design-Builder's proposal by the date required by the Design-Build Agreement, or if no date is indicated, within a reasonable time consistent with the date of Substantial Completion; (2) repeatedly refuses or fails to supply an architect, or enough properly skilled consultants, contractors, or workers or proper materials; (3) fails to make payment to the architect, consultants, or contractors for services, materials or labor in accordance with their respective agreements with the Design-Builder; (4) repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; (5) repeatedly fails to coordinate the Work with separate contractors, design-builders, and other contractors and Subcontractors as required under the Contract documents; (6) materially fails to comply with the scheduling requirements of the Contract documents, subject to extensions for Excusable Delays and Compensable Delays; (7) fails to promptly replace rejected material or correct rejected workmanship; (8) is otherwise guilty of substantial breach of a provision of the Design-Build Documents; or (9) falls more than fourteen (14) days behind the progress required by the Design Schedule (other than through no fault of Design-Builder and/or any other person or entity for whom Design-Builder is responsible), or fails promptly to take all necessary steps to regain the period of delay.

When any of the above reasons exist, the Developer may without prejudice to any other rights or remedies of the Developer and after giving the Design-Builder and the Design-Builder's surety, if any, seven days' written notice, and Design-Builder failing to commence curing or diligently continuing to cure to conclusion the reason set forth in such written notice, terminate employment of the Design-Builder and may, subject to any prior rights of the surety: (1) accept assignment of the architect, consultant and contractor agreements pursuant to the Design-Build Agreement; and (2) finish the Work by whatever reasonable method the Developer may deem expedient. Upon written request of the Design-Builder, the Developer shall furnish to the Design-Builder a detailed accounting of the costs incurred by the Developer in finishing the Work.

When the Developer terminates the Contract for one of the reasons stated in the first paragraph under the above heading, the Design-Builder shall not be entitled to receive further payment until the Work

is finished. If the unpaid balance of the Design Amount exceeds costs of finishing the design Work and other damages incurred by the Developer and not expressly waived, such excess shall be paid to the Design-Builder. If such costs and damages exceed the unpaid balance, the Design-Builder shall pay the difference to the Developer. The obligation for such payments shall survive termination of the Contract.

Termination by the Developer for Convenience

The Developer may, at any time, terminate the Contract for the Developer's convenience and without cause. Upon receipt of written notice from the Developer of such termination for the Developer's convenience, the Design-Builder shall: (1) cease Work as directed by the Developer in the notice; (2) take actions necessary, or that the Developer may direct, for the preservation of the Work; and (3) except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing Project agreements, including agreements with the architect, consultants, contractors, and purchase orders, and enter into no further Project agreements and purchase orders.

In case of such termination for the Developer's convenience, the Developer shall pay the Design-Builder for Work properly executed, costs incurred by reason of such termination, including costs attributable to termination of Subcontracts and Consultants; and the termination fee, if any, set forth in the Agreement. Regardless of whether termination is with or without cause, Developer shall not be liable to Design-Builder for consequential damages, incidental damages, or special damages, and in no event shall Design-Builder be entitled to recover any anticipated or lost profits, overhead or any other compensation or damages whatsoever for Work not executed, and in no event shall the sum paid Design-Builder as described in this paragraph exceed the Design Amount.

Termination by the Design-Builder for Cause

The Design-Builder may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Design-Builder, the architect, a consultant, or a contractor, or their agents or employees, or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, for any of the following reasons: (1) issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped; (2) an act of government, such as a declaration of national emergency that requires all Work to be stopped; or (3) because the Developer has not issued a certificate for payment and has not notified the Design-Builder of the reason for withholding certification for payment as provided in the Design-Build Documents, or because the Developer has not made payment on a certificate for payment within the time stated in the Design-Build Documents.

If the Work is stopped for a period of 60 consecutive days through no act or fault of the Design-Builder or any other persons or entities performing portions of the Work under contract with the Design-Builder because the Developer has repeatedly failed to fulfill the Developer's obligations under the Design-Build Documents with respect to matters important to the progress of the Work, the Design-Builder may, upon seven additional days' written notice to the Developer, terminate the Contract.

Failure of Payment

If the Developer does not issue a certificate for payment, through no fault of the Design-Builder, within the time required by the Design-Build Documents, then the Design-Builder may, upon seven additional days' written notice to the Developer, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Design-Build Documents.

Compliance with Law

Pursuant to the Design-Build Agreement, the Design-Builder shall perform the Work in compliance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities. If the Design-Builder performs Work contrary to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, the Design-Builder shall assume responsibility for such Work and shall bear the costs attributable to correction.

Indemnification

Pursuant to the Design-Build Agreement, the Design-Builder will agree, to the fullest extent permitted by law, to defend, indemnify and hold harmless the Developer, each constituent entity of the Developer, Advocates for Human Potential, Inc., the California Department of Health Care Services, the County, the Landlord, each lender, and with respect to all of the foregoing, each of their respective affiliates, officers, directors, shareholders, partners, successors-in-interest, members, managers, agents and employees (collectively, "Indemnitees" and individually an "Indemnitee"), from and against all liabilities, claims, damages, losses and expenses, including but not limited to attorneys' fees and costs (collectively, "Losses"), arising out of, resulting from, or relating to Design-Builder's performance under the Design-Build Agreement including, but not limited to, the following: (i) any act, omission or statement of Design-Builder, or any person employed by or engaged under contract with Design-Builder, that results in injury (including death), loss, or damage to any person or property; (ii) any failure on the part of Design-Builder to comply with applicable requirements of the BHCIP Program Fund Agreement and requirements of law; (iii) any failure to maintain the insurance policies required by the Design-Build Agreement or the BHCIP Program Fund Agreement, inclusive of intellectual property infringement, if applicable; (iv) any failure on the part of Design-Builder to satisfy all claims for labor, equipment, materials and other obligations relating to the performance of the Work; (v) any injury to property or person occurring on or about the Project site; and/or (vi) any claims related to the use, generation, storage, release, threatened release, discharge, disposal or presence of hazardous materials brought by Design-Builder or others for whom Design-Builder is responsible to the Project site; provided, however, that Design-Builder shall not be obligated to indemnify an Indemnitee for (i) its sole or active negligence or willful misconduct, or (ii) for defects in design furnished by such Indemnitee, if any. The rights of Indemnitees under the Design-Build Agreement shall be cumulative and in addition to all other rights and remedies they may have as provided in the Design-Build Agreement or by law, and Design-Builder's obligations shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person. Design-Builder's obligations as described in this paragraph shall not be limited by insurance coverage.

The Design-Builder's indemnity obligations shall also include, but are not limited to, all claims and judgments which may be made against the Developer, its affiliated entities and their respective officers, directors, members, managers, agents and employees, arising out of or resulting from the violation by Design-Builder or any Subcontractor of any applicable statute, law, rule, regulation, ordinance, or law.

So long as Developer is in compliance with its payment obligations under the Design-Build Agreement, the Design-Builder shall indemnify and hold the Developer, its affiliated entities and their respective officers, directors, members, managers, agents and employees harmless from any costs and damages, including, but not limited to, attorneys' fees and litigation-related costs, incurred by the Developer as a result of the filing of any mechanics' liens, materialmen's liens, notices of claim of lien, stop payment notices or any dispute resolution proceedings or litigation arising out of such liens, stop payment notices, notices of claim or claims.

To the fullest extent permitted by law, and without limitation, the Design-Builder shall indemnify and hold harmless the Indemnified Parties from all fines, penalties, damages, liabilities, costs, expenses

(including, without limitation, reasonable attorneys' fees) arising out of, or in connection with, any failure of the Design-Builder, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, (i) to comply with any legal requirements, or (ii) to secure and pay for permits, fees, approvals, licenses and inspections as required under the Contract documents.

The Design-Builder's obligations include, without limitation, any cost and expense incurred by any of the Indemnified Parties (including reasonable attorneys' fees) to enforce any of the Design-Builder's defense, indemnity or hold harmless obligations under the Design-Build Agreement.

Developer's Right to Stop Work

If the Design-Builder fails to correct Work which is not in accordance with the requirements of the Design-Build Documents or persistently fails to carry out Work in accordance with the Design-Build Documents, the Developer may issue a written order to the Design-Builder to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

Developer's Right to Carry Out the Work

If the Design-Builder defaults or neglects to carry out the Work in accordance with the Design-Build Documents and fails within a ten-day period after receipt of written notice from the Developer to commence and continue correction of such default or neglect with diligence and promptness, the Developer may, without prejudice to other remedies the Developer may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Design-Builder the reasonable cost of correcting such deficiencies. If payments then or thereafter due the Design-Builder are not sufficient to cover such amounts, the Design-Builder shall pay the difference to the Developer.

Duty to Continue Performance

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in the Design-Build Agreement, the Design-Builder shall proceed diligently with performance of the Work and Contract, and the Developer shall continue to make undisputed payments in accordance with the Design-Build Documents.

APPENDIX A
INFORMATION REGARDING THE COUNTY OF RIVERSIDE

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SECTION I – DEMOGRAPHIC AND ECONOMIC INFORMATION

Set forth below is certain information with respect to the County. Such information was prepared by the County except as otherwise indicated. Certain statements included or incorporated by reference in this Appendix A constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

General

The County was organized in 1893 from territory in San Bernardino and San Diego counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial counties and on the west by Orange and San Bernardino counties. The County is the fourth largest county (by both area and population) in the State of California (the “State”) and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors (the “Board of Supervisors” or the “Board”), elected by district, serving staggered four-year terms. The Chair of the Board is elected by the Board members annually. The County administration includes appointed and elected officials, boards, commissions and committees which assist the Board.

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services and public assistance programs. Some municipal services are provided by the County on a contract basis to incorporated cities within its boundaries. These services are designed to allow cities to contract for municipal services such as police and fire protection without incurring the full cost of creating their own separate departments and facilities. Services are provided to the cities at cost by the County.

Three distinct geographical areas characterize the County: the western valley area, the higher elevations of the mountains and the eastern desert areas. The western portion of the County, which includes the San Jacinto Mountains and the Cleveland National Forest, experiences the mild climate typical of Southern California. The higher elevations of the County tend to experience colder winters. The eastern desert areas experience warmer and dryer weather conditions.

Population

According to the State Department of Finance, Demographic Research Unit, the County’s population was estimated at 2,439,234 as of January 1, 2023, representing an approximately 0.3% increase over the County’s population as estimated for the prior year. This compares to the statewide population decrease of 0.4% for the same period. For the period of January 1, 2013 to January 1, 2023, the County’s population grew by approximately 8.1% cumulatively. The County is the tenth most populous county in the United States and the fourth most populous county in California.

The following table sets forth annual population figures, as of April 1 for 2020 and as of January 1 for 2021 through 2023, for cities located within the County for each of the years listed:

TABLE 1
COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(As of April 10 for 2020; as of January 1 for 2021-2023)

<i>City</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Banning	30,621	30,592	30,856	31,250
Beaumont	53,318	53,945	54,349	56,590
Blythe	18,586	17,376	17,417	17,265
Calimesa	10,028	10,588	10,950	10,962
Canyon Lake	11,069	11,082	11,003	10,949
Cathedral City	51,356	51,599	51,621	51,433
Coachella	41,900	41,931	41,935	42,462
Corona	156,637	157,182	157,139	157,005
Desert Hot Springs	32,415	32,351	32,389	32,608
Eastvale	69,742	70,457	69,978	69,514
Hemet	89,325	89,302	89,170	89,918
Indian Wells	4,759	4,791	4,785	4,774
Indio	88,795	89,422	89,789	90,837
Jurupa Valley	104,828	105,131	105,154	104,983
Lake Elsinore	70,572	71,225	71,989	71,973
La Quinta	37,504	37,727	37,562	37,979
Menifee	102,466	104,323	107,411	110,034
Moreno Valley	208,237	208,387	208,302	208,289
Murrieta	110,702	111,024	110,592	109,998
Norco	26,659	24,680	25,035	25,037
Palm Desert	50,696	50,683	50,626	50,615
Palm Springs	44,206	44,312	44,165	44,092
Perris	78,614	78,867	78,474	78,948
Rancho Mirage	16,588	16,692	16,854	17,012
Riverside	316,307	309,598	314,818	313,676
San Jacinto	53,835	54,186	54,303	54,103
Temecula	109,820	109,881	109,468	108,899
Wildomar	<u>36,720</u>	<u>36,713</u>	<u>36,438</u>	<u>36,336</u>
TOTALS				
Incorporated	2,026,305	2,024,047	2,032,572	2,037,541
Unincorporated	<u>391,880</u>	<u>394,680</u>	<u>398,404</u>	<u>401,693</u>
County-Wide	<u>2,418,185</u>	<u>2,418,727</u>	<u>2,430,976</u>	<u>2,439,234</u>
California	39,538,223	39,286,510	39,078,674	38,940,231

Source: State Department of Finance, Demographic Research Unit, Report E-4 Population Estimates for Cities, Counties, and the State, 2021-2023, with 2020 Benchmark.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other than labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources and transfer payments (such as pensions and

welfare assistance). Deducted from this total are personal taxes (federal, state and local, nontax payments, fines, fees, penalties, etc.) and personal contributions to social security insurance and federal retirement payroll deductions. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total Effective Buying Income for the County, the State and the United States for the current and last four years:

TABLE 2
RIVERSIDE COUNTY, CALIFORNIA AND UNITED STATES
TOTAL EFFECTIVE BUYING INCOME,
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND
PERCENT OF HOUSEHOLDS WITH INCOMES OVER \$50,000⁽¹⁾

	<i>Total Effective Buying Income⁽²⁾</i>	<i>Median Household Effective Buying Income (“EBI”)</i>	<i>Median County EBI as a percentage of State and Federal EBI</i>	<i>Percent of Households with Income over \$50,000</i>
2020				
Riverside County	\$ 59,340,416	\$ 59,167	--	57.60%
California	1,243,564,816	65,285	90.63%	61.45
United States	9,487,165,436	55,303	106.99	--
2021				
Riverside County	\$ 60,749,087	\$ 60,203	--	58.41%
California	1,290,894,604	67,510	89.18%	62.86
United States	9,809,944,764	56,790	106.01	--
2022				
Riverside County	\$ 71,160,967	\$ 70,683	--	65.97%
California	1,452,426,152	76,880	91.94%	68.53
United States	11,208,582,540	63,679	111.00	--
2023				
Riverside County	\$ 72,687,953	\$ 71,389	--	66.37%
California	1,461,799,662	76,990	92.73%	68.58
United States	11,454,846,397	64,600	110.51	--
2024				
Riverside County	\$ 76,381,809	\$ 75,248	--	68.70%
California	1,510,708,521	80,609	93.35%	70.31
United States	11,987,185,826	67,310	111.79	--

⁽¹⁾ Estimated, as of January 1 of each year.

⁽²⁾ Dollars in thousands.

Source: Claritas Spotlight Reports.

Building and Real Estate Activity

The two tables below set forth a summary of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the last five years.

**TABLE 3
COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(IN THOUSANDS)**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
RESIDENTIAL					
New Single-Family	\$ 1,834,821	\$ 2,315,365	\$ 2,013,159	\$ 2,429,329	\$ 1,928,591
New Multi-Family	282,465	93,149	149,081	339,475	544,606
Alterations and Adjustments	<u>158,117</u>	<u>110,788</u>	<u>100,402</u>	<u>152,309</u>	<u>140,851</u>
Total Residential	\$ 2,275,404	\$ 2,519,303	\$ 2,262,642	\$ 2,921,113	\$ 2,614,048
NON-RESIDENTIAL					
New Commercial ⁽¹⁾	\$ 312,035	\$ 313,728	\$ 607,980	\$ 643,697	\$ 497,885
New Industrial	493,872	225,401	184,817	83,556	189,455
Other Buildings ⁽²⁾	179,861	233,709	460,240	449,607	347,661
Alterations & Additions	<u>300,086</u>	<u>380,937</u>	<u>290,962</u>	<u>524,757</u>	<u>368,067</u>
Total Nonresidential	\$ 1,285,855	\$ 1,153,777	\$ 1,543,998	\$ 1,701,617	\$ 1,403,068
TOTAL ALL BUILDING	\$ 3,561,260	\$ 3,673,080	\$ 3,806,640	\$ 4,622,730	\$ 4,017,116

⁽¹⁾ Includes office buildings, stores & other mercantile, hotels & motels, amusement & recreation, parking garages and service stations & repair.

⁽²⁾ Includes churches and religious buildings, medical and institutional buildings, agricultural and storage buildings, hospitals and institutional buildings, public works and utility buildings, schools and educational buildings, structures other than buildings, and residential garages.

Source: California Homebuilding Foundation.

**TABLE 4
COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Single Family	6,563	8,443	7,360	8,863	8,123
Multi-Family	<u>1,798</u>	<u>732</u>	<u>1,126</u>	<u>2,861</u>	<u>4,992</u>
TOTAL	8,361	9,166	8,486	11,724	13,115

Source: California Homebuilding Foundation.

The following table sets forth the median housing prices for Los Angeles County, Riverside County, San Bernardino County and Southern California for the last five years.

TABLE 5
COUNTIES OF LOS ANGELES, RIVERSIDE AND SAN BERNARDINO
AND SOUTHERN CALIFORNIA
MEDIAN HOUSING PRICES

<i>Year</i>	<i>Los Angeles</i>	<i>Riverside</i>	<i>San Bernardino</i>	<i>Southern California⁽¹⁾</i>
2019 ⁽²⁾	\$615,000	\$392,000	\$343,750	\$530,000
2020 ⁽²⁾	670,000	430,000	380,000	575,000
2021 ⁽²⁾	770,000	510,000	450,000	665,000
2022 ⁽³⁾	775,000	545,250	480,000	685,000
2023 ⁽⁴⁾	820,000	550,000	481,500	720,000

⁽¹⁾ Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.

⁽²⁾ Annual median housing prices reported for calendar years 2019, 2020 and 2021.

⁽³⁾ Median housing prices reported for December 2022.

⁽⁴⁾ Median housing prices reported for December 2023.

Source: CoreLogic.

The following table sets forth the number of residential foreclosures recorded in Riverside County for the current and five most recently completed fiscal years.

TABLE 6
COUNTY OF RIVERSIDE
RESIDENTIAL FORECLOSURES

<i>Year</i>	<i>Foreclosures</i>
2018	1,233
2019	872
2020 ⁽¹⁾	314
2021 ⁽¹⁾	274
2022	407
2023 ⁽²⁾	309

⁽¹⁾ Foreclosures were lower in 2020 and 2021 than in prior years due to a moratorium on foreclosure of certain mortgage and court closures related to the COVID-19 pandemic. The statewide moratorium ended on June 30, 2022.

⁽²⁾ Current through October 1, 2023.

Source: DQNews (2018-2021); County Assessor (2022-2023).

Agriculture

In 2022, principal agricultural products were nursery stock, milk, alfalfa, dates, avocados, table grapes, eggs, lemons, bell peppers and turf grass.

Four areas in the County account for a major portion of the agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County’s eastern border.

Agricultural production in the County may be impacted by drought conditions. See “SECTION II—SERVICES AND RISK MATTERS—Environmental Control Services” below. The County cannot predict the impact that a future prolonged drought would have on agricultural production in the County.

The following table sets forth the value of agricultural production in the County for the years 2018 through 2022, the last year being the most recent year for which data is currently available.

TABLE 7
COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Citrus Fruits	\$ 170,775,000	\$ 121,934,000	\$ 126,567,000	\$ 127,473,000	\$ 132,062,000
Trees and Vines	249,150,000	268,368,000	282,840,000	280,105,000	270,078,000
Vegetables, Melons, Misc.	371,570,000	354,217,000	334,440,000	324,895,000	328,236,000
Field and Seed Crops	93,282,000	141,652,000	156,114,000	135,033,000	159,419,000
Nursery	165,758,000	204,768,000	247,765,000	267,547,000	318,683,000
Apiculture	5,473,000	6,123,000	5,858,000	5,925,000	5,950,000
Aquaculture	4,732,000	4,776,000	4,596,000	4,873,000	5,749,000
Livestock and Poultry	238,468,000	219,427,000	260,040,000	260,059,000	270,282,000
Grand Total	\$ 1,299,208,000	\$ 1,321,265,000	\$ 1,418,220,000	\$ 1,405,910,000	\$ 1,490,459,000

Source: County of Riverside Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwesterly from Riverside through Corona and connects with the Orange County freeway network. Interstate 10 traverses the County in an east-west direction, the western-most portion of which links up with major cities and freeways in Los Angeles County and San Bernardino County, with the eastern part linking the County's desert cities with Arizona. Interstates 15 and 215 extend northeasterly to Nevada, and Interstate 15 extends southerly to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to San Bernardino County and Los Angeles County. The State Route 91 Express Lanes connect to the OCTA SR-91 Express Lanes at the Orange County/Riverside County line on the west and continue easterly to the Interstate 15/State Route 91 interchange opened in March 2017. When travelling along State Route 91 through Corona, vehicles are able to use either the tolled express lanes or the free general-purpose lanes. The Interstate 15 Express Lanes, which opened in April 2021, extend from the San Bernardino County line southerly to Cajalco Road in Corona.

Metrolink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from nine stations in western Riverside County, including the Perris Valley area. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Palm Springs. Freight service to major west coast and national markets is provided by two transcontinental railroads – Union Pacific Railroad and the BNSF Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, servicing the area from Desert Hot Springs to Oasis and from Palm Springs to Riverside. The Palo Verde Valley Transit Agency provides service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Ontario International Airport Authority (OIAA) and was transferred by the City of Los Angeles to the OIAA in October 2016. Four major airlines schedule commercial flight service at Palm Springs International Airport owned and operated by the City of Palm Springs. County-operated general aviation airports include those in Thermal, Hemet, Blythe, Chiriaco-

Summit and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active-duty base to a reserve-only base on April 1, 1996. In connection with the realignment to reserve-only status, the March AFB Joint Powers Authority (the “JPA”), comprised of the County and the Cities of Riverside, Moreno Valley and Perris, is responsible for planning and implementing new uses for currently vacant land at the military base, reuse of existing facilities, and joint use of the airfield facilities for the development of an air cargo facility. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project. As of May 22, 2023, the March Air Reserve Base had 9,600 employees, including part-time employees and reservists.

Commercial Activity

Commercial activity is an important factor in the County’s economy. Much of the County’s commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also three factory outlet malls (Desert Hills Factory Stores, Cabazon Outlets and Lake Elsinore Outlet Center) and over 200 area centers in the County.

The following tables sets forth taxable sales transactions within the County for the last five years, the last year being the most recent full year of which annual data is currently available.

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**TABLE 8
COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS**

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Motor Vehicle and Parts Dealers	\$ 5,407,138,856	\$ 5,551,535,521	\$ 5,786,471,096	\$ 7,462,856,112	\$ 7,470,778,646
Home Furnishings and Appliance Stores	1,962,649,727	2,092,520,010	2,097,785,280	2,006,427,563	1,999,155,804
Building Materials and Garden Equipment and Supplies Dealers	2,346,507,775	2,487,360,007	3,091,784,448	3,600,518,832	3,598,728,060
Food and Beverage Stores	1,790,507,202	1,821,669,581	1,938,870,682	2,121,116,195	2,121,728,760
Gasoline Stations	3,381,768,451	3,383,592,749	2,622,849,376	3,958,293,093	3,959,674,480
Clothing and Clothing Accessories Stores	2,315,432,567	2,361,182,097	1,824,772,212	2,784,916,128	2,787,245,164
General Merchandise Stores	3,560,754,579	3,966,881,856	4,122,093,914	4,730,209,136	4,756,623,842
Other Retail Group	3,273,275,986	3,079,536,332	5,031,910,636	9,688,728,975	9,700,523,667
Food Services and Drinking Places	<u>4,004,656,656</u>	<u>4,276,122,483</u>	<u>3,547,301,048</u>	<u>4,927,010,190</u>	<u>4,936,088,033</u>
Total Retail and Food Services	\$ 28,042,691,799	\$ 29,020,400,636	\$ 30,063,838,692	\$ 41,280,076,224	\$ 41,330,546,456
All Other Outlets	<u>10,876,805,756</u>	<u>11,537,443,970</u>	<u>11,854,183,849</u>	<u>14,185,676,044</u>	<u>14,204,649,233</u>
Total All Outlets	\$ 38,919,497,555	\$ 40,557,844,606	\$ 41,918,022,541	\$ 55,465,752,268	\$ 55,535,195,689

Source: California Department of Tax and Fee Administration.

Industry and Employment

The County is a part of the Riverside-San Bernardino-Ontario Primary Metropolitan Statistical Area (“PMSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the PMSA has a large and growing commercial, service sector and logistics employment base. The number of employed persons in the PMSA by industry is set forth in the following table.

TABLE 9
RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY⁽¹⁾
(In Thousands)

<i>Industry</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Agriculture	14.6	13.9	13.1	14.7	13.8
Construction	101.1	105.0	107.6	114.3	118.9
Finance Activities	44.2	43.7	44.5	47.6	45.0
Government	268.8	249.1	239.7	254.1	270.3
Manufacturing:	102.6	94.3	94.6	98.1	98.1
Nondurables	15.4	34.6	35.4	38.6	38.4
Durables	65.7	59.7	59.2	59.5	59.7
Mining & Logging	1.2	1.3	1.3	1.6	1.6
Retail Trade	191.1	168.8	173.4	187.7	189.7
Professional and Business Services	160.7	154.0	163.5	185.9	168.9
Education and Health Services	260.5	248.7	252.7	272.3	297.4
Leisure & Hospitality	174.5	139.2	148.3	178.2	185.1
Other Services	43.1	39.6	41.3	49.2	50.0
Transportation, Warehousing and Utilities	146.3	170.5	194.0	220.5	211.8
Wholesale Trade	65.0	64.6	66.4	69.2	68.4
Information	<u>11.3</u>	<u>9.4</u>	<u>8.8</u>	<u>10.3</u>	<u>13.3</u>
Total, All Industries	1,585.0	1,501.8	1,549.2	1,703.7	1,732.3

⁽¹⁾ The employment figures by industry which are shown above are not directly comparable to the “Total, All Industries” employment figures due to rounded data.

Source: State Employment Development Department, Labor Market Information Division.

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The following table sets forth the major employers in the County and their respective product or service and number of employees as of May 22, 2023.

**TABLE 10
COUNTY OF RIVERSIDE
CERTAIN MAJOR EMPLOYERS⁽¹⁾
(AS OF MAY 22, 2023)**

<i>Company Name</i>	<i>Product/Service</i>	<i>No. of Local Employees</i>
County of Riverside	County Government	25,366
Amazon	E-Commerce	14,317
March Air Reserve Base ⁽²⁾	Military Reserve Base	9,600
Nestle UA	General Line Grocery Merchant Wholesalers	8,874
University of California, Riverside	University	8,623
State of California	State Government	8,383
Walmart	Retail Company	7,494
Moreno Valley Unified School District	School District	6,020
Kaiser Permanente Riverside Medical Center	Hospital	5,817
Corona-Norco Unified School District	School District	5,478
Riverside Unified School District	School District	5,431
Mt. San Jacinto Community College District	Community College District	4,638
Marie Callender Wholesalers Inc.	Bakery Products Wholesale	4,454
Temecula Valley School District	School District	4,022
Eisenhower Medical Center	Hospital	4,001
Pechanga Resort & Casino	Casino Resort	4,000
Hemet Unified School District	School District	3,960
Murrieta Valley Unified School District	School District	3,552
Starcrest of California	E-Commerce	3,450
Palm Springs Unified School District	School District	3,328
Stater Bros	Retail Grocery Company	3,297
Lake Elsinore Unified School District	School District	3,267
Home Depot	Home Improvement Centers	3,115
Jurupa Unified School District	School District	2,749
McDonald's	Limited Service Restaurant	2,721
City of Riverside	City Government	2,700
Target	Retail Company	2,631
Coachella Valley Unified School District	School District	2,581
Albertsons/Sav-On	Retail Grocery Company	2,231
Riverside Community College District	Community College District	2,228
Hemet Valley Medical Center	Hospital	2,214
Agua Caliente Band of Cahuilla Indians	Tribal Government/Casinos	2,200
Spa Resort and Casino	Casino Resort and Spa	2,120
Beaumont Unified School District	School District	2,053
Kroger (Ralphs & Vons)	Retail Grocery Company	2,035
Abbott Vascular Inc.	Medical Device Manufacturer	2,008
Desert Regional Medical Center	Hospital	1,991
Alvord Unified School District	School District	1,936
Lowe's Home Improvement	Home Improvement Centers	1,928
United Parcel Service	Delivery Services	1,678

⁽¹⁾ Includes part-time and temporary employees. Certain major employers in the County may have been excluded because of the data collection methodology.

⁽²⁾ Includes reservists.

Source: Riverside County Office of Economic Development.

Unemployment data for the County, the State and the United States for the last five years and preliminary data for December 2023 (as indicated) are set forth in the following table.

**TABLE 11
COUNTY, CALIFORNIA AND UNITED STATES UNEMPLOYMENT DATA**

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>December 2023⁽²⁾</i>
County ⁽¹⁾	4.4%	3.7%	9.9%	5.6%	4.0%	5.2%
California ⁽¹⁾	4.2	4.2	10.1	5.5	3.9	5.1
United States ⁽³⁾	3.9	3.7	8.1	5.3	3.5	3.7

⁽¹⁾ Data is not seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.

⁽²⁾ Unemployment rate information is preliminary for December 2023.

⁽³⁾ Data is seasonally adjusted.

Sources: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

SECTION II – SERVICES AND RISK MATTERS

Sheriff and Fire Services

The core services of the County Sheriff’s Department (the “Sheriff’s Department”) are to provide a 24/7 uniformed response to calls for service from the public in the unincorporated County areas, to operate a countywide jail system that serves all local agencies, to provide court security and service of court processes and orders, and to perform Coroner – Public Administrator functions pursuant to California law.

The Field Operations Division provides much of the County’s law enforcement via eleven Sheriff patrol stations, several support bureaus, and specialty teams spread across the County’s different regions. In addition, the Sheriff’s Department provides police services under contracts for sixteen incorporated cities, one tribal reservation, and one community college district. The Corrections Division operates five correctional facilities, an alternative sentencing program, and several in-custody treatment programs. The Courts Services Division provides court security by maintaining public safety, execution of orders issued by the court, service, and enforcement of civil processes, and serving civil and criminal arrest warrants. The Court Services Division also provides enhanced security at the County Administrative Center. The Coroner’s Bureau investigates and reports on all the violent, sudden, or unusual deaths of persons within the County as established by California law. The Public Administrator investigates and administers the estates of County residents who die without someone available or willing to handle their affairs. The Sheriff’s Department supports internal operations through the Administration Division, Support Services Bureau, and the Ben Clark Public Safety Training Center (“BCTC”), a 370-acre main training facility located in the City of Riverside. The Sheriff’s Department budget for Fiscal Year 2023-24 is approximately \$1 billion.

The Sheriff is currently evaluating future improvements to the BCTC. The modernization project would provide for a new training and educational campus for a variety of public safety, government, and educational partners to train and equip public safety personnel with effective tools and techniques for the foreseeable future. The project is intended to meet the needs of not only the Sheriff, but also other County public safety departments, the California Department of Forestry and Fire Protection (“CAL FIRE”), the California Highway Patrol, Riverside Community College District, federal law enforcement and public safety agencies, and other entities.

The Riverside County Fire Department (“RCFD”) is an integrated, cooperative, regional fire protection system that provides fire, emergency medical services, technical rescue and hazardous materials response to approximately 1.6 million residents in the unincorporated area, in 18 partner fire cities and one community services district.

The County has contracted with CAL FIRE since 1921 to serve as the RCFD for emergency services. All hazards emergency response services are provided from 94 fire stations using approximately 1,050 firefighters (CAL FIRE), 327 administrative and support personnel, and approximately 150 reserve volunteer firefighters, all of whom are State employees. CAL FIRE is responsible for protecting the State Responsibility Area (SRA) or watershed as part of the cooperative agreement and Public Resources Code §§4125-4127. The RCFD is one of the largest regional fire service organizations in California.

Medical and Health Services

General. Riverside University Health System (“RUHS”) is comprised of the Medical Center (“RUHS-MC”), Behavioral Health (“RUHS-BH”), Public Health (“RUHS-PH”) and Community Health Centers (“RUHS-CHC”). With more than 8,000 staff members, RUHS provides more than 3 million services per year, of which 2.3 million are behavioral health and/or substance use treatment services.

All counties in the State have the legal responsibility to provide health care to all individuals, regardless of their ability to pay or insurance status. Counties may meet this obligation by operating their own hospitals or contributing financially to other healthcare providers. The County provides these services directly by operating RUHS. RUHS provides services to patients covered by various reimbursement programs, principally Medi-Cal and Medicare, and some commercial insurance, while also providing services to the uninsured. RUHS relies on a significant amount of governmental Medicaid waiver revenue including, Disproportionate Share Hospitals (“DSH”) funding, Delivery System Reform Incentive Payments (DSRIP) and Realignment. In December 2015, several changes were adopted with respect to the Medicaid waiver to shift the focus of care away from hospital-based and inpatient care and instead towards outpatient, primary, and preventive care. RUHS is organized to ensure a pay-for-performance transformation that accomplishes the goal of continuing support, maximizing federal funds and improving the system of care for the County.

For Fiscal Year 2022-23, the County contributed approximately \$11.5 million to RUHS from its tobacco settlement revenue receipts to pay for operating expenses and debt service on the main RUHS facility, and the County currently anticipates continuing to pay such costs from its tobacco settlement revenue receipts through Fiscal Year 2026-27.

RUHS-MC. Located in the City of Moreno Valley, at approximately 520,000 square feet, RUHS-MC includes a Level I trauma facility, a tertiary care and Level II trauma facility licensed for 439 beds, and a Medical and Surgical Center, which opened in March 2020. There are 362 licensed beds in the main acute-care hospital and 77 licensed beds in a separate psychiatric facility. RUHS-MC is serviced by over 4,000 healthcare professionals and support staff and provides training to 1,000 medical residents and students and 2,500 nursing students annually. The County uses an enterprise fund to account for RUHS-MC.

RUHS-MC has 12 operating rooms, including one with a da Vinci Xi surgical robot, a helipad located directly adjacent to the trauma center, digital radiology services, including magnetic resonance imaging (MRI) and computerized tomography (CT), all single-bed rooms, and provides support to numerous hospital-based clinics. There are also adult, pediatric and neonatal intensive care units, a birthing center and complete pulmonary services, hyperbaric oxygen treatments, and an emergency psychiatric hospital. RUHS-MC is currently evaluating future improvements for the Medical Center including an emergency department, critical care expansion and other campus facilities and improvements.

RUHS-BH. RUHS-BH provides services in clinical practices affecting mental health. RUHS-BH has a dedicated professional team of approximately 1,100 employees consisting of psychiatrists, clinicians, peer specialists and paraprofessionals who provide clinical and substance use services to 65,000 persons annually in over 79 treatment sites operated by RUHS-BH, over 100 school sites and 5 jails, in addition to contracts with 140 community-based organizations. Services are primarily targeted toward individuals eligible for Medi-Cal and other specialized State programs.

RUHS-BH is comprised of three major programs: Mental Health Services, Substance Use Services, and the Public Guardian's Office.

The Mental Health Services program provides treatment and support services to transition-age youth, adults and older adults who have a mental illness and children who are seriously emotionally disturbed. Services include outpatient services, medication, peer recovery services, education, housing, residential care, as well as subacute and acute care. Peer-to-peer support services are a component of the program and are provided in clinics and by contract providers. Services to individuals who are homeless and mentally ill are also provided across the County.

The Substance Use Services program provides substance abuse treatment for all ages through a wide range of countywide clinics and contract providers. Prevention services are provided through (i) the largest Friday Night Live Program in the State, (ii) collaborative grants with school districts to set up student assistance programs, and (iii) contracts to reach out to community organizations and assist each community to make environmental prevention changes as needed.

The Public Guardian's Office provides services to persons unable to properly care for themselves or who are unable to manage their finances. The Public Guardian conducts the official County investigation into conservatorship matters and acts as the legally appointed guardian or conservator for persons found by the Superior Courts to be unable to properly care for themselves or their finances.

RUHS anticipates the completion and beneficial occupancy of the Mead Valley Wellness Village, an approximately 450,000 square foot behavioral health wellness center, by the end of 2026. In addition, RUHS-BH is evaluating other opportunities to meet community needs in alignment with proposed state initiatives around the modernization of behavioral healthcare delivery.

RUHS-PH. The mission of RUHS-PH is to promote and protect the health of all County residents and visitors for the wellbeing of the community. With a staff of 700 doctors, nurses, health educators, nutritionists, communicable disease and community program specialists, the department works towards preventing disease and promoting healthier communities.

RUHS-CHC. With 12 community health centers located throughout the County, RUHS-CHC provides free or low-cost health, dental and medical care. The clinics focus on persons with low income or no health insurance and offer a sliding fee scale, based on the ability to pay. Services offered by each clinic vary by specialty. The County uses an enterprise fund to account for RUHS-CHC.

Education Services

There are three union school districts, one elementary school district, one high school district, eighteen unified ("K-12") school districts and four community college districts in the County. Approximately ninety percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Corona-Norco Unified School District, Riverside Unified School District and Moreno Valley Unified School District.

There are nine two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley, Palo Verde Valley, Banning and Temecula. There are also three universities located in the City of Riverside – the University of California, Riverside ("UCR"), La Sierra University and California Baptist University. The City of Palm Desert also has a UCR campus and California State University, San Bernardino campus.

Homelessness Services

The County is committed to preventing and ending homelessness in the County, and its Department of Housing and Workforce Solutions (“HWS”) provides the necessary leadership and structure to unify community-wide responses. HWS works alongside a Homelessness Continuum of Care network to plan, coordinate and implement homeless solutions countywide. The Point-in-Time count is a federally mandated census of sheltered and unsheltered people experiencing homelessness on a single night in the County. The last full count was conducted on January 25, 2023 and identified 3,725 people, of which approximately 65% were unsheltered, representing an approximately 12% increase from the prior year. In comparison to 2022, the count represents a 3% decrease in the annual growth rate, which is largely attributable to additional federal, State and local investments in housing and homeless assistance programs that have served over 14,000 unduplicated individuals through Fiscal Year 2022-23. The County incorporates these homeless services and homelessness prevention programs into its budget planning process and seeks to maximize outside funding sources, including actively pursuing available State funding.

Environmental Control Services

Assessing Environmental and Social Risk. The County’s 2018 Multi-Jurisdictional Local Hazard Mitigation Plan (“LHMP”) provides a County-wide risk assessment of natural, technological and man-made hazards. The top five identified hazards in order of priority risk were identified as earthquakes, influenza pandemics, wildland fires, electrical failures and emergent diseases. CAL FIRE has designated and adopted Fire Hazard Severity Zones in State Responsibility Areas (“SRA”). In addition, the County has adopted CAL FIRE recommendations for Very High Fire Hazard Severity Zones in Local Responsibility Areas (“LRA”). The unincorporated areas of the County includes State Responsibility Areas and Local Responsibility Areas and contains a mixture of Very High Fire Hazard Severity Zone areas, High Fire Hazard Severity Zone areas, Moderate Fire Hazard Severity Zone areas, and areas that are not designated as Fire Hazard Severity Zones. Fire Hazard Severity Zone maps for Riverside County may be found at the following links: SRA – *Map of CAL FIRE’s Fire Hazard Severity Zones in State Responsibility Areas – Western Riverside County*; LRA West – *Map of CAL FIRE’s Fire Hazard Severity Zones in Local Responsibility Areas – Western Riverside County*; and LRA East – *Map of CAL FIRE’s Fire Hazard Severity Zones in Local Responsibility Areas – Eastern Riverside County*. The LHMP indicates that climate change and drought conditions are likely to become more frequent and persistent, contributing to increasing wildfire risk. The County incorporates these environmental risks into its budget and capital planning by providing funds for those departments tasked with the response. The Fiscal Year 2023-24 budget includes approximately \$92 million for such uses. In the event of a disaster or emergency, the Board of Supervisors can provide additional funds through budget adjustments that may be recovered through State or federal resources (such as increased reimbursements from CAL FIRE, the State’s office of emergency services, the Department of Homeland Security and FEMA).

Water Supply. The County obtains a large part of its water supply from groundwater sources, with certain areas of the County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand, and the County’s water supply is supplemented by imported water. Imported water is provided by the Metropolitan Water District of Southern California from the Colorado River via the Colorado River Aqueduct and from the State Water Project via the Edmund G. Brown California Aqueduct. In the Southwest area of the County, approximately 80% of the water supply is imported.

At the regional and local level, there are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. The San Geronio Pass Water Agency, Desert Water Agency, Palo Verde Irrigation District, Elsinore Valley Municipal Water District and Rancho California Water District also provide supplemental water to cities and agencies within the County.

The governor and the State Legislature have developed strategies to help mitigate the effects of the State's susceptibility to periodic, potentially prolonged and/or severe drought conditions. In response to drought conditions that occurred between 2011 and 2015, the governor established certain conservation measures to prohibit wasteful practices such as: (i) hosing off sidewalks, driveways and other hardscapes, (ii) washing automobiles with hoses not equipped with a shut-off nozzle, (iii) using non-recirculated water in a fountain or other decorative water feature, (iv) watering lawns in a manner that causes runoff, or within forty-eight hours of measurable precipitation, and (v) irrigating ornamental turf on public street medians. In 2017, the governor directed the State Water Resources Control Board to initiate the rulemaking process to ensure that such measures remain in place.

During a workshop in May of 2015 to discuss the drought, the Board of Supervisors directed staff to revise County Ordinance No. 859.3 *Water Efficient Landscape Requirements*. On July 21, 2015, the Board of Supervisors adopted, via an urgency ordinance, updated water efficient landscape requirements in Ordinance No. 859. A key highlight of this revised ordinance is that it *"prohibits the use of natural turf grass lawns within the front yards of new homes and promoting low water use plants and inert materials for a sustainable and marketable landscape design."*

In 2021, the State again began experiencing drought conditions. Beginning in April 2021, the governor signed a series of proclamations determining, as of July 8, 2021, that 50 of the 58 counties in the State, but not including the County, are in a state of emergency due to drought conditions affecting such areas. In addition, on July 8, 2021, the governor signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On October 19, 2021, the governor issued a proclamation of a state of emergency incorporating the remaining eight counties in the State from the July 8, 2021 Order, including the County, to expeditiously mitigate the effects of the drought conditions to ensure the protection of health, safety, and the environment. On March 28, 2022, the governor signed Executive Order N-7-22 in response to intensifying drought conditions. The Order, building on the four 2021 orders relating to California's drought, among other requirements, limits a county, city or other public agency's ability to permit modified or new groundwater wells, and instructs the State Water Resource Control Board to consider (1) requiring certain water conservation measures from urban water suppliers and (2) banning non-functional or decorative grass at businesses and institutions. The County has partnered with a consortium of local water districts to send tiered water conservation messages as drought conditions continue to worsen. There can be no assurance the County will not be subject to additional emergencies, proclamations or Orders due to drought conditions in the future.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within the County is provided by the Riverside County Flood Control and Water Conservation District (the "District") and the Coachella Valley Water District.

The District, formed in 1945 by an Act of the State Legislature, is divided into seven geographic zones and is empowered to levy property or special assessment tax on both real and personal property located within the boundaries of each zone. Taxes collected within each zone must be spent for flood control projects within, or proportionally beneficial to, that zone.

The Board of Supervisors serves as the District's governing body. Its staff are District employees while the County provides support services such as human resources and purchasing. The District provides a full range of services, including the design and construction of flood control facilities; regulatory services which fulfill legal requirements associated with federal and state programs that relate to District activities; surveying and mapping services; watershed protection services and planning and developer services that relate to land development.

The District's total budget for Fiscal Year 2022-23 was \$212.9 million, and the following District-administered flood control project contracts were completed during, or were under construction during the Fiscal Year 2022-2023:

- Romoland Master Drainage Plan (“MDP”) Line A-3. This District-led project will ultimately protect existing neighborhoods along Varela Lane and properties south of Varela Lane and east of Palomar Street.
- Woodcrest Dam Outlet Modification. This District-led project will upgrade the safety and operation of Woodcrest Dam. The improvements include replacing the existing gate assembly and control system, replacing the existing outlet structure with a new debris rack outlet structure to reduce clogging potential, and installation of erosion control measures on the embankment slope.
- Palm Springs MDP Line 41, Stages 3 & 4. Stage 3 of the Line 41 system is a District-led project to install approximately 5,450 feet of underground pipe ranging and construct a 7-acre detention basin. Stage 4 of the Line 41 system is a District-led storm drain improvement project to install approximately 1,365 feet of reinforced concrete pipe.
- Lakeland Village MDP Line H. This District-led storm drain improvement project includes installation of approximately 6,123 feet of various size underground pipe and box and a 2-acre sediment basin. The primary objective of this project is to provide flood protection to the residential area of Lakeland Village by capturing stormwater runoff from the Elsinore Mountains and safely conveying it in an underground storm drain.
- Beaumont MDP Line 16, Stage 50 Recharge Basin Feeder. This District-led storm drain project features water conservation elements and is a joint project with Beaumont-Cherry Valley Water District (BCVWD). The project consists of 7,800 feet of pipe and recharge basin improvements. The primary objective of this project is to provide flood protection to residents near Grand Avenue in Cherry Valley and increase groundwater recharge within the project vicinity.
- North Norco Channel Line NB, Stage 3. This District-led project will replace approximately 1,800 feet of existing interim earthen channel with an open concrete trapezoidal and rectangular channel that will provide 100- year flood protection to the community near the channel between Valley View Avenue and Sierra Avenue.

In addition, the cities of Corona, Norco, Moreno Valley, San Jacinto, and Riverside are also overseeing the design and implementation of substantial flood control projects using District financing (provided through Board-approved cooperative agreements).

The Emergency Management and Government Affairs Division has completed the Santa Ana River Levee. This project involved working with U.S. Army Corps of Engineers to rehabilitate 13,000 linear feet of damaged portions of the federally constructed reach of the Santa Ana River Levee system.

Sewage. There are 18 wastewater treatment agencies in the County’s Santa Ana River region and nine in the County’s Colorado River Basin region. The County does not own or operate a Publicly Owned Treatment Works (“POTW”), or sewage plant. Most residents in rural areas of the County which are unsewered rely upon septic tanks and leach fields for sewage disposal only if a POTW does not service the area with sewer infrastructure.

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to cyber threats including, but not limited to: hacking, malware, social engineering, and other attacks on its computer systems and sensitive digital networks. The Board of Supervisors adopted Policy

No. A-58 - Enterprise Information Security Policy, which aligns with the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework regarding information security and privacy, and cyber risk management. In accordance with the adopted policy, all County employees are required to complete mandatory Policy No. A-58 Information Security Training on an annual basis. The County’s Information Security Office operates a security operations center (“SOC”) that provides 24x7x365 monitoring of the County’s enterprise network, performs continuous penetration testing, conducts monthly simulated phishing attacks and phishing awareness campaigns, and distributes monthly security awareness newsletters to all County employees. Additionally, the County’s Information Security Office has developed and implemented a formal Security Incident Response and Breach Notification Process for County-wide responses to information security incidents. The County carries a cyber liability insurance policy to cover the financial losses that may result from data breaches and cyberattacks.

No assurances can be given that the County’s security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County’s computer and information technology systems could impact its operations and damage the County’s digital networks and systems, and the costs of remedying any such damage could be substantial.

Litigation

No litigation is pending or threatened concerning the validity of the Series 2024 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 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, and an opinion of the Office of County Counsel to these effects will be furnished to the Underwriters at the time of the execution and delivery of the Series 2024 Bonds. Although the County may, from time to time, be involved in legal or administrative proceedings arising in the ordinary course of its affairs, it is the opinion of the County that any currently pending or known threatened proceedings will not materially affect the County’s finances or impair its ability to meet its obligations.

The County is currently involved in a series of lawsuits involving state-calculated assessments of unitary property (“unitary taxes”). These lawsuits have been brought by telecommunication companies and an electric utility company. While each of these lawsuits is separate, they all seek refunds of property taxes that have been paid under California’s “pay first, litigate later” rule. Practically, this means that the County may be required to issue significant refunds to these providers. The unitary tax is collected by the County on behalf of special districts, school districts and water districts who utilize unitary tax revenue to pay for debt service. The County acts as the collection agent for all local property taxes, including the unitary taxes as set forth above. If these companies prevail, the County would be responsible for issuing refunds and then collecting or offsetting future amounts of revenue from these special districts. As such, the County has issued notices to said districts pursuant to Revenue and Taxation Code Sections 5146 and 5148 indicating that the County may be required to collect funds from the special districts to pay any refunds ordered by the Court or schedule an offset of future tax revenues.

First, AT&T, T-Mobile, Sprint and several other companies (the “Telecommunication Companies”) have each filed lawsuits against the County seeking a refund of unitary taxes paid for tax years ranging from 2014-2015 to the present. The Telecommunication Companies also seek a reduction in the unitary tax rate to reflect a lower rate that they believe is assessed against other business and commercial properties. The Telecommunication Companies further argue that the unitary tax rate cannot be higher than 1% as capped by Proposition 13.

The Telecommunication Companies are seeking a refund amount, in total, of approximately \$28,000,000 to \$38,000,000 in taxes. The earliest cases were initially either tolled or stayed by agreement of the parties due to a parallel lawsuit involving the County of Santa Clara, which lawsuit ended with an appellate decision in favor of the government. A more recent Telecommunication Companies case against the County,

Pacific Bell Telephone Company v. County of Riverside, is pending appeal after a decision upon demurrer at the trial court that was favorable to the County. The other unitary tax cases brought by the Telecommunication Companies are currently tolled or stayed pending the outcome of the Pacific Bell case. The County does not anticipate resolution of the Pacific Bell case until at least late 2024.

Second, the County is also facing another unitary tax lawsuit entitled *Southern California Edison v. Board of Equalization*. This lawsuit was filed by electric utility provider Edison against the State's Board of Equalization and nineteen (19) counties, including the County, seeking a total refund of approximately \$5.5 billion. The County received approximately \$53,329,392 in Fiscal Year 2020-2021 at the valuation approved by the State, and the County's share is estimated to be \$1,281,000. Edison would like that amount to be reduced by approximately 10.32% resulting in an adjusted tax of approximately \$42,872,680. As such, Edison seeks a refund from the County in the amount of approximately \$10,456,712. Edison has filed identical lawsuits for two additional years as well. In total, the potential total refund to Edison for all three years would be approximately \$35,000,000. Of note, the County acts as the collection agent for the unitary taxes, and, if Edison were to prevail, a majority of the refunded amount would be attributable to cities, special districts and school districts that receive the unitary tax revenue. This matter is being heard in Orange County Superior Court. The County does not anticipate a ruling in this matter until late 2024 or early 2025.

Third, the County entered into a tolling agreement with Edison on January 29, 2024, to extend the time for Edison to file a separate lawsuit alleging that the unitary tax rate cannot be higher than 1% (the same argument raised by the Telecommunication Companies, described above). If Edison were to prevail, it will be entitled to a tax refund of approximately \$18,000,000 for the 2018-2019 tax year.

The County is also currently involved in eighteen separate lawsuits wherein the plaintiffs allege they were sexually abused in foster homes in which they were placed by the Riverside County Department of Public Social Services between 1971 and 2012. The County is evaluating and responding to the litigation and claims but is unable, at this time, to provide any additional details as to the resolution of these matters due to the preliminary nature of the litigation, the time periods during which the sexual abuse is alleged to have occurred and other factors.

Insurance

The County is self-insured for short-term disability, unemployment insurance, general liability, medical malpractice and workers' compensation claims. General liability claims are self-insured to \$7.5 million for each occurrence, and the balance (to \$25 million for each occurrence), with an optional excess liability program aggregate of \$50 million, is insured through Public Risk Innovation, Solutions, and Management ("PRISM," formerly known as CSAC EIA), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities. Medical malpractice is self-insured for the first \$1.1 million for each claim with a \$1.5 million limit on a claims-made basis in excess of the County's self-insured retention, followed by a \$20 million limit on an occurrence basis through PRISM, for a total limit of \$21.5 million in excess of the County's self-insured retention. Workers' compensation claims are self-insured to \$2 million for each occurrence and the balance of statutory limits (unlimited) is insured through PRISM. Long-term disability income claims are fully insured by an independent carrier.

The PRISM property insurance program provides insurance coverage for all-risk subject to a \$50,000 per occurrence deductible; flood coverage is subject to a \$100,000 per occurrence deductible within Flood Zones A and V and a \$25,000 deductible outside of Flood Zones A and V. In order to diversify risk, property exposure among all members within the program are categorized into eight "Towers" based on geography and building type. The County participates in four of the eight Towers, each of which provides \$100 million in all-risk limits (including earthquake and flood limits), and \$300 million limit for all-risk and a minimum of \$200 million for flood per Tower. A \$300 million excess all risk layer sits above the Towers, providing a total of \$600 million in all-risk limits for Towers I-VIII. With respect to earthquake coverage, each of the four Towers in which the County participates has a limit of \$100 million, with a \$365 million excess rooftop layer shared by all of the

Towers that is triggered by the depletion of the initial limit for one or more of the Towers in a policy year. The County has \$765 million in shared earthquake coverage that covers scheduled locations and buildings equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract. Earthquake coverage is subject to a deductible equal to 5% of total value per unit per occurrence, subject to a \$100,000 minimum. Boiler and Machinery provides up to \$100 million in limits, subject to a \$5,000 deductible per event. Property insurance limits in each Tower are shared with other counties within that Tower on a per event basis. If a catastrophic event occurs and losses exceed the limits, the County would be responsible for such amounts.

SECTION III – BUDGETARY INFORMATION

Financial Policies

General. The County has adopted a comprehensive set of financial policies to serve as a guideline for financial matters as further described below. Such policies can be found on the County’s website at the following link: *Financial Policies*.

Governmental Fund Balance and Reserve Policy. Fund balance is the difference between assets and liabilities on a governmental fund balance sheet, and represents the net remainder of resources less expenses at year-end. It is a widely used component in government financial statements analysis. In September 2011, the County adopted Board Policy No. B-30, Government Fund Balance and Reserve Policy (the “Government Fund Balance and Reserve Policy”), which establishes guidelines for use of fund balance with restricted purpose versus unrestricted purpose. This policy applies to governmental funds, which includes the General Fund, special revenue funds, capital projects funds, debt service funds and permanent funds. The Government Fund Balance and Reserve Policy intends to ensure that when both restricted and unrestricted fund balances are available, restricted amounts are used first, and that unrestricted funds are used in the following order: committed, assigned, and unassigned.

The overall objective of the Government Fund Balance and Reserve Policy is to maintain a General Fund unassigned fund balance of at least 25 percent of the fiscal year’s estimated discretionary revenue. The County considers property tax, local sales tax (not the Prop. 172 public safety sales tax), documentary transfer tax, tobacco settlement revenue, motor vehicle in lieu fees, fines and penalties, franchise fees, mitigation fees and interest earnings as discretionary revenue. A portion of this fund balance may be separately identified for one-time or short-term coverage of budgetary crises. If unassigned fund balance is drawn below 25 percent, the County Executive Office is required to develop a plan to restore it to the minimum level within three years. Special revenue fund balances are to be kept at or above the minimum level dictated by the funding source and should not fall below zero. If the fund balance drops below minimum levels, the department responsible for the fund will develop a plan to restore the balance to established minimum levels within two years.

Pension Management Policy. The County bears the ultimate responsibility to meet its pension obligations. The County established the Pension Advisory Review Committee (“PARC”) in September 2003. The purpose of PARC is to develop a better institutional understanding of the County’s Plans and to advise the Board of Supervisors on important matters concerning the Plans. PARC reports annually to the Board of Supervisors on the performance of the Plans and evaluates strategies to address appropriate funding of the Plans. As part of such activities, PARC annually receives an independent, third-party actuarial report on the County’s pension cost projections in order to ensure that the County has adequate information concerning its long-term pension obligations.

PARC is comprised of a representative from the County Executive Office, County Treasurer-Tax Collector, Human Resources, County Auditor-Controller, and a local safety member department representative. PARC meets at least annually or as necessary upon the call of the Chairperson to address County pension plan topics. Each year, PARC prepares a public report of the status of the Plans and analysis of CalPERS’s most recently available actuarial report, the Temporary and Part-Time Employees’ Retirement plan, the Other Post-Employment Benefits plan and Section 115 OPEB Trust and, the County’s Section 115 Pension Trusts. PARC

reviews proposed changes to benefits or liability amortization schedules and, provides the Board of Supervisors with an analysis of the long-term costs and benefits.

Issuance of pension-related debt is reviewed first by PARC. The County has established a liability management fund in connection with the initial debt issuance of such debt and may do so with any future issuance and/or a Section 115 Pension Trust. Such liability management funds (collectively, the “Liability Management Fund”) and Section 115 Pension Trusts are funded by projected savings from the issuance of pension-related debt and are only used to retire pension bond debt or are transferred to CalPERS to reduce an unfunded liability. PARC also makes annual recommendations regarding prepayment of CalPERS pension obligations, and potential savings from such early payment.

In January 2005, the County adopted Board Policy No. B-25, Pension Management Policy, which was last revised in March 2022 as the Pension Management and Other Post-Employment Benefits policy (the “Pension Management Policy”) upon the recommendation of the PARC. The County has created this policy to ensure the financial stability of the County through proper management. The purpose is to safeguard the public trust by assuring prudent decisions regarding the County’s pension plans, Other Post-Employment Benefits (OPEB), Section 115 Trusts (Pension and OPEB), and other retirement or termination related items such as compensated absences for employees’ accrued annual, vacation or sick leave balances, providing proper oversight of the benefits provided, and their associated cost. This Policy applies to all County defined benefit pension plans currently administered by the California Public Employees Retirement System (“CalPERS”), the Section 115 OPEB Trust administered by California Employers’ Benefit Trust (CERBT), the Temporary and Part-Time Employees’ Retirement Plan (a defined benefit program for its Temporary Assistance Program (“TAP”) employees) administered by the County, and the Section 115 Pension Trust administered by Public Agency Retirement Services (PARS), collectively the “Plans”.

The County sets contribution rates sufficient to pay any amounts due to CalPERS, capture the full cost of annual debt service on pension obligation bonds outstanding, collect designated annual contributions that the County has established with the Liability Management Fund and its Section 115 Pension Trust(s) in connection with the issuance of such bonds, and pay consultants hired to assist PARC. Withdrawal of a group of employees from participation in the plans does not necessarily trigger a distribution of assets. If any employee group or department separates from the County, the associated actuarial liability and pension are subject to independent actuarially determined “true value.” All contracts or grants are required to include the full amount of estimated pension cost in the contract or grant by Board policy. Upon the termination of such contracts or grants, a termination payment may be negotiated to reflect any unfunded liability associated with such employees.

See the caption “SECTION IV—FINANCIAL INFORMATION—Retirement Program” for information regarding PARC and PARC’s 2024 Annual Report.

Debt Management Policy. Board Policy No. B-24, Debt Management Policy (the “Debt Management Policy”), first adopted in the late 1980s and last revised in November 2017, was created to ensure the financial stability of the County, reduce the County’s cost of borrowing, and protect the County’s credit quality through proper debt management. The Debt Management Policy applies to all direct County debt, conduit financing and land secured financing. Long-term debt is not used to finance ongoing operational costs. When possible, the County pursues alternative sources of funding, such as pay-as-you-go or grant funding, to minimize the level of direct debt. The County uses special assessment revenue, or other self-supporting debt instead of General Fund debt whenever possible. Debt issued may not have a maturity date beyond the useful life of the asset acquired or constructed. Long-term, General Fund obligated debt is incurred, when necessary, to acquire land or fixed assets based upon project priority and ability of the County to pay. The project should be integrated with the County’s long-term financial plan and capital improvement program.

The County establishes an affordable debt level to preserve credit quality and ensure sufficient revenue is available to pay annual debt service. The debt level is calculated by comparing seven percent of discretionary revenue to aggregate debt service, excluding self-supporting debt. The policy provides for a variable rate debt

ratio in an amount not to exceed 20 percent of the total outstanding debt, excluding variable rate debt hedged with cash, cash equivalents, or a fixed-rate swap.

When it benefits the County's financial or operating position, the County reviews outstanding debt and initiates fixed rate refundings. The term of such refunding does not extend the maturity beyond the original debt without compelling justification.

Each County department, agency, district or authority managing debt observes applicable state and federal regulations and laws regarding disclosure in all financings, files annual reports and material event notices with appropriate state and/or federal agencies in a timely manner, and provides an annual certificate to the Debt Advisory Committee of its compliance or noncompliance with state and/or federal disclosure laws.

The County established the Debt Advisory Committee ("DAC") in the late 1980s. DAC reviews all proposed County-related financings at least once prior to approval by the Board of Supervisors. DAC has seven members, including a representative from the County Executive Office, as chair, the County Treasurer-Tax Collector, the County Auditor-Controller, County Counsel, the Office of Economic Development, Community Facilities District/Assessment District Administrator, and the General Manager and Chief Engineer of the Flood Control and Water Conservation District. DAC meetings are held monthly or as called upon by the chair. Each proposed financing brought before DAC is required to include a detailed description of the type and structure of the financing, full disclosure of the specific use of the proceeds, a description of the public benefit to be provided by the proposed debt, the principal parties involved in the financing, anticipated sources of repayment, an estimated statement of sources and uses, any proposed credit enhancement, the anticipated debt rating, if any, and an estimated debt service schedule. DAC acts on items brought before it with either a "Review and File" or "Review and Recommend" action to the full Board of Supervisors.

Investment Policy. The County Treasurer-Tax Collector is responsible for managing the investment of County funds, subject to Board policy. Board Policy No. B-21, County Investment Policy (the "Investment Policy"), adopted in April 1999 and last revised in May 2022, safeguards public funds by assuring the County follows prudent investment practices and provides proper oversight of these investments. The policy applies to all funds held in the County Treasury, and to those held in trust outside of the County Treasury. The County Treasurer-Tax Collector annually presents its statement of investment policy to the County Investment Oversight Committee for review and to the Board of Supervisors for approval. The Treasurer's authority to make investments is reviewed and redelegated annually, pursuant to state law. All investments are governed by restrictions defining the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and applicable purchase restrictions. The Treasurer-Tax Collector actively manages the investment portfolio in a manner responsive to the public trust and consistent with state law, with the objectives to safeguard investment principal, maintain sufficient liquidity to meet daily cash flow requirements, and achieve a reasonable yield on the portfolio consistent with these objectives. See the website of the County Treasurer-Tax Collector, <https://countytreasurer.org/>, for more information.

Capital Improvement Program. The Capital Improvement Program ("CIP") is the capital planning mechanism for new facilities, major facility expansions, and purchases of large capital assets. In August 2002, the Board of Supervisors adopted Policy No. B-22, which was last revised in December 2015 and is used as a guiding strategy to establish funding methods, administration and control, and allowable uses of the CIP funds. The CIP team, led by the Executive Office, evaluates immediate and long-term capital needs, as well as financing and budget requirements, in order to best use the County's limited capital funds.

Capital facilities approved under the CIP are funded through the following sources:

(a) The Capital Improvement Program fund (the "CIP Fund") accounts for capital expenditures associated with various projects. The CIP Fund receives bond proceeds, project-specific resources, and contributions from the General Fund, as required. In 2007, the Board of Supervisors approved the securitization of future cash flows of tobacco settlement revenue. The action resulted in a one-time payment of cash to be used for qualifying General Fund capital projects;

(b) Development Impact Fees (“DIF”) required by local governments of new development for the purpose of providing new or expanded public capital facilities required to serve that development. The fees typically require cash payments in advance of the completion of development, are based on a methodology and calculation derived from the cost of the facility and the nature and size of the development, and are used to finance improvements offsite of, but to the benefit of, the development. In the County, DIF pays for Board-authorized projects. Projects and eligible funding amounts are published within the public facilities needs list, which is updated every ten years. The list is the official public document that identifies facilities eligible for financing in whole or in part, through DIF funds levied on new development within unincorporated Riverside County. The County is in the process of developing the public facilities needs list as part of its DIF 2030 Nexus Study. There is no General Fund cost associated with this fund;

(c) The Cabazon Community Revitalization Act Infrastructure Fund was established pursuant to Board action taken on December 10, 2013, directing that 25% of the growth in sales and use tax from the expansion of the factory outlets in Cabazon be set aside in a separate fund for infrastructure improvements and public safety in that area;

(d) The Wine Country Community Revitalization Act Infrastructure Fund was similarly approved on September 9, 2014, to allocate 25% of the sales and use tax in the wine country area to assist with development of the wineries; and

(e) The Mead Valley Infrastructure Fund was similarly approved on April 20, 2015, to direct 25% of the growth in sales and use tax revenue of the specified commercial/industrial zone for infrastructure and public services in the Mead Valley community.

The CIP process allows the County to fully account and plan for capital projects that will have a major impact to the County’s annual budget, future staffing levels and service to the public. The CIP allows the County to anticipate and plan for future capital needs, as well as prioritize multiple projects to maximize the use of County’s limited capital funds. CIP projects include professional facilities services and associated capital improvements with a combined project value over \$100,000, including but not limited to: master planning for public facilities, acquisition of land for a County facility, acquisition of buildings, construction or expansion of County facilities, fixed assets, enhancements to County facilities that will be used, occupied or owned by a County entity; major leases over \$1 million and changes/revisions to current projects on the CIP list; or any County facilities project requiring new Net County Cost.

The CIP team solicits project lists from departments through the Assistant County Executive Officers (ACEOs) of each portfolio. Each ACEO provides their prioritized list to the County Executive Officer and Executive Management team to develop a County-wide ranked priority list for capital projects. Adjustments are made as needed, if funding is available. Any appropriations remaining in the CIP Fund at the end of the fiscal year will automatically carry forward into the next fiscal year.

Budgetary Process

General. Under the California Government Code, the County must approve a recommended budget by June 30 of each year as the legal authorization to spend until the approval of the adopted budget. An adopted budget reflecting any revisions to the recommended budget must be approved by the Board of Supervisors no later than October 2. The recommended and adopted budgets must be balanced.

Subsequent to the approval of the adopted budget, the County may make adjustments to reflect revenue, as realized, and to record changes in expenditure requirements. For example, in recent years, the County, like many other counties, has adopted a budget in advance of the adoption of the State budget and has been required to make adjustments in certain circumstances upon the passage of the State budget. The County conducts quarterly reviews, with major adjustments generally addressed at the end of the first, second and third quarters.

Five-Year Forecast. To ensure prudent financial management, the County maintains a five-year internal budget forecast based on conservative revenue assumptions derived internally and from information provided by external consultants and includes projections in the out years for labor and pension increases. The current forecast reflects a continuing trend of cost increases outpacing revenue growth, such that without corrective action steps taken, structural balance would not likely be attained, and the 25% reserve target implemented by the Board of Supervisors would not be met in Fiscal Years 2023-24 through 2027-28. In Fiscal Years 2018-19 and 2019-20, the County’s reserves exceeded the target. The County’s reserves also exceeded the target in Fiscal Year 2020-21, due to CARES Act reimbursement of General Fund costs related to COVID 19; in Fiscal Year 2021-22, due to increasing revenues as well as \$12.6 million in unspent contingency funds; and in Fiscal Year 2022-23, due to \$42 million in lesser than projected Net County Cost as well as \$125 million in greater than expected discretionary revenue, largely attributable to interest earnings, property and sales taxes. Factors driving cost increases include increased labor, medical and pension costs, and unanticipated one-time costs. See “SECTION IV—FINANCIAL INFORMATION—Labor Relations” and “—Retirement Program.” The County has a number of strategies to address these challenges, such as targeted reductions to the Net County Cost, keeping new requests to a minimum, identifying one-time vs. ongoing revenues and reducing vacant full-time positions. The County’s practice has been to apply one-time revenues towards the rebuilding of reserves or mission critical one-time costs and assumes that budgetary shortfalls will not be backfilled with discretionary revenues.

Fiscal Year 2023-24 Budget

On June 12 and 13, 2023, the Board of Supervisors held budget hearings regarding the Fiscal Year 2023-24 Budget (the “Fiscal Year 2023-24 Budget”) which includes total General Fund appropriations of approximately \$4.99 billion. For Fiscal Year 2023-24, the County estimates that approximately 66.8% of its General Fund budget revenues in the Fiscal Year 2023-24 Budget will consist of payments from the State and Federal government. Discretionary revenue is budgeted at approximately \$1.143 billion for Fiscal Year 2023-24, an increase of approximately 13% from the Adopted Budget for Fiscal Year 2022-23. The increase is due primarily to modestly rising property-related tax revenues, as well as interest earnings and sales tax. The Fiscal Year 2023-24 Budget is structurally balanced with discretionary spending of approximately \$1.125 billion. The remaining \$18 million will be set aside in reserves and a deferred maintenance fund. Property tax revenue is budgeted at approximately \$505 million (including \$160 million in redevelopment tax increment pass-through funds) for Fiscal Year 2023-24 and represents approximately 44% of the County’s discretionary revenue. Property tax estimates assume an increase in assessed valuation in Fiscal Year 2023-24 of 7% from Fiscal Year 2022-23. In addition, the County estimates that sales tax revenue will increase by 15% from Fiscal Year 2022-23, because the higher cost of goods from shortages and high shipping costs has resulted in increases in consumer spending and strong business receipts.

The County’s reserve balance at the end of Fiscal Year 2023-24 is projected at approximately \$536 million, approximately \$250 million above Board policy. The Fiscal Year 2023-24 Budget was approved by the Board of Supervisors on June 27, 2023.

Midyear Budget Report

On February 27, 2024, the County Executive Officer presented the Fiscal Year 2023-24 Midyear Budget Report to the Board. At the end of the second quarter, the County’s financial position improved relative to the Adopted Budget. Discretionary revenue was projected higher by \$60.7 million from \$1,143.2 billion to \$1,203.9 billion, while Net County Cost remains the same at \$1,125 billion. The largest increases in discretionary revenue were primarily attributable to property taxes and interest earnings. The County’s General Fund unassigned fund balance updated projection at the end of the fiscal year is approximately \$677 million, approximately \$376 million above Board policy and \$122 million above the Adopted Budget.

Historical Budgets

The following table sets forth the General Fund budgets for the last five fiscal years as initially adopted by the Board of Supervisors. During the course of each fiscal year, a budget may be amended to reflect adjustments to receipts and expenditures that have been approved by the Board of Supervisors.

TABLE 12
COUNTY OF RIVERSIDE
ADOPTED GENERAL FUND BUDGETS⁽¹⁾
FISCAL YEARS 2019-20 THROUGH 2023-24
(IN MILLIONS)

	<i>2019-20</i> <i>Budget</i>	<i>2020-21</i> <i>Budget</i>	<i>2021-22</i> <i>Budget</i>	<i>2022-23</i> <i>Budget⁽²⁾</i>	<i>2023-24</i> <i>Budget</i>
<u>REQUIREMENTS</u>					
General Government	\$ 156.4	\$ 226.7	\$ 235.7	\$ 267.0	\$ 267.0
Public Protection	1,513.8	1,605.1	1,695.0	1,879.8	2,027.7
Health and Sanitation	737.2	764.2	786.4	904.5	1,135.5
Public Assistance	1,049.4	1,156.8	1,211.4	1,225.8	1,517.7
Education	0.7	0.6	0.7	0.7	0.8
Recreation and Cultural	2.2	2.1	3.3	4.4	4.5
Debt Retirement-Capital Leases	14.5	14.5	19.1	21.9	20.0
Contingencies	17.6	20.0	20.0	20.0	20.0
Increase to Reserves	<u>19.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Requirements ⁽³⁾	\$ 3,511.4	\$ 3,790.0	\$ 3,971.6	\$ 4,324.1	\$ 4,993.3
<u>AVAILABLE FUNDS</u>					
Use of Fund Balance and Reserves	\$ 0.0	\$ 60.8	\$ 73.8	\$ 36.7	\$ 2.2
Estimated Revenues:					
Property Taxes	333.9	357.0	397.3	439.6	486.7
Other Taxes	4.6	4.2	5.9	7.2	8.4
Licenses, Permits and Franchises	20.8	20.5	21.0	21.9	22.9
Fines, Forfeitures and Penalties	62.5	76.1	62.9	59.0	59.7
Use of Money and Properties	28.2	15.0	15.8	24.9	59.7
Intergovernmental Revenue:					
State ⁽⁴⁾	1,547.9	1,637.0	1,726.1	1,824.9	2,213.8
Federal	718.6	780.5	837.9	943.7	1,121.9
Charges for Current Services	627.3	643.8	640.1	720.1	764.2
Other Revenues	<u>167.6</u>	<u>195.1</u>	<u>190.8</u>	<u>246.1</u>	<u>253.7</u>
Total Available Funds ⁽³⁾	\$ 3,511.4 ⁽⁵⁾	\$ 3,790.0	\$ 3,971.6	\$ 4,324.1	\$ 4,993.3

(1) Data source is the official budget documents submitted to the State Controller's Office. Figures do not reflect quarterly amendments or adjustments.

(2) See APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 — Budgetary Comparison Statement – General Fund" for a comparison of the Fiscal Year 2022-23 Budget to actual.

(3) Column numbers may not add up to totals due to rounding.

(4) State funding sources include AB 118 Local Revenue, Proposition 172 Public Safety Sales Tax, motor vehicle in lieu fees, Mental Health Services Act funds, State public assistance programs and State realignment programs, among other sources.

(5) Includes use of reserves of \$21.0 million in Fiscal Year 2018-19 and \$19.6 million in Fiscal Year 2019-20 to balance discretionary revenue that are reflected as a portion of budgeted General Fund revenue.

Source: County Auditor-Controller.

SECTION IV – FINANCIAL INFORMATION

Employees

The following table sets forth the number of County employees for the last ten calendar years.

**TABLE 13
COUNTY OF RIVERSIDE
REGULAR EMPLOYEES**

<i>Year</i>	<i>Regular Employees⁽¹⁾</i>
2014	18,620
2015	19,244
2016	19,404
2017	19,409
2018	19,102
2019	19,569
2020	20,131
2021	20,270
2022	20,656
2023	21,869

⁽¹⁾ As of December 31st of each year. Excludes temporary and per diem employees.
Source: County of Riverside Human Resources.

Labor Relations

County employees comprise 19 bargaining units, plus another 9 unrepresented employee groups. The bargaining units are represented by six labor organizations. The two largest of these organizations are Service Employees International Union, Local 721 (“SEIU”) and the Laborers International Union of North America (“LIUNA”), which collectively represent approximately 68.6% of all County employees in a variety of job classifications*. Salary, benefits and personnel items for management, confidential and other unrepresented employees which are exempt from collective bargaining, are governed by a County Resolution and Ordinance which contain provisions for these personnel related matters.

The County’s non-management law enforcement employees are represented by the Riverside Sheriffs’ Association (“RSA”). The RSA represents three separate units: Law Enforcement Unit (“RSA LEU”), Corrections Unit (“RSA Corrections”), and Public Safety Unit (“RSA PSU”). Management employees of the law enforcement group are represented by the Riverside County Law Enforcement Management Unit (“LEMU”). The Public Defenders, County Counsel and Prosecuting Attorneys of the District Attorney’s Office are represented by the Riverside County Deputy District Attorneys Association (“RCDDAA”). SEIU also represents the Per Diem Unit which are classifications that are the equivalent to the regular SEIU classifications however, in a per diem capacity.

* This percentage is calculated based off of regular, temporary, and per diem employees for all groups.

The following table presents information regarding the County’s bargaining units and status of its collective bargaining agreements.

**TABLE 14
COUNTY OF RIVERSIDE
LABOR ORGANIZATIONS⁽¹⁾**

<i>Bargaining Units or Employee Group</i>	<i>Number of Employees⁽²⁾</i>	<i>Expiration Date of Contract</i>
Management, Confidential, and Other Unrepresented	1,920	N/A ⁽³⁾
Law Enforcement Management Unit (LEMU)	489	February 1, 2026
Riverside County Deputy District Attorneys’ Association (RCDDAA)	417	December 31, 2025
Riverside Sheriffs’ Association (RSA) LEU	1,659	December 9, 2024
Riverside Sheriffs’ Association (RSA) Corrections	967	December 9, 2024
Riverside Sheriffs’ Association Public Safety Unit (RSA)	517	October 26, 2025
Service Employees International Union (SEIU)	8,724	Active Negotiations ⁽⁴⁾
Service Employees International Union (SEIU) Per Diem Unit	419	November 30, 2024
Laborers’ International Union of North America (LIUNA)	7,881	October 19, 2024
In-Home Supportive Services (IHSS)	<u>N/A⁽⁵⁾</u>	December 31, 2025
Total	22,993	

⁽¹⁾ Includes all County districts.

⁽²⁾ As of February 8, 2024. Excludes temporary, unrepresented per diem, and seasonal employees. Includes (SEIU) Per Diem Unit.

⁽³⁾ Management, Confidential and Other Unrepresented employees are not represented by a bargaining unit and do not have a collective bargaining agreement with the County.

⁽⁴⁾ The previous collective bargaining agreement for SEIU expired on January 27, 2024, and a collective bargaining agreement is currently under active negotiation.

⁽⁵⁾ The IHSS Public Authority is only the employer of record within the meaning of Government Code Section 3500 *et seq.* (Meyers-Milias-Brown Act) which allows the home care workers to organize and engage in collective bargaining in an effort to improve wages and obtain benefits. Home care workers are employed by the consumers of the services, who have the right to hire, train, supervise and terminate the home care workers who assist them.

Source: County of Riverside Human Resources.

In the most recent contracts, increases of 2% to 8% were offered over a period of years to increase the salary range maximum. Additionally, the County moved units/employee groups from salary steps to broad banding, a more flexible salary structure that consolidates pay grades into fewer levels with wider salary ranges. Anniversary increases will occur in 4% increments. The County also provides a subsidy to employees with one or more dependents enrolled in a County medical plan to help pay for the cost of health care. The County believes that its benefits and compensation packages are competitive in the region.

Retirement Program

General. The County provides retirement benefits to all regular County employees through its contract with California Public Employees’ Retirement System (“CalPERS”), a multiple-employer public sector employee defined benefit pension plan. The retirement plan, as amended, provides pension benefits for eligible employees in the Miscellaneous and Safety Plans (herein defined) with CalPERS. CalPERS provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to CalPERS members and beneficiaries. The retirement benefits are based on a years of service, benefit factor (determined by age at retirement), and final compensation which is the highest average pay rate and special compensation during any consecutive one-year period of employment (for Tier 1 employees) or three-year period of employment (for Tier 2 and Tier 3 employees). The benefit calculation for members is the product of the benefit factor (based on age), years of service, and final compensation. Due to pension reform efforts, the County’s retirement plan currently includes three tier levels of benefits.

TABLE 15
COUNTY OF RIVERSIDE
EMPLOYEES PER RETIREMENT TIER⁽¹⁾
(As of January 1, 2024)

<i>Tier Level</i>	<i>Number of Employees in Tier Level</i>
Tier 1	7,616
Tier 2	829
Tier 3	<u>13,691</u>
Total	22,136

⁽¹⁾ Excludes districts, temporary, per diem, and seasonal employees.
Source: County of Riverside Human Resources.

Miscellaneous members, who qualify for retirement benefits based on their date of hire, are enrolled in one of three tiers of benefits: Tier I (3% at 60), Tier II (2% at 60), or Tier III (2% at 62). Safety members, who qualify for retirement benefits based on their date of hire, are enrolled in one of three tiers of benefits Tier I (3% at 50), Tier II (2% at 50), or Tier III (2.7% at 57). Each tier of retirement benefits specifies the percentage of a retiree’s final compensation for each year of credited service and a specified retirement age; for example, Miscellaneous Tier I members are entitled to retire at age 60 with 3% of their final compensation for each year of service credit. The three tiers of retirement benefits all provide for cost-of-living adjustments of up to 2% per year after retirement. For further information on the County’s pension obligations, see Note 20 of the Notes to the Basic Financial Statements, June 30, 2023, which are included in APPENDIX B — “COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

The Board of Supervisors approved and implemented a second tier (“Tier II”) level of retirement benefits for new Miscellaneous and Safety employees on August 23, 2012. The Tier II retirement benefit calculation is based on years of service, age, and the average monthly eligible wages earned during the highest three consecutive years of employment. The Tier II retirement benefit factor for Miscellaneous Plan members ranges from 1.092% at age 50 to 2.418% at age 63 and beyond. For Safety Plan members, the Tier II retirement benefit factor ranges from 2% at age 50 to 2.7% at 55 and beyond. The plans also provide for cost-of-living adjustments of up to 2% per year after retirement.

On September 12, 2012, Governor Brown signed Assembly Bill 340, creating the Public Employees’ Pension Reform Act (“PEPRA”) and amending certain sections of the County Employees Retirement Law of 1937 (the “1937 Act”). The majority of the PEPRA changes first impacted the rates and benefit provisions on the June 30, 2013 valuation for Fiscal Year 2015-16 rates. Among other things, PEPRA created a new retirement benefit tier (“Tier III”) for new employees/members entering public agency employment and public retirement system membership for the first time on or after January 1, 2013.

The new Tier III formulas for both Miscellaneous and Safety provide for a reduced benefit and were required to be implemented by all public agency employers unless the retirement formula in existence on December 31, 2012 had both a lower normal cost and lower benefit factor at normal retirement age. PEPRA requires that all new employees hired on or after January 1, 2013, pay at least 50% of the normal cost contribution. Tier III benefits are set 2% at 62 for Miscellaneous members and 2.7% at 57 for Safety members. PEPRA mandated all new members be subject to a pensionable compensation cap, which limits the annual salary that can be used to calculate final compensation for all new members. Adjustments to the limits are permitted annually based on changes to the Consumer Price Index (CPI) for all urban consumers.

The County’s CalPERS Contract. The following information concerning CalPERS is excerpted from publicly available sources that the County believes to be reliable; however, the County takes no responsibility as to the accuracy of such information and has not independently verified such information. CalPERS acts as a common investment and administrative agent for participating public entities within the State. CalPERS is a

contributory plan deriving funds from employee and employer contributions and earnings from investments. CalPERS maintains two pension plans for the County, a Miscellaneous Plan (the “Miscellaneous Plan”) and a Safety Plan (the “Safety Plan” and, together with the Miscellaneous Plan, the “CalPERS Plans”). The County contributes to CalPERS based on the annual actuarial valuation rates recommended by CalPERS.

The staff actuaries at CalPERS prepare an annual actuarial valuation which covers a fiscal year ending approximately 12 months before the actuarial valuation is prepared, which report dictates the County contributions for the subsequent Fiscal Year. For example, the County’s contribution rates derived from the actuarial valuation as of June 30, 2022, which was prepared in July 2023, is effective for the County’s Fiscal Year 2024-25. Beginning with Fiscal Year 2017-18, CalPERS collects employer contributions toward the CalPERS Plans’ unfunded liability as dollar amounts instead of the prior method of a contribution rate (expressed as a percent of covered payroll). This change addressed potential funding issues that could arise from a declining payroll or reduction in the number of active members in a CalPERS Plan. Funding the unfunded liability as a percentage of payroll could lead to the underfunding of the CalPERS Plans. The County is invoiced by CalPERS at the beginning of each fiscal year for its unfunded liability payments. The CalPERS Plans’ normal cost contribution continues to be collected as a percentage of payroll. CalPERS rules require the County to implement the actuary’s recommended rates.

In calculating the annual actuarially required contribution rates, the CalPERS actuary calculates on the basis of certain assumptions regarding the actuarial present value of the benefits that CalPERS will pay under the CalPERS Plans, which includes two components, the Normal Cost and the Unfunded Accrued Actuarial Liability (the “UAAL”). The normal cost represents the actuarial present value of benefits that are attributed to the current year, and the UAAL represents the actuarial present value of benefits that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS Plans to retirees and active employees upon their retirement. The determination of both components is based on a set of actuarial assumptions which can be divided into two categories: demographic assumptions (which includes mortality rates, retirement rates, employment termination rates and disability rates) and economic assumptions (which includes future investment earnings, inflation and salary growth rates). In addition, the UAAL includes certain actuarial adjustments such as, among others, the actuarial practice of smoothing losses and gains over multiple years.

CalPERS staff actuaries prepare annual actuarial valuations calculating the plan’s funded status at the valuation date, most recently June 30, 2022, based on census data and asset information as of that date. That valuation sets the County’s required contribution for the 2nd following fiscal year (the 2022 valuation sets the Fiscal Year 2024-25 required contribution). The cost of retirement benefits earned in each year, the Normal Cost, is paid to CalPERS each payroll period as a percentage of actual covered payroll. Active employees pay a portion of the normal cost, either a fixed percentage of covered pay as specified by law or for newer employees, one-half of the Normal Cost. The County pays the remainder of the Normal Cost. The actuarial valuation also calculates the County’s unfunded actuarial accrued liability (UAAL), which is the difference between the value of employees’ and retiree’s past service-related retirement benefits and plan assets. New UAAL created each year, positive or negative, is amortized and repaid to CalPERS by the County as an escalating annual payment. As of June 30, 2022, the County’s UAAL has 27 amortization bases with between 1 and 26 years remaining in their contribution schedule of amortization bases.

CalPERS adopted a new amortization policy effective with the June 20, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a 5-year ramp-up and ramp-down on UAAL bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a 5-year ramp-down on investment gains/losses. These changes will apply only to new UAAL bases established on or after June 30, 2019.

In calculating the plan costs, CalPERS uses many actuarial assumptions. Most significantly, future investment return is assumed to be 6.80% per year, net of both investment and administrative expenses. The

underlying inflation rate is 2.30%. Demographic assumptions are based on studies of actual member experience and include 15 years of projected mortality improvement.

On July 12, 2021, CalPERS announced that the 21.3% net return on investments for the 12-month period that ended June 30, 2021 would trigger a reduction in the discount rate or assumed rate of return to 6.8%, from its previous level of 7%. The new discount rate is reflected in the County's contribution levels in Fiscal Year 2023-24.

On July 20, 2022 CalPERS announced a negative 6.1% net return on investments for the 12-month period that ended June 30, 2022, with an assumed discount rate of 6.8%. The new discount rate is reflected in the County's contribution levels for Fiscal Year 2024-25.

Copies of the County's actuarial valuations are available on CalPERS website, <https://www.calpers.ca.gov/>.

Contribution Rates. In addition to required County contributions, members are also obligated to make certain payments. For the Miscellaneous Plan, Tier I members' contribution rates are fixed at 8% of salaries. The Tier II and III member contribution rates for the Miscellaneous Plan are 7% and 7.25%, respectively. For the Safety Plan, the Tier I and Tier II member contribution rate is 9%, and the Tier III member contribution rate is 12.50%. Member contribution rates vary based on the terms of the collective bargaining agreements in effect. In addition to making annual contributions to CalPERS in accordance with the applicable actuarial valuation, the County has historically been obligated pursuant to collective bargaining arrangements to pay a portion of the employees' required contribution to CalPERS (these payments by the County are referred to herein as the "County Offsets of Employee Contributions"). Effective July 1, 2023, the required Safety Plan PEPRA member contribution rate was 13.50%, and the Miscellaneous Plan remained at 7.25%. Effective July 1, 2024, the required Safety Plan PEPRA member contribution rate will remain at 13.50%, and the Miscellaneous Plan will be 7.75%.

Funding Status. The actuarial value of assets, the actuarial accrued liability and the funding status with respect to the Safety Plan and the Miscellaneous Plan are set forth under "— Historical Funding Status." In the actuarial valuation for the Miscellaneous Plan as of June 30, 2022, the CalPERS actuary recommended an employer Normal Cost contribution rate of 11.29% (projected to be \$153 million) be implemented as the required rate for Fiscal Year 2024-25, and an employer unfunded liability payment of \$178.4 million, which the County anticipates will result in a contribution to CalPERS of approximately \$331.1 million for that fiscal year. In the actuarial valuation for the Safety Plan as of June 30, 2022, the CalPERS actuary recommended an employer normal cost contribution rate of 21.36% (projected to be \$77.5 million) be implemented as the required rate for Fiscal Year 2024-25, and an employer unfunded liability payment of \$70.1 million, which the County anticipates will result in a contribution to CalPERS of approximately \$147.6 million for that fiscal year. The County's total CalPERS contribution (Miscellaneous Plan and Safety Plan) for Fiscal Year 2024-25 is projected to be approximately \$478.7 million. The County generally pays the unfunded liability payments early, at the beginning of each fiscal year, and receives a discount of approximately 3.4%.

On February 17, 2005, the County issued its Taxable Pension Obligation Bonds, Series 2005A (the "2005 Pension Obligation Bonds") in the original principal amount of \$400,000,000, the proceeds of which were used to fund approximately 90% of the County's estimated actuarial accrued liability as of February 17, 2005. The 2005 Pension Obligations Bonds remain outstanding in the principal amount of \$89.9 million as of February 15, 2024, with annual debt service payments (principal and interest for Fiscal Year 2023-24) of approximately \$40.1 million. The payment to CalPERS resulted in a net pension asset of \$396.9 million, \$311.2 million of which was applied to the County's UAAL for the Miscellaneous Plan and \$85.7 million of which was applied to the County's UAAL for the Safety Plan. According to Foster & Foster, Inc., an independent actuarial pension consultant to the County, the 2005 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately \$204.6 million as of February 15, 2024. The Liability Management Fund was established in connection with the 2005 Pension Obligation Bonds to capture a portion of the annual cost

reduction. By Board policy, each year in its annual report, PARC recommends to the Board whether the funds in the Liability Management Fund should be applied to purchase 2005 Pension Obligations Bonds or to transfer the funds to CalPERS to reduce the County's CalPERS unfunded liability. In 2016, PARC recommended to transfer the excess liability management funds to the County's Section 115 Pension Trust in each future year.

The County established its first Section 115 Pension Trust (the "Trust") in November 2016 with Public Agency Retirement Services ("PARS") serving as the administrator. The goal of the Trust is to help the County independently mitigate CalPERS' contribution rate volatility and act as a buffer for budgeting purposes. Assets in the Trust cannot be used for any other purposes except for making payments directly to CalPERS to pay down a portion of the unfunded liability or for reimbursing the County for CalPERS contributions. Excess funds from the Liability Management Fund and OPEB disbursements were placed in the Trust to fund the initial deposit of \$2.1 million.

On May 6, 2020, the County issued its Taxable Pension Obligation Bonds, Series 2020 (the "2020 Pension Obligation Bonds") in the original principal amount of \$719,995,000, the proceeds of which were used to refund up to approximately 20% of the County's total UAAL. The payments to CalPERS resulted in a net pension asset of \$715.8 million, \$371.5 million of which was applied to the County's UAAL for the Miscellaneous Plan and \$344.3 million of which was applied to the County's UAAL for the Safety Plan. The 2020 Pension Obligations Bonds remain outstanding in the principal amount of \$621.7 million as of February 15, 2023, with annual debt service payments (principal and interest for Fiscal Year 2023-24) of approximately \$61.7 million. According to Foster & Foster, Inc., the 2020 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately \$84.3 million as of February 15, 2024. As part of the approval process in April 2020 for the sale of the 2020 Pension Obligation Bonds, the Board of Supervisors directed that the payment reductions (savings), estimated at \$230.8 million over the eighteen-year life of the bonds, be captured each year and deposited into a dedicated Section 115 Pension Trust. The second Trust account was established in July 2020. Funds have since been dollar-cost averaged over time into the Trust(s) and now total a combined \$142 million, as of March 1, 2024. Since inception, no funds have been drawn from the Trust(s).

Historical Funding Status. The following two tables, for the Safety Plan and the Miscellaneous Plan, respectively, set forth the UAAL and funded status as of the valuation dates of the last five years for which the data was available:

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**TABLE 16
HISTORICAL FUNDING STATUS
(Safety Plan)**

<i>Valuation Date June 30</i>	<i>Unfunded Accrued Liability</i>	<i>Funded Status (Market Value)</i>	<i>Affects County Contribution for Fiscal Year</i>	<i>County Contribution Amount⁽¹⁾</i>	<i>County Offsets of Employee Contributions</i>
2018	\$1,089,696,531	70.4%	2020-21	\$144,542,181	\$0
2019 ⁽²⁾	1,115,122,032	71.1	2021-22	118,247,426	0
2020	832,266,670	79.4	2022-23	124,872,869	0
2021	488,733,498	88.9	2023-24	131,038,288	0
2022	1,087,673,768	76.8	2024-25	147,639,955	0

⁽¹⁾ Figures listed are amounts paid by the County to CalPERS in the specific years and do not reflect all amounts paid by the County under the Safety Plan, as debt service with respect to the County's outstanding 2005 or 2020 pension obligation bonds, or otherwise.

⁽²⁾ 2019 figure does not reflect the amount of \$344.2 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2018 through June 30, 2022 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

**TABLE 17
HISTORICAL FUNDING STATUS
(Miscellaneous Plan)**

<i>Valuation Date June 30</i>	<i>Unfunded Accrued Liability</i>	<i>Funded Status (Market Value)</i>	<i>Affects County Contribution for Fiscal Year</i>	<i>County Contribution Amount⁽¹⁾</i>	<i>County Offsets of Employee Contributions</i>
2018	\$2,416,961,672	70.4%	2020-21	\$297,035,219	\$287,040
2019 ⁽²⁾	2,499,686,250	70.9	2021-22	283,962,428	279,811
2020	2,246,650,531	75.0	2022-23	295,705,279	260,801
2021	1,397,148,552	85.6	2023-24	303,959,728	183,145
2022	2,586,715,932	74.6	2024-25	331,155,466	0

⁽¹⁾ Figures listed are amounts paid by the County to CalPERS in the specific years and do not reflect all amounts paid by the County under the Miscellaneous Plan, as debt service with respect to the County's outstanding 2005 or 2020 pension obligation bonds, or otherwise.

⁽²⁾ 2019 figure does not reflect the amount of \$371.5 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2018 through June 30, 2022 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

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A six-year schedule of the funding progress of the Safety Plan and the Miscellaneous Plan are presented in the following two tables:

**TABLE 18
SCHEDULE OF FUNDING PROGRESS
(Safety Plan)**

<i>Valuation Date June 30</i>	<i>Accrued Liability (a)</i>	<i>Market Value of Assets (b)</i>	<i>Unfunded Liability (a-b)</i>	<i>Funded Status (Market Value) (b/a)</i>	<i>Annual Covered Payroll (c)</i>	<i>Unfunded Liability as a Percentage of Payroll ((a-b)/c)</i>
2017	\$3,361,565,098	\$2,394,890,161	\$966,674,937	71.2%	\$328,400,573	294.4%
2018	3,676,571,381	2,586,874,850	1,089,696,531	70.4	309,713,827	351.8
2019 ⁽¹⁾	3,857,810,725	2,742,688,693	1,115,122,032	71.1	304,732,882	365.9
2020	4,045,933,495	3,213,666,825	832,266,670	79.4	316,205,748	263.2
2021	4,416,850,557	3,928,117,059	488,733,498	88.9	323,672,580	151.0
2022	4,691,047,110	3,603,373,342	1,087,673,768	76.8	333,941,947	325.7

⁽¹⁾ 2019 figure does not reflect the amount of \$344.2 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2022.

**TABLE 19
SCHEDULE OF FUNDING PROGRESS
(Miscellaneous Plan)**

<i>Valuation Date June 30</i>	<i>Accrued Liability (a)</i>	<i>Market Value of Assets (b)</i>	<i>Unfunded Liability (a-b)⁽²⁾</i>	<i>Funded Status (Actuarial Value) (b/a)</i>	<i>Annual Covered Payroll (c)</i>	<i>UAAL as a Percentage of Payroll ((a-b)/c)</i>
2017	\$7,441,270,302	\$5,325,794,759	\$2,115,475,543	\$71.6	\$1,128,397,500	187.5%
2018	8,165,793,889	5,748,832,217	2,416,961,672	70.4	1,118,711,056	216.0
2019 ⁽¹⁾	8,602,935,143	6,103,248,893	2,499,686,250	70.9	1,145,579,094	218.2
2020	8,992,723,006	6,746,072,475	2,246,650,531	75.0	1,182,860,410	189.9
2021	9,670,471,442	8,273,322,890	1,397,148,552	85.6	1,211,043,768	115.4
2022	10,195,511,990	7,608,796,058	2,586,715,932	74.6	1,245,591,727	207.7

⁽¹⁾ 2019 figure does not reflect the amount of \$371.5 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2022.

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The following table shows the percentage of salary which the County was responsible for contributing to CalPERS from Fiscal Year 2019-20 through Fiscal Year 2024-25 to satisfy its retirement funding obligations.

**TABLE 20
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<i>Valuation Date June 30</i>	<i>Affects Contribution Rate for Fiscal Year:</i>	<i>Safety Plan – Employer Normal Cost Rate</i>	<i>Employer Payment of Unfunded Liability</i>	<i>Miscellaneous Plan – Employer Normal Cost Rate</i>	<i>Employer Payment of Unfunded Liability</i>
2017	2019-20	19.853% ⁽¹⁾	\$62,876,977	10.998% ⁽¹⁾	\$129,905,894
2018	2020-21	21.095	73,668,397	11.673	155,375,654
2019	2021-22	20.740	49,686,992	11.160	145,275,743
2020	2022-23	20.240	55,446,291	10.760	157,637,843
2021	2023-24	21.730	54,629,206	11.790	148,845,017
2022	2024-25	21.360	70,148,901	11.290	178,381,623

⁽¹⁾ Beginning in Fiscal Year 2017-18, CalPERS collects employer contributions toward the plan’s unfunded liability as dollar amounts rather than contribution rate, which was the prior method of collection. The County pays at the beginning of each fiscal year for its unfunded liability payment, receiving a discount of approximately ½ year’s interest on the amounts listed above. The plan’s normal cost contribution will continue to be collected as a percentage of payroll. See the caption “— The County’s CalPERS Contract.”

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2022.

Projected County Contributions. As described above under the heading “SECTION I— DEMOGRAPHIC AND ECONOMIC INFORMATION—General,” in 2003 the County established the PARC, which annually prepares a report for the Board. PARC’s 2024 Annual Report projects the following contribution to CalPERS (including both normal cost and UAAL amortization):

**TABLE 21
PROJECTED COUNTY CONTRIBUTIONS
(Safety Plan)⁽¹⁾**

<i>Fiscal Year</i>	<i>County Rate</i>	<i>County Payment</i>
2023-24	48.2%	\$169,451,000
2024-25	50.7	183,804,000
2025-26	51.2	190,798,000
2026-27	52.7	202,023,000
2027-28	54.6	215,034,000

⁽¹⁾ Projections are based on data from a report prepared by Foster & Foster, Inc. dated November 8, 2023 and include debt service on the County’s 2005 and 2020 Pension Obligation Bonds, normal cost and UAAL amortization.

Source: PARC 2024 Annual Report.

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TABLE 22
PROJECTED COUNTY CONTRIBUTIONS
(Miscellaneous Plan)⁽¹⁾

<i>Fiscal Year</i>	<i>County Rate</i>	<i>County Payment</i>
2023-24	28.2%	\$370,495,000
2024-25	28.6	387,027,000
2025-26	28.3	393,499,000
2026-27	29.2	417,487,000
2027-28	30.2	444,578,000

⁽¹⁾ Projections are based on data from a report prepared by Foster & Foster, Inc. dated November 8, 2023 and include debt service on the County’s 2005 and 2020 Pension Obligation Bonds, normal cost and UAAL amortization.
Source: PARC 2024 Annual Report.

The County’s projections with respect to the County contributions reflect certain significant assumptions concerning future events and circumstances. The information and the related assumptions are future projections and are not to be construed as representations of fact or representation that in fact the information shown will be the correct amounts for the years indicated. Rather, these amounts reflect good faith estimates by the County taking into account a variety of assumptions. Variations in the assumptions may produce substantially different results. Actual results during the projection period may vary from those presented in the forecast, and such variations may be material. Accordingly, prospective investors are cautioned to view these estimates as general indications of trends and orders of magnitude and not as precise amounts.

The County’s projected contribution rates are affected by the market rate of return in the CalPERS Plans and other changes that may be adopted by CalPERS from time to time, see “—The County’s CalPERS Contract” above. CalPERS reported an annualized rate of return of 21.3% for Fiscal Year 2020-21 and an annualized rate of return of negative 6.1% for Fiscal Year 2021-22. In July 2023, CalPERS reported a preliminary net return of 5.8% on its investments for the 12-month period ending June 30, 2023. The County’s projected contribution rates shown in PARC’s 2024 Annual Report are based on CalPERS’ Fiscal Year 2021-22 investment returns. Actual investment returns lower than the actuarially assumed level will result in decreased funding status and increased actuarially required contribution.

Other Retirement Plans. The County also provides a Defined Benefit Pension Plan (the “DBPP”) to employees who are designated as a part-time or temporary employee and not eligible for Social Security or CalPERS retirement benefits through the County. This plan is subject to Internal Revenue Code Section 401(a) and is self-funded and self-administered. The County has set a goal of ensuring that the DBPP is at least 80% funded. Participants in the DBPP are required to contribute 3.75% of their eligible compensation to the DBPP in lieu of Social Security tax. As of June 30, 2023, the DBPP was funded at 82.9%, and the contribution level was 0%, as actuarially recommended. However, the County has maintained the contribution rate of 5.58% to drive the funded status higher. The County’s contribution to the DBPP was \$2,281,919 for Fiscal Year 2021-22, \$3,140,160 for Fiscal Year 2022-23, and \$3,755,492 for Fiscal Year 2023-24. The DBPP’s unfunded liabilities as of June 30, 2023, were approximately \$12.6 million. Overall, the DBPP’s plan’s funded status was relatively similar to the prior Fiscal Year; however, the GASB 68 funded status improved, and the Net Pension Liability decreased from the prior valuation. The primary reason for these differing results is the asset gain, which is spread over five years under the actuarial funding method but recognized immediately for GASB accounting purposes. Assets were higher than expected due to favorable investment return on plan assets—11.4% actual compared to 6.00% assumed. Employer and employee contributions were higher than the actuarially determined contribution. Demographic experience was different than expected, primarily because there were more terminations than expected, and because data clarification had erroneously reflected certain active employees as part-time (rather than full-time) status, resulting in a net liability loss.

Other Post-Employment Benefits (OPEB). The County provides certain post-retirement health insurance benefits to qualifying retired employees and their eligible dependents or survivors. Regular employees with a minimum service of five years and who are at least age 50, or age 52 if they became a CalPERS member on or after January 1, 2013, at retirement qualify to receive the post-retirement benefits.

The Board of Supervisors took action on October 25, 2006 to set aside \$10 million as a contribution for OPEB. On November 7, 2007 the irrevocable OPEB Trust was established with the California Employers' Retiree Benefit Trust ("CERBT") and funded with a payment of \$10.4 million. As of February 15, 2024, the OPEB Trust had a balance of \$116.5 million.

In June 2015, GASB released Statement No. 75, which affects accounting for other post-employment benefit plans. Among other goals, GASB Statement No. 75 seeks to improve accounting and financial reporting by state and local governments for OPEB. The County adopted GASB Statement No. 75 in its audited financial statements for the fiscal year ended June 30, 2018. The changes include moving unfunded liabilities from the footnotes to the balance sheet, the potential for more volatile periodic expense and a change in the discount rate basis.

The County obtains actuarial valuations of its OPEB obligations from Aon, with the most recent calculated as of June 30, 2023. Based on the combination of plans and contribution levels that the County offers, assuming an investment rate of 7.00%, the present value of benefits was estimated to be \$212.4 million, the accrued actuarial liability was estimated to be \$157.6 million and the annual normal cost was \$6.5 million. The County's OPEB funded ratio including implicit subsidy was 35.5% and excluding implicit subsidy, 66.4%. The implicit subsidy is the difference between the true cost of coverage for a retiree's medical plan and the actual rate paid where retirees and active employees are paying a blended premium that covers both retiree and active employee costs.

According to the valuation, the County's funding contribution for Fiscal Year 2022-23 is approximately \$6.4 million and approximately \$7.4 million in Fiscal Year 2023-24. Pursuant to Board Policy B-25, Pension Management and Other Post-Employment Benefits, the County will follow a multi-year plan of improving its funded ratio. The current actuarial schedule projects the desired 80% minimum funding level, excluding implicit subsidy, would be reached in 2026 with \$16.9 million to be charged to departments annually beginning in Fiscal Year 2021-22, which currently, as a percentage of payroll, represents approximately 1.1%. Each year the annual required contribution to the Trust is evaluated and adjusted accordingly.

Overall, the funded status improved compared to the prior valuation. Primarily because the expected return on assets changed from 7.70% to 7.80%, reflecting higher expectations for CERBT Asset Allocation Strategy 1. As a result, the discount rate similarly increased, resulting in a small liability decrease for GASB only. Large prefunding contributions reduced the UAAL. Healthcare assumptions were updated to reflect current medical cost growth expectation, resulting in a liability increase. Healthcare cost increases were higher than projected from the prior year, resulting in a liability loss. Investment returns were lower than expected (6.5% compared to 7.7% assumed), resulting in a small asset loss.

In addition to the multi-year plan of adjusting annual required contributions to increase the funded ratio, at its January 2021 meeting, the Pension Advisory Review Committee reviewed and approved a dollar cost average transitioning from CERBT's Strategy 2 account (long-term expected return of 5.90%) into the Strategy 1 account (long-term expected return of 6.30%) over the course of twelve months.

Ad Valorem Property Taxes

General. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation. For assessment and collection purposes, property is classified either as "secured" or

“unsecured” and is listed accordingly on separate assessment rolls. The “secured roll” is that assessment roll containing locally assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of growth in situs assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county wide or less than city wide special districts and school districts. In addition, the County levies and collects additional taxes for voter approved debt service and fixed charge assessments on behalf of any taxing agency and special districts within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after 5:00 p.m. on December 10 and April 10, respectively, and a ten percent penalty attaches. Property on the secured roll with unpaid delinquent taxes is declared tax-defaulted after 5:00 p.m. on June 30. Such property may thereafter be redeemed by payment of the delinquent taxes, the ten percent delinquency penalty, a minimum \$38.06 fee for preparation of delinquent tax record, a minimum \$36.45 per parcel redemption fee (from which the State receives five dollars), and redemption penalty of one and one half percent per month starting July 1 and continuing until date of redemption (collectively, the “Redemption Amount”). If taxes remain unpaid after five years on the default roll, the property becomes subject to a tax sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of January 1 lien date and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

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The following tables set forth the secured property tax roll and the unsecured property tax roll of the County for the last ten Fiscal Years and the current Fiscal Year.

TABLE 23
COUNTY OF RIVERSIDE
AD VALOREM PROPERTY TAXES - LEVIES AND COLLECTIONS
SECURED PROPERTY TAX ROLL⁽¹⁾

<i>Fiscal Year</i>	<i>Secured Property Tax Levy</i>	<i>Current Levy Delinquent June 30</i>	<i>Percentage of Current Taxes Delinquent June 30⁽²⁾</i>	<i>Total Collections⁽³⁾</i>	<i>Percentage of Total Collections to Current Levy⁽³⁾</i>
2013-14	\$2,813,381,750	\$49,716,695	1.76%	\$2,943,824,187	104.64%
2014-15	3,014,259,026	46,145,916	1.52	3,152,661,477	104.59
2015-16	3,205,453,157	45,956,538	1.43	3,328,995,827	103.85
2016-17	3,368,109,165	45,522,477	1.35	3,496,857,648	103.82
2017-18	3,565,210,050	42,580,125	1.19	3,679,787,833	103.21
2018-19	3,762,000,301	62,930,733	1.67	3,768,906,901	100.18
2019-20	3,964,853,341	83,339,399	2.10	3,944,201,906	99.48
2020-21	4,185,760,961	70,727,830	1.69	4,201,081,747	100.37
2021-22	4,424,068,721	64,395,731	1.46	4,428,241,989	100.09
2022-23	4,815,817,368	81,206,837	1.69	4,784,421,257	99.35
2023-24	5,223,596,234	N/A	N/A	2,796,238,274 ⁽⁴⁾	53.53 ⁽⁴⁾

(1) The Levy and Collection data reflect the 1% levy allowed under Article XIII A of the California Constitution and additional taxes levied for voter-approved debt and special assessments. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

(2) Under the Teeter Plan, participating agencies receive their full levy of current secured taxes regardless of delinquency rate, subject to roll corrections during the year. Prior year taxes are deposited to the Teeter Plan fund. See the caption "Teeter Plan" herein.

(3) Includes current year taxes collected only and prior years' redemptions, penalties and interest distributed as of January 31, 2024.

(4) Total adjusted tax levy as of January 31, 2024.

Source: County Auditor-Controller.

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TABLE 24
UNSECURED PROPERTY TAX ROLL⁽¹⁾

<i>Fiscal Year</i>	<i>Unsecured Property Tax Levy</i>	<i>Total Collections⁽²⁾</i>	<i>Percentage of Total Collections to Original Levy⁽²⁾</i>
2013-14	\$83,522,992	\$86,835,311	103.97%
2014-15	84,869,586	89,749,581	105.75
2015-16	84,381,854	88,526,356	104.91
2016-17	91,527,259	97,904,720	106.97
2017-18	92,470,967	97,787,334	105.75
2018-19	97,064,852	106,502,808	109.72
2019-20	103,243,149	105,370,218	102.06
2020-21	108,068,113	108,896,346	100.77
2021-22	118,425,447	129,565,509	109.41
2022-23	141,148,015 ⁽³⁾	138,837,917	98.36
2023-24	160,514,938	156,346,928 ⁽⁴⁾	97.4 ⁽⁴⁾

⁽¹⁾ The Levy and Collection data reflect the 1% levy allowed under Article XIII A of the California Constitution and additional taxes levied for voter-approved debt and special assessments. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

⁽²⁾ Includes current and prior years' taxes, redemptions, penalties and interest in unsecured taxes.

⁽³⁾ Total adjusted tax levy as of January 31, 2024.

⁽⁴⁾ From July 1, 2023 to January 31, 2024.

Source: County Auditor-Controller.

State legislation enacted in 1984 established the "supplemental roll," which directs the County Assessor to re-assess real property, at market value, on the date the property changes ownership or upon completion of new construction. Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of new construction and the date of the next regular tax roll upon which the assessment is entered.

Supplemental roll billings are made on a monthly basis and are due on the date mailed. If mailed within the months of July through October, the first installment becomes delinquent on December 10 and the second on April 10. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent. These assessments are subject to the same penalties and default procedures as the secured and unsecured rolls.

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The following table sets forth the supplemental tax roll of the County for the last ten Fiscal Years and the current Fiscal Year:

TABLE 25
COUNTY OF RIVERSIDE
SUMMARY OF SUPPLEMENTAL ROLL⁽¹⁾
AD VALOREM PROPERTY TAXATION

<i>Fiscal Year</i>	<i>Tax Levy for Increased Assessments⁽²⁾</i>	<i>Refunds for Decreased Assessments⁽²⁾</i>	<i>Net Supplemental Tax Levy</i>	<i>Collections⁽³⁾</i>
2013-14	\$52,907,916	\$8,982,077	\$43,925,839	\$41,498,433
2014-15	68,579,326	7,954,074	60,625,253	56,319,752
2015-16	70,084,954	6,399,454	63,685,501	60,101,066
2016-17	85,097,029	7,733,087	77,363,942	70,527,505
2017-18	95,818,550	6,329,416	89,489,134	87,764,555
2018-19	48,663,655	3,244,119	45,419,536	61,852,162
2019-20	55,304,570	4,793,074	50,511,496	43,283,527
2020-21	133,415,501 ⁽⁴⁾	9,830,606	123,584,895	117,273,827
2021-22	91,271,062 ⁽⁴⁾	7,758,188	83,512,874	111,110,969
2022-23	277,982,291 ⁽⁴⁾	7,351,558	270,630,733	231,128,002
2023-24 ⁽⁵⁾	235,875,512 ⁽⁴⁾	7,549,418	228,326,094	150,323,071

⁽¹⁾ The Levy and Collection data reflect the 1% levy and additional taxes levied for voter-approved debt. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

⁽²⁾ Tax levy amounts are shown net of minimum tax less than \$15 and refund amounts are shown net of refund or negative supplemental taxes less than \$10 as of January 31, 2024.

⁽³⁾ Includes current and prior years' taxes, penalties and interest collected (before refunds) as of January 31, 2024.

⁽⁴⁾ Tax levy fluctuation from Fiscal Year 2020-21 through Fiscal Year 2023-24 is partially due to the stabilization of the property tax system for the Assessor, Tax Collector and Auditor which delayed processing all supplemental transactions.

⁽⁵⁾ From July 1, 2023 to January 31, 2024.

Source: County Auditor-Controller/County Treasurer-Tax Collector.

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The following table sets forth the assessed valuation by category and property type for Fiscal Year 2019-20 through Fiscal Year 2023-24:

TABLE 26
COUNTY OF RIVERSIDE
ASSESSED VALUATION HISTORY BY CATEGORY AND PROPERTY TYPE⁽¹⁾
FISCAL YEARS 2019-20 THROUGH 2023-24
(IN MILLIONS)

<i>Category</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>
SECURED PROPERTY:					
Land	\$ 87,392	\$ 90,586	\$ 93,979	\$ 100,649	\$ 107,356
Structures	204,416	218,398	232,113	255,994	281,799
Fixtures	618	669	706	772	839
Living Improvements	81	81	85	85	86
Personal Property	889	948	947	980	1,097
Penalty	16	18	14	18	17
Utilities	<u>6,317</u>	<u>6,956</u>	<u>6,813</u>	<u>8,026</u>	<u>8,858</u>
Total Secured	\$ 299,730	\$ 317,655	\$ 334,656	\$ 366,524	\$ 400,054
UNSECURED PROPERTY:					
Land	2	2	2	1	2
Structures	82	75	62	57	53
Fixtures	4,225	4,447	5,046	5,575	6,695
Personal Property	4,921	5,076	5,327	5,713	6,544
Penalty	<u>95</u>	<u>83</u>	<u>80</u>	<u>85</u>	<u>124</u>
Total Unsecured	<u>\$ 9,324</u>	<u>\$ 9,683</u>	<u>\$ 10,518</u>	<u>\$ 11,431</u>	<u>\$ 13,417</u>
GRAND TOTAL	\$ 309,054	\$ 327,337	\$ 345,174	\$ 377,955	\$ 413,471

⁽¹⁾ Assessed valuation is reported as of July 1 of each year at 100% of full taxable value. Pursuant to Article XIII A of the California Constitution (Proposition 13), property is valued for tax purposes at the 1975 fair market value, adjusted annually for inflation (not to exceed 2%). Generally, property is reassessed at fair market value upon change of ownership and for new construction. Fiscal Year 2023-24 equalized roll includes roll corrections up to August 16, 2023.

Source: County Auditor-Controller/County Assessor.

Assessed valuations can be reduced as a result of an assessment appeal or an assessor-initialized reduction. Property owners can appeal their initial valuation at the time of acquisition to establish their Proposition 13 basis. Subsequently, they may appeal the valuation under Proposition 8 to achieve a temporary reduction below the Proposition 13 value, as adjusted. The County Assessor is required under Proposition 8 to make reductions, should declines in market values call for such reductions. Following the decline in housing prices in the County during the 2008 recession, the Assessor proactively reviewed all residential properties purchased after January 1, 1999, in each year from Fiscal Year 2010-11 to Fiscal Year 2013-14, which resulted in a net decline in assessed valuation in each of those years. From and after Fiscal Years 2014-15, there were no additional proactive Proposition 8 reductions. Housing prices in the County have been showing increases in recent years. Assessed valuation in the County increased by at least 5% each year from Fiscal Year 2015-16 to 2020-21. Assessed valuation in the County increased by approximately 9.5% in Fiscal Year 2022-23 as compared to Fiscal Year 2021-22. Assessed valuation increased by 9.40% in Fiscal Year 2023-24 as compared to Fiscal Year 2022-23.

Property Tax Appeals. The County estimates that it has received assessment appeals applicable to Fiscal Year 2023-24 totaling approximately \$20.3 billion of assessed value, although the County is still processing the case filings for Fiscal Year 2022-23 so the actual total assessed value subject to appeal may differ.

Successful appeals result in either a refund of taxes paid or a reduction to an unpaid tax bill. A total of \$792 million of assessed value was reduced from the County tax roll in Fiscal Year 2021-22 and Fiscal Year 2022-23 due to appeals, representing \$7,920,000 in general purpose taxes over the two-fiscal year period. Approximately 11% of the Fiscal Year 2023-24 assessment appeals have been completed. The majority of the remaining Fiscal Year 2023-24 assessment appeals are expected to be completed by June 2025.

Motor Vehicle Fees In-Lieu of Property Taxes. The County receives an allocation of motor vehicle in-lieu tax from the State. The motor vehicle in-lieu tax is levied for the privilege of operating a vehicle on the public highways of the State. The motor vehicle registration fee is levied annually on all motor vehicles, trailer coaches, and other vehicles that use public highways of the State.

Teeter Plan

With respect to collection of property taxes, the County adopted in 1993 the Teeter Plan, which is an alternate procedure authorized in Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code of the State of California (comprising Sections 4701 through 4717, inclusive), commonly referred to as the “Teeter Plan” for distribution of certain property tax and assessment levies on the secured roll.

Generally, the Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan (defined previously as the “Revenue Districts”) on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest. Supplemental taxes, which are the result of changes in property ownership or completion of new construction, are currently excluded from the Teeter Plan.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll. Once adopted, a county’s Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two thirds of the participating districts in the county. An electing county may, however, determine to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Taxing entities that are required to maintain funds in the County Treasury are all included in the Teeter Plan. These include all K-12 school districts, community college districts and certain special districts. Other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. In Fiscal Year 2022-2023, taxing agencies representing approximately 58.7% of the secured roll participated in the Teeter Plan. In Fiscal Year 2023-24, taxing agencies representing approximately 58.54% of the secured roll participated in the Teeter Plan.

Pursuant to the Law, the County is required to establish a Tax Losses Reserve Fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (i.e., if the sale price of the property is less than the amount owed). At the election of the County, the Tax Losses Reserve Fund is maintained at an amount equal to one of two methods: (1) 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for taxing entities participating in the Teeter Plan, or (2) 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for taxing entities participating in the Teeter Plan. Any excess over the required balance in the Tax Losses Reserve Fund may be transferred to the County’s General Fund.

Until September 2023, the County had been governed by the first alternative since the implementation of the Teeter Plan. On September 12, 2023, the Board of Supervisors approved changing to the second

alternative for calculating the required balance in the Tax Losses Reserve Fund, which change is in effect for Fiscal Year 2023-24. The County may in the future use the alternative method of funding the Tax Losses Reserve Fund. Such a change would require the recommendation of the Auditor-Controller and the approval of the Board of Supervisors prior to October 31 in order to be effective for such fiscal year.

State law governs local property tax collection. As part of the COVID-19 related response from the State, on May 6, 2020, Governor Newsom signed Executive Order N-61-20 granting county tax collectors the ability to cancel penalties, costs, and interest for taxes not timely paid on certain properties that were not delinquent prior to March 4, 2020. The Order expired May 6, 2021. As of February 6, 2024, approximately 3,002 parcels subject to the Executive Order had penalties cancelled representing approximately \$1.5 million in uncollected penalties, cost and interest. As of July 23, 2021, Revenue and Taxation Code 4985.2 was amended to allow cancellation of penalties due to a documented hardship, determined by the tax collector, arising from a shelter in place. To date this amended code has not been used for documented hardships arising from a shelter in place within the County and, therefore, the amount of uncollected penalties has not grown since August 2022, and the County does not currently expect such amount to change materially in the future.

On July 31, 1997, the County, acting pursuant to the provisions of Sections 860 et seq. of the California Code of Civil Procedure, filed a complaint in the Superior Court of the State of California for the County of Riverside (Case No. 299847) seeking judicial validation of the transactions relating to the Resolution (as originally adopted) and certain other matters. On September 12, 1997, the court entered a default judgment to the effect that, among other things, the Resolution and the Obligations issued pursuant to the Resolution, including the Notes, represent valid and binding obligations of the County (the “Validation Judgment”). The period allowed for appeal of such judgment by Sections 860 et seq. expired on October 14, 1997 without an appeal having been filed.

Since 1997, the County has publicly issued tax exempt notes and, from time to time, taxable notes, to finance the County’s obligations to make distributions to the Revenue Districts pursuant to the Teeter Plan, and to refund certain obligations of the County related to such obligations. The County manages the program on a continuous basis by paying down the amount of notes outstanding with collections of prior fiscal years’ taxes and funding with note proceeds the current year’s advance and any unpaid amounts of maturing notes.

From Fiscal Year 1997-98 through Fiscal Year 2006-07, the size of the Teeter Plan obligations fluctuated between approximately \$24 million and \$90 million, producing annual net revenue to the County’s General Fund of approximately \$14 million to \$25 million. The Teeter Plan obligations grew to approximately \$168.4 million in Fiscal Year 2007-08 and peaked at approximately \$266.6 million in Fiscal Year 2008-09 with net revenue to the County’s General Fund of approximately \$43.6 million and \$52.5 million, respectively. For the last five fiscal years the annual revenues from the Teeter Plan to the County General Fund averaged approximately \$22 million. As the amount of delinquent taxes receivable has declined, the annual revenue available to the General Fund has been reduced. For Fiscal Year 2021-22, the net revenue transferred to the County’s General Fund was approximately \$27 million. The County issued Teeter Plan obligation notes in the principal amount of \$103,330,000 for Fiscal Year 2023-24, which mature on October 18, 2024. The County currently expects to repay the outstanding Teeter Plan obligation notes with available funds and proceeds from additional notes, as described below. See also “SECTION V—DEBT OBLIGATIONS—Short-Term Obligations of County.”

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The following table sets forth the aggregate principal amount of the Teeter Plan obligation notes issued in last ten Fiscal Years.

TABLE 27
COUNTY OF RIVERSIDE
TEETER PLAN OBLIGATION NOTES ISSUED

<i>Fiscal Year</i>	<i>Principal Amount</i>
2014-15	\$100,175,000
2015-16	87,040,000
2016-17	81,765,000
2017-18	78,735,000
2018-19	74,190,000
2019-20	84,115,000
2020-21	99,570,000
2021-22	87,410,000
2022-23	84,055,000
2023-24	103,330,000

Source: County of Riverside, Executive Office.

The County accounts for the Teeter Plan in its audited financial statements by listing the amount of Notes Payable with its other liabilities, including unpaid taxes with its other receivables, and including apportioned prior years' taxes on deposit with other restricted cash. The taxes receivable are listed in their principal amount without any penalties or accrued interest.

Since the Teeter Program is ongoing, the County must have annual access to cash, either through the issuance of Teeter notes or other alternative sources of cash. Should market access for the Teeter notes be limited, and no private or direct bank placements options be available, the County has two primary options to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts.

The first option for the County to meet the redemption requirements of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts in the event of limited market access is to have the County Treasurer's Pooled Investment Fund (the "PIF") purchase the Teeter notes. Such Teeter notes have been purchased by the PIF in the past. Formal Board of Supervisors and County Treasurer approval would be required in order for the PIF to purchase Teeter notes if the notes are not rated or otherwise not qualified for purchase under the County's investment policy.

The second option for the County to meet the redemption requirements of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts would be for the County to advance funds from the General Fund. All lawfully available moneys in the County's General Fund are available for the repayment of Teeter notes in accordance with the Validation Judgment, and the continuation of the Teeter Program is beneficial to the County's over-all financial condition. Should additional cash be needed, the County may borrow lawfully available moneys in the County's General Fund to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts. Such General Fund borrowings to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts have been authorized by the Board of Supervisors, most recently in April 2007.

Additionally, the County Treasurer and the County Auditor-Controller have an operating agreement to facilitate such General Fund borrowings by allowing the primary General Fund account within the County Pool to run a negative balance. The amount by which the balance in the General Fund account within the County Pool may be negative is capped by the amount the County may legally borrow. Such operating agreement allows

for a seamless mechanism. It also spreads the loan across all County funds, minimizing the impact on any single fund and the need to manage individual fund balances. The Government Code allows such borrowings on an indefinite basis, stipulating that repayment must only be made prior to such date that funds are needed in the originating funds. The County has utilized this approach for many years including during the 1990s when the County carried a substantial year-end negative cash balance in the General Fund.

Largest Taxpayers

The following table shows the 25 largest property taxpayers by individual tax levied in the County for Fiscal Year 2023-24:

TABLE 28
COUNTY OF RIVERSIDE
TWENTY-FIVE LARGEST PROPERTY TAXPAYERS IN FISCAL YEAR 2023-24
BY TAX LEVIED⁽¹⁾

<i>Taxpayer</i>	<i>Total Taxes Levied</i>	<i>Percentage of Total Tax Charge</i>
DUKE REALTY LTD PARTNERSHIP	\$ 6,751,202.08	0.14%
COSTCO WHOLESALE CORP	5,348,162.28	0.11
FIRST INDUSTRIAL	5,172,696.68	0.11
KB HOME COASTAL INC	4,528,155.04	0.09
USEF CROSSROADS II	4,342,081.14	0.09
CHELSEA GCA REALTY PARTNERSHIP	4,064,387.70	0.08
WALGREEN CO	3,756,911.82	0.08
TYLER MALL LTD PARTNERSHIP	3,595,129.78	0.07
WAL MART REAL ESTATE BUSINESS TRUST	3,550,030.74	0.07
RIVERSIDE HEALTHCARE SYSTEM	3,545,758.14	0.07
GARDEN OF CHAMPIONS	3,511,584.36	0.07
LA SIERRA UNIVERSITY	3,497,436.20	0.07
ROSS DRESS FOR LESS INC	3,492,137.08	0.07
SCG ATLAS ASHTON CO	3,484,360.80	0.07
TARPON PROP OWNERSHIP	3,443,663.24	0.07
CASTLE & COOKE CORONA CROSSINGS	2,918,423.58	0.06
RICHMOND AMERICAN HOMES OF MARYLAND INC	2,917,458.14	0.06
CLUBCORP MISSION HILLS COUNTRY CLUB INC	2,811,044.70	0.06
LOWES HIW INC	2,690,886.00	0.06
TARGET CORP	2,658,477.40	0.06
TAI OW MONTEREY OWNER	2,542,663.00	0.05
HP LQ INVESTMENT	2,527,729.96	0.05
RAINTREE CORONA POINTE	2,526,413.06	0.05
BT OH	2,443,546.96	0.05
IDIL PERRIS FULFILLMENT CENTER	<u>2,356,338.06</u>	<u>0.05</u>
Total	\$ 88,476,677.94	1.84%
Total Secured Tax Charge for 2023-24	\$4,800,284,534.03	

⁽¹⁾ Includes secured property; excludes unsecured property and State-assessed property.
Source: County Treasurer-Tax Collector.

The 10 largest property owners in the County by assessed value for all properties, for Fiscal Year 2023-24 are shown below:

**TABLE 29
COUNTY OF RIVERSIDE
TEN LARGEST PROPERTY OWNERS IN FISCAL YEAR 2023-24
BY ASSESSED VALUE**

<i>Assessee</i>	<i>Assessed Value</i>
AMAZON COM SERVICES LLC	\$ 745,960,853
DUKE REALTY LTD PARTNERSHIP	604,020,399
DPIF3 CA 27 ARCHIBALD AVE	473,393,501
FIRST INDUSTRIAL	470,833,052
COSTCO WHOLESALE CORP	455,287,689
SPECTRUM PACIFIC WEST LLC	366,868,856
KAISER FOUNDATION HOSPITALS	485,967,355
RIVERSIDE HEALTHCARE SYSTEM	335,746,167
DUKE REALTY WEBSTER RIDER	330,312,428
I10 LOGISTICS OWNER	<u>328,602,166</u>
Subtotal	\$ 4,596,992,466
All Others	<u>399,637,397.098</u>
Total	\$ 404,234,389,564⁽¹⁾

⁽¹⁾ Excludes State-assessed property. Does not reflect any applicable exemptions.
Source: County Assessor.

Other Taxing Entities

The County does not retain all of the property taxes it collects for its own purposes. The majority of property taxes collected by the County are disbursed to other agencies. For both Fiscal Years 2021-22 and 2022-23, the County retained approximately 19% of the total amount collected (and is budgeted to retain 19% in Fiscal Year 2023-24). The remainder is distributed according to State law (AB 8), which established a tax-sharing formula, and State redevelopment law (See “—Redevelopment Agencies” below). Taxes levied for the purpose of repaying general obligation debt, special taxes and assessments are applied to pay such obligations, less any allowable collection charges.

Redevelopment Agencies

The California Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) authorized the redevelopment agency of any city or county to issue bonds payable from the allocation of tax revenues resulting from increases in assessed valuation of properties within the designated project areas. The net effect of the formation of a redevelopment area is to redistribute tax revenues away from the AB 8 formula. Local taxing authorities other than the former redevelopment agency realize tax revenues on a portion of the taxes generated in a project area including: 1) on the “frozen” tax base; 2) for project areas adopted prior to January 1, 1994, local taxing authorities may receive an additional amount based on any negotiated agreements with former redevelopment agencies to receive a share of tax increment proceeds; and, 3) for project areas adopted after January 1, 1994, local taxing authorities receive a pass-through payment based on statutory rules pursuant to section 33607.5 of the California Health and Safety Code.

The following table summarizes the community redevelopment agencies’ frozen base value, full cash value increments, and total tax allocations for the last ten Fiscal Years.

**TABLE 30
COUNTY OF RIVERSIDE
COMMUNITY REDEVELOPMENT AGENCIES'
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS**

<i>Fiscal Year</i>	<i>Frozen Base Value</i>	<i>Full Cash Value Increments⁽¹⁾</i>	<i>Total Tax Allocations⁽²⁾⁽³⁾</i>
2014-15	\$16,352,691,201	\$62,266,158,988	\$729,793,564
2015-16	16,352,657,201	65,770,021,482	772,866,457
2016-17	16,352,657,201	69,510,642,793	816,260,103
2017-18	16,352,657,201	73,397,406,955	866,983,038
2018-19	16,352,657,201	78,931,108,121	791,516,576
2019-20	16,352,657,201	83,774,752,955	838,352,528
2020-21	16,352,657,201	90,024,188,096	902,599,217
2021-22	16,352,657,201	96,060,913,816	963,039,899
2022-23	16,352,657,201	107,115,726,887	1,073,672,542
2023-24	16,176,446,418	119,565,526,587	1,198,468,762

⁽¹⁾ Full cash value for all redevelopment projects (including County projects) above the “frozen” base year valuations. This data represents growth in full cash values generating tax revenues for use by the former redevelopment agencies and includes State assessed properties; has not been adjusted for negative project area increment.

⁽²⁾ Actual cash revenues collected by the County and available to the Redevelopment Property Tax Trust Fund (RPTTF) allocations under ABx126

⁽³⁾ Includes estimated general purpose and debt; excludes negative treatment redevelopment projects where assessed value is less than frozen base value.

Source: County Auditor-Controller.

Legislation enacted as part of the State’s 2011 Budget Act (“ABx1 26”) eliminated redevelopment agencies, with formal dissolution effective February 1, 2012. The County had previously formed a redevelopment agency with project areas in 45 unincorporated communities. In accordance with ABx1 26, the County redevelopment agency dissolved on February 1, 2012 and the County’s Board of Supervisors is acting as the successor agency to the County’s redevelopment agency. At the time of its dissolution, the County redevelopment agency had a total land area of 82,334 acres, a base year assessed value, including State-owned land, of \$3,971,824,734, and a Fiscal Year 2011-12 assessed value of \$8,266,787,927. In Fiscal Year 2011-12, the pass-through payment to the County’s General Fund from the County’s redevelopment agency totaled \$1,600,443, and was offset in its entirety pursuant to Health and Safety Code Section 33607.5. As a consequence of the dissolution of redevelopment agencies, the County receives only a fraction of the pass-through payments from the County redevelopment agency it previously received, but these amounts were relatively modest and are largely offset by the County’s receipt of its tax allocation under the AB 8 formula. As the result of the dissolution, the County is receiving a share of residual, unencumbered low and moderate housing and other asset funding. The County received approximately \$43,195,558 in residual funds for Fiscal Year 2021-22, approximately \$55,351,436 in residual funds for Fiscal Year 2022-23, and has budgeted to receive approximately \$66,052,647 in residual funds for Fiscal Year 2023-24.

In Fiscal Years 2021-22 and 2022-23, the County received approximately \$135 million and \$155 million, respectively, in pass-through payments pursuant to agreements with various city redevelopment agencies. The County is projected to receive approximately \$169 million in Fiscal Year 2023-24. Pursuant to ABx1 26 and its following clarifying legislation, the County’s negotiated pass-through agreements with these redevelopment agencies remain in full force and effect as enforceable obligations of the successor entity to each such redevelopment agency.

Enhanced Infrastructure Financing Districts

California Government Code Sections 53398.50-53398.88 (the “EIFD Law”) enables cities and counties in the state of California to form enhanced infrastructure financing districts (“EIFDs”) as a means of funding public improvements with a useful life of 15 years or more, that provide community wide benefit. To fund such improvements, the EIFD Law provides that an EIFD may issue bonds payable from, or utilize pay-as-you-go revenue generated from, *ad valorem* property tax increment and in-lieu Vehicle License Fee increment revenue resulting from increases in assessed valuation of property within designated EIFD areas. The net effect is that in EIFD areas, the County will realize tax revenues on a portion of the taxes generated in an EIFD area including: 1) on the “frozen” tax base; and 2) on the remaining portion of increment, after the Board of Supervisors approved percentage of increment has been allocated to the EIFD. The EIFD Law also provides that allocation of tax increment revenue to an EIFD is subordinate to allocation of increment revenue to obligations of any former redevelopment project areas, where EIFD boundaries might overlap with former redevelopment area boundaries.

On April 20, 2021, the County’s Board of Supervisors adopted a Resolution of Intention to Establish the Temecula Valley Wine Country Enhanced Infrastructure Financing District (the “Temecula Valley Wine Country EIFD”); on November 9, 2021, the Temecula Valley Wine Country EIFD’s Infrastructure Financing Plan was formally adopted; and on February 17, 2022, the State’s Board of Equalization sent confirmation of establishment of the Temecula Valley Wine Country EIFD in the form of a Notice of Tax Rate Area Change. The Temecula Valley Wine Country EIFD area is comprised of 825 parcels located on approximately 9,007 acres; the EIFD’s established base year was Fiscal Year 2022-23, and its first allocation of increment was received in January 2024.

On May 24, 2022, the County’s Board of Supervisors adopted a Resolution of Intention to Establish the Highway 74 Enhanced Infrastructure Financing District (the “Highway 74 EIFD”); on November 8, 2022, the Highway 74 EIFD’s Infrastructure Financing Plan was formally adopted; and on February 17, 2023, the State’s Board of Equalization sent confirmation of establishment of the Highway 74 EIFD in the form of a Notice of Tax Rate Area Change. The Highway 74 EIFD area is comprised of 475 parcels located on approximately 941 acres; the EIFD’s established base year was also Fiscal Year 2022-23, and its first allocation of increment was also received in January 2024.

The following table summarizes estimated combined increment revenue generation for both EIFDs for Fiscal Year 2023-24.

TABLE 31
COUNTY OF RIVERSIDE
COMMUNITY ENHANCED INFRASTRUCTURE FINANCING DISTRICTS’ (EIFDs)
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS

<i>Fiscal Year</i>	<i>Frozen Base Value</i>	<i>Full Cash Value Increments⁽¹⁾</i>	<i>Total Tax Allocations⁽²⁾⁽³⁾</i>
2023-24	\$569,927,688	\$73,760,608	\$737,606

(1) The EIFD boundaries that also overlap the RDA boundary area are not reflected in this Table 31. Such amounts are reported in Table 30.

(2) Full cash value for both enhanced infrastructure financing districts above the "frozen" base year valuations.

(3) Includes estimated general purpose and debt.

Source: County Auditor-Controller.

County of Riverside Treasurer-Tax Collector’s Pooled Investment Fund

The County Treasurer-Tax Collector maintains one Pooled Investment Fund (the “PIF”) for all local jurisdictions having funds on deposit in the County Treasury, including the County, schools and special districts

within the County, and other discretionary depositors throughout the County. As of February 29, 2024, the portfolio assets comprising the PIF had a market value of \$14,608,618,310.59.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer-Tax Collector. On June 30, 2023, the Auditor-Controller performed an analysis on the County Treasury, which resulted in the identification and classification of “mandatory” vs. “discretionary” depositors. The County Auditor-Controller reports that collectively, these mandatory deposits constituted approximately 79.28% of the funds on deposit in the County Treasury, while approximately 20.72% of the total funds on deposit in the County Treasury represented discretionary deposits. While State law permits other governmental jurisdictions to participate in the County’s PIF, the desire of the County Treasurer-Tax Collector is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer’s 2021 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the PIF as of February 29, 2024 were as follows (numbers may not add up due to rounding of individual components):

TABLE 32
COUNTY OF RIVERSIDE
CATEGORIES OF INVESTMENTS IN THE POOLED INVESTMENT FUND
AS OF FEBRUARY 29, 2024

	<i>Balance</i>	<i>% of Pool</i>
Repurchase Agreements	-	0.00%
U.S. Treasury Securities	\$ 1,932,855,752.54	13.06
Federal Agency Securities	6,456,778,232.29	43.62
Cash Equivalent & Money Market Funds	799,017,200.84	5.40
Commercial Paper	2,475,855,232.05	16.73
Int’l Bank for Reconstruction and Development (IBRD) & Int’l Finance Corp (IFC)	423,592,098.82	2.86
NCD	2,544,009,807.58	17.19
Medium Term Notes	34,162,745.27	0.23
Municipal Notes	134,839,444.26	<u>0.91</u>
Total Book Value	<u>\$ 14,801,110,513.66</u>	<u>100.00%</u>
Book Yield:		4.26%
Weighted Average Maturity:		1.26 Years

Source: County Treasurer-Tax Collector.

As of February 29, 2024, the market value of the PIF was 98.70% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

In keeping with Sections 53684 and 53844 of the California Government Code, all interest, income, gains and losses on the portfolio are distributed quarterly to participants based upon their average daily balance

except for specific investments made on behalf of a particular fund. In these instances, Sections 53844 requires that the investment income be credited to the specific fund in which the investment was made.

The Board has established an “Investment Oversight Committee” in compliance with California Government Code Section 27131. Currently, the Committee is composed of the Director of Finance, the County Treasurer-Tax Collector, the County Superintendent of Schools, a school district representative and a public member at large. The purpose of the committee is to review the prudence of the County’s investment policy, portfolio holdings and investment procedures, and to make any findings and recommendations known to the Board. As of September 29, 2004, the State no longer required the County to have a local oversight committee; however, the County has elected to maintain the committee. The committee is utilized by the County to safeguard public funds and to perform other internal control measures.

The County Treasurer-Tax Collector has obtained a rating on the PIF of “Aaa/MR1” from Moody’s Investors Service and “AAAf/S1” rating from Fitch Ratings. The PIF has been continuously rated since the 1990s. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

Financial Statements and Related Issues

The County’s accounting policies used in preparation of its audited financial statements conform to generally accepted accounting principles applicable to counties. The County’s governmental funds use the modified accrual basis of accounting. This system recognizes revenues in the accounting period in which they become available and measurable. Expenditures, with the exception of unmatured interest on general long-term debt, are recognized in the accounting period in which the fund liability is incurred. Proprietary funds and fiduciary funds use the accrual basis of accounting, and revenues are recognized in the accounting period in which they are earned and become measurable, while expenses are recognized in the period during which they are incurred.

The County establishes sub-funds to track revenues and expenditures for certain designated programs administered by the County. Revenues held in sub-funds are generally restricted for the related programs. Currently, the County classifies restricted revenues as deferred inflows and recognizes the revenues when the associated expenditures are incurred, which may not be in the year in which the restricted revenues are received. A change in the recognition of the restricted revenues to the year in which the revenues are received rather than in the year in which the related expenditures are incurred would result in the acceleration of certain revenues currently held in the sub-funds. Revenues are reported in accordance with Generally Accepted Accounting Principles, and therefore there is no need to alter the current accounting practice related to the recognition of revenue held in sub-funds.

The State Government Code requires every county to prepare an annual financial report. The County Auditor-Controller prepares the “Annual Financial Report of the County of Riverside.” Under the U.S. Single Audit Act of 1984 and State law, independent audits are required on all operating funds under the control of the Board of Supervisors and must be conducted annually. The County’s financial statements for Fiscal Year 2021-22 were audited by Brown Armstrong Accountancy Corporation. See APPENDIX B — “COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

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The following table sets forth the County's Statement of Revenues, Expenditures and Change in Unreserved Funds Balances-General Fund for the last five Fiscal Years.

TABLE 33
COUNTY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES – GENERAL FUND
FISCAL YEARS 2018-19 THROUGH 2022-23
(In Thousands)

	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>
BEGINNING FUND BALANCE	\$ 369,582	\$ 410,455	\$ 401,682	\$ 564,179	\$ 680,515
REVENUES					
Taxes	\$ 326,991	\$ 336,983	\$ 397,329	\$ 440,139	\$ 486,442
Licenses, permits and franchises	19,989	18,939	19,683	21,584	23,358
Fines, forfeiture and penalties	64,521	54,332	61,802	62,975	54,481
Use of money and property–Interest	41,315	24,881	2,939	(19,520) ⁽¹⁾	57,533
Use of money and property–Rents and concessions	12,244	15,232	18,112	14,486	17,053
Government Aid–State	1,404,112	1,483,441	1,557,651	1,695,870	1,898,633
Government Aid–Federal	567,753	646,890	705,181	758,843	825,499
Governmental Aid–Other	117,264	126,723	137,642	143,497	164,239
Charges for current services	499,566	510,103	523,997	528,383	576,182
Other revenues	<u>49,682</u>	<u>63,228</u>	<u>60,481</u>	<u>54,717</u>	<u>70,310</u>
TOTAL REVENUES	\$ 3,103,437	\$ 3,280,752	\$ 3,484,817	\$ 3,700,974	\$ 4,173,730
EXPENDITURES					
General government	\$ 118,662	\$ 120,724	\$ 120,250	\$ 137,936	\$ 166,367
Public protection	1,382,395	1,477,295	1,573,840	1,591,388	1,733,723
Public ways and facilities	-	-	-	-	-
Health and sanitation	558,905	627,950	656,502	728,702	777,072
Public assistance	934,641	1,010,175	1,011,834	1,057,631	1,224,473
Education	678	628	490	512	716
Recreation and cultural	1,959	2,111	1,980	2,369	2,994
Capital Outlay	6,287	24,409	6,215	26,118	53,968
Debt service	<u>23,422</u>	<u>29,400</u>	<u>28,292</u>	<u>21,175</u>	<u>39,999</u>
TOTAL EXPENDITURES	\$ 3,026,949	\$ 3,292,692	\$ 3,399,403	\$ 3,565,831	\$ 3,999,312
Excess (deficit) of revenues over (under) expenditures	76,488	(11,940)	85,414	135,143	174,418
OTHER FINANCING SOURCES (USES)					
Transfer from other reserves	\$ 114,208	\$ 158,712	\$ 289,535	\$ 133,658	\$ 147,522
Transfer to other funds	(154,164)	(179,954)	(215,946)	(178,583)	(198,890)
Finance Purchases	-	-	-	-	32,116
Capital Leases	<u>6,287</u>	<u>24,409</u>	<u>6,215</u>	<u>26,118</u>	<u>21,852</u>
Total other Financing Sources (Uses)	\$ (33,669)	\$ 3,167	\$ 79,804	\$ (18,807)	\$ 2,600
NET CHANGE IN FUND BALANCES	\$ 42,819	\$ (8,773)	\$ 165,218	\$ 116,336	\$ 177,018
FUND BALANCE, END OF YEAR	\$ 410,455 ⁽²⁾	\$ 401,682	\$ 564,179 ⁽³⁾	\$ 680,515	\$ 857,533

(1) Decrease in use of money and property–interest reflects interest income of approximately \$2.7 million and an unrealized investment loss of approximately \$22.2 million on securities held by the County due to increasing interest rates.

(2) Fund balance does not foot because of subsequent restatement to reflect the prior period cost related to the implementation of GASB Statement No. 84 for Fiduciary Activities.

(3) Fund balance does not foot because of subsequent restatement to reflect a prior year advance received from grantor that was incorrectly recorded as revenue before the eligibility requirements had been met.

Source: County Auditor-Controller.

The following table sets forth the County's General Fund balance sheets for the last five Fiscal Years.

TABLE 34
COUNTY OF RIVERSIDE
GENERAL FUND BALANCE SHEETS
AT JUNE 30, 2019 THROUGH JUNE 30, 2023
(In Thousands)

	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>
ASSETS:					
Cash & Marketable Securities	\$ 207,950	\$ 308,199	\$ 362,675	\$ 442,471	\$ 488,349
Taxes Receivable	10,499	12,206	8,813	8,101	11,757
Accounts Receivable	15,111	18,686	8,840	11,195	17,923
Interest Receivable	9,624	4,046	1,426	4,582	23,306
Lease Receivable	-	-	-	50,601	46,872
Advances to Other Funds	4,869	4,869	4,869	4,869	4,869
Due from Other Funds	9,961	20,597	8,387	8,380	9,894
Due from Other Governments	343,679	360,840	406,867	404,617	523,269
Inventories	2,087	2,075	2,390	3,465	4,560
Prepaid items	-	62	46	47	2,298
Restricted Assets	<u>411,861</u>	<u>417,867</u>	<u>502,449</u>	<u>691,979</u>	<u>674,850</u>
Total Assets	\$ 1,015,641	\$ 1,149,447	\$ 1,306,762	\$ 1,630,307	\$ 1,807,947
LIABILITIES:					
Accounts Payable	\$ 39,870	\$ 77,946	\$ 66,145	\$ 101,682	\$ 107,627
Salaries & Benefits Payable	107,031	126,347	69,780	79,499	96,400
Due To Other Funds	13,346	51,943	2,476	299	2,979
Due to Other Governments	64,974	126,314	131,994	123,356	113,595
Deferred Revenue	-	-	-	-	-
Deposits Payable	28	14	15	12	9
Advances from other funds	-	-	-	-	-
Advances from grantors and third parties	<u>318,534</u>	<u>303,583</u>	<u>403,592</u>	<u>523,727</u>	<u>482,284</u>
Total Liabilities	\$ 543,783	\$ 686,147	\$ 674,002	\$ 828,575	\$ 802,894
Deferred inflows of resources	\$ 59,457	\$ 61,618	\$ 65,860	\$ 121,217	\$ 147,520
FUND BALANCE:					
Nonspendable	\$ 2,416	\$ 2,466	\$ 2,756	\$ 3,843	\$ 7,055
Restricted	102,288	112,711	142,367	184,315	180,041
Committed	18,320	14,844	15,070	13,185	19,442
Assigned	14,196	13,702	35,900	39,198	60,704
Unassigned	<u>275,181</u>	<u>257,959</u>	<u>370,807</u>	<u>439,974</u>	<u>590,291</u>
Fund Balance	\$ 412,401	\$ 401,682	\$ 566,900	\$ 680,515	\$ 857,533
Total Liabilities and Fund Balance	\$ 1,015,641	\$ 1,149,447	\$ 1,306,762	\$ 1,630,307	\$ 1,807,947

Source: County Auditor-Controller.

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The following table sets forth the County’s General Fund balances as of June 30 for the last ten Fiscal Years based on classification.

TABLE 35
COUNTY OF RIVERSIDE
GENERAL FUND BALANCES
AT JUNE 30, 2014 THROUGH JUNE 30, 2023
(In Thousands)

<i>June 30,</i>	<i>Nonspendable</i>	<i>Restricted</i>	<i>Committed</i>	<i>Assigned</i>	<i>Unassigned</i>	<i>Total</i>
2014	\$2,045	\$117,595	\$32,820	\$7,772	\$203,444	\$363,676
2015	2,001	122,967	39,422	5,144	225,855	395,389
2016	2,369	99,639	40,310	11,870	217,322	371,510
2017	2,314	95,130	21,907	10,989	217,891	348,231
2018	3,470	95,881	23,290	12,464	234,477	369,582
2019	2,416	102,288	18,320	14,196	275,181	412,401
2020	2,466	112,711	14,844	13,702	257,959	401,682
2021	2,756	142,367	15,070	35,900	370,807	566,900
2022	3,843	184,315	13,185	39,198	439,974	680,515
2023	7,055	180,041	19,442	60,704	590,291	857,533

Source: County Auditor-Controller.

SECTION V – DEBT OBLIGATIONS

Short-Term Obligations of County

On July 3, 2023, the County issued its 2023 Tax and Revenue Anticipation Note (the “2023 TRAN”) in the principal amount of \$360,000,000 to provide funds to meet the County’s Fiscal Year 2023-24 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions. The 2023 TRAN is due on June 28, 2024. The 2023 TRAN is payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County’s 2023-24 Fiscal Year which are legally available for the payment thereof. Delinquent property taxes attributable to prior Fiscal Years are included in the taxes pledged to the payment of the 2023 Teeter Notes (defined below) and are not available to pay debt service on the 2023 TRAN. The County has issued tax and revenue anticipation notes annually for over twenty consecutive years with timely repayment.

The County expects to issue its 2024 Tax and Revenue Anticipation Note (the “2024 TRAN”) in July 2024 to provide funds to meet the County’s Fiscal Year 2024-25 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions, consistent with past practice. The 2024 TRAN will be payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County’s 2024-25 Fiscal Year which are legally available for the payment thereof. The County has not yet determined the amount of the 2024 TRAN.

On October 18, 2023, the County issued its \$103,330,000 Teeter Plan Obligation Notes 2023 Series A (the “2023 Teeter Notes”) to refund a portion of the County’s Teeter Obligation Notes, 2022 Series A and to fund an advance of unpaid property taxes for Revenue Districts participating in the County’s Teeter Plan. See “SECTION IV—FINANCIAL INFORMATION—Teeter Plan” above. The 2023 Teeter Notes are due on October 18, 2024. The 2023 Teeter Notes are payable from “Pledged Taxes,” generally consisting of (i) the right to collect any uncollected property taxes due to the County and other Revenue Districts for the fiscal years ended June 30, 1994 through and including June 30, 2023 and such other fiscal years approved by the County under certain circumstances, (ii) all amounts received by the County upon the sale of property to recover such property taxes or assessments, and (iii) all amounts received by the County upon the redemption of properties

for sale or previously sold to recover such property taxes or assessments, in each case to which the County is entitled under applicable law, and in each case following an allocation by the County of the receipts of property taxes and assessments between the Revenue Districts and those public districts within the County that are not participating in the Teeter Plan.

Long-Term Obligations of County

Since its formation in 1893, to the best knowledge of County officials, the County has never failed to pay the principal of or interest on any of its bonded indebtedness. As of March 1, 2024, the County had \$656,749,629 in direct General Fund obligations and \$670,785,000 in pension obligation bond indebtedness, as reflected in the following table, and has no authorized but unissued general obligation debt.

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The statement of direct and overlapping debt (the “Debt Report”) set forth below was prepared by California Municipal Statistics, Inc., and is dated as of March 1, 2024. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The County has not independently verified its completeness or accuracy and makes no representations in connection therewith.

TABLE 36
COUNTY OF RIVERSIDE
ESTIMATED DIRECT AND OVERLAPPING OBLIGATIONS
(AS OF MARCH 1, 2024)

2023-24 Assessed Valuation: \$405,099,445,082 (includes unitary utility valuation)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/24</u>
Metropolitan Water District	6.812 %	\$ 1,240,465
Community College Districts	1.140-100.	1,206,640,565
Unified School Districts	1.011-100.	3,656,482,648
Perris Union High School District	100.	292,042,191
Elementary School Districts	100.	208,268,275
City of Riverside	100.	1,740,000
Eastern Municipal Water District Improvement Districts	100.	17,665,000
Riverside County Flood Control, Zone 4 Benefit Assessment District	100.	2,755,000
San Geronio Memorial Hospital District	100.	105,368,130
Community Facilities Districts	50.225-100.	3,418,392,803
Riverside County 1915 Act Bonds	100.	470,000
City and Special District 1915 Act Bonds (Estimated)	100.	<u>116,016,887</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$9,027,081,964
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Riverside County General Fund Obligations	100. %	\$ 656,749,629⁽¹⁾
Riverside County Pension Obligations	100	670,785,000
School Districts General Fund and Lease Tax Obligations	1.140-100.	392,009,538
City of Corona General Fund Obligations	100.	21,361,013
City of Moreno Valley General Fund Obligations	100.	73,636,303
City of Indio General Fund and Judgment Obligation Bonds	100.	142,225,000
City of Palm Springs Certificates of Participation and Pension Obligation Bonds	100.	113,115,061
City of Riverside Certificates of Participation	100.	166,355,220
City of Riverside Pension Obligation Bonds	100.	425,275,000
Other City General Fund Obligations	100.	415,976,135
Other Special District Certificates of Participation	100.	<u>4,841,359</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$3,082,329,258
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		 \$1,789,660,063
 COMBINED TOTAL DEBT		 \$13,899,071,285⁽²⁾

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:

Overlapping Tax and Assessment Debt	2.23%
Combined Direct Debt (\$1,327,534,629).....	0.33%
Combined Total Debt.....	3.43%

Ratios to Successor Agency Redevelopment 2023-24 Incremental Valuation: (\$119,645,868,935):

Total Overlapping Tax Increment Debt	1.50%
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Source: California Municipal Statistics, Inc.

Lease Obligations

The County has used nonprofit corporations and joint powers authorities to finance certain public facilities through the issuance of lease obligations. Pursuant to these arrangements, a nonprofit corporation or joint powers authority constructs or acquires facilities with the proceeds of lease revenue obligations, which are then leased to the County; the lease obligations are payable from the General Fund. Upon expiration of the lease, title to the facilities vests in the County.

The table on the following page sets forth the County’s outstanding publicly offered lease obligations and the respective annual lease requirements as of March 1, 2024. In addition, as discussed below under “—Facilities Lease Agreements,” the County has other substantial lease obligations payable from the General Fund.

TABLE 37
COUNTY OF RIVERSIDE
SUMMARY OF PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY’S GENERAL FUND — (AS OF MARCH 1, 2024))

	<i>Final Maturity Year</i>	<i>Original Lease Amount</i>	<i>Outstanding Obligations</i>	<i>Annual Base Rental</i>
Riverside County Hospital Project, Leasehold Revenue Bonds: 1997 Series A	2026	\$ 41,170,073	\$ 10,976,829	\$ 3,877,594
County of Riverside Certificates of Participation (2009 Public Safety Communication and Woodcrest Library Refunding Projects) ⁽¹⁾	2039	45,685,000	4,525,000	180,000
County of Riverside Infrastructure Financing Authority (2015 A Lease Revenue Refunding Bonds) ⁽²⁾	2037	72,825,000	40,125,000	3,445,000
County of Riverside Infrastructure Financing Authority (2016 A) ⁽³⁾	2031	39,985,000	24,200,000	2,620,000
County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) ⁽⁴⁾	2044	46,970,000	40,020,000	1,280,000
County of Riverside Infrastructure Financing Authority (2017 B & 2017 C Lease Revenue Bonds) ⁽⁵⁾	2047	22,205,000	18,710,000	685,000
County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects) ⁽⁶⁾	2043	12,875,000	11,230,000	430,000
County of Riverside Infrastructure Financing Authority (2021 A & 2021 B Lease Revenue Refunding Bonds) ⁽⁷⁾	2045	<u>499,800,000</u>	<u>458,230,000</u>	<u>21,330,000</u>
TOTAL		\$ 781,515,073	\$ 608,016,829	\$ 33,847,594

⁽¹⁾ The 2009 Public Safety Communication and Woodcrest Library Refunding Project refunded the 2007B Public Safety Communication Refunding Project and the 2006 Capital Appreciation Notes.

⁽²⁾ The 2015 Series A Infrastructure Financing Authority Lease Revenue Refunding Bonds refunded the County of Riverside Certificates of Participation (Capital Facilities Project) 2005 Series A, County of Riverside Certificates of Participation (Historic Courthouse Refunding Project) 2005 Series B and the County of Riverside Certificates of Participation (Capital Facilities Projects) 2006 A.

⁽³⁾ The 2016 A & A-T Infrastructure Financing Authority Lease Revenue Refunding Bonds refunded the Riverside County Palm Desert Financing Authority Lease Revenue Bonds 2008 Series A.

⁽⁴⁾ The County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) refunded the Riverside Community Properties Development, Inc. Lease Revenue Bonds (2013 Riverside County Law Building Project).

⁽⁵⁾ The County of Riverside Infrastructure Financing Authority (2017 B Lease Revenue Bonds) refunded the County of Riverside Southwest Communities Financing Authority Lease Revenue Bonds, Series 2008 A.

⁽⁶⁾ The County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects) refunded a portion of the County of Riverside Leasehold Revenue Bonds (2013 Series A Public Defender/Probation Bldg. and Riverside County Technology Solution Center Projects).

⁽⁷⁾ The County of Riverside Infrastructure Financing Authority (2021 A & 2021 B Lease Revenue Refunding Bonds) refunded, through redemption or defeasance as applicable, all of the outstanding: County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding); County of Riverside Asset Leasing Corporation Lease Revenue Bonds (2012 County Administrative Center Refunding Project); County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series A (County of Riverside Capital Projects); Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012; County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects); County of Riverside Asset Leasing Corporation Lease Revenue Refunding Bonds (Court Facilities Project), Series 2014A; and Riverside County Public Financing Authority Lease Revenue Bonds (Capital Facilities Project), Series 2015.

Source: County Executive Office.

Facilities Lease Agreements

The following table sets forth the County’s outstanding non-publicly offered lease obligations payable from the County’s General Fund and the respective annual lease requirements as of March 1, 2024. More information is provided below.

TABLE 38
COUNTY OF RIVERSIDE
SUMMARY OF NON-PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY’S GENERAL FUND — (AS OF MARCH 1, 2024) ⁽¹⁾

	<i>Year Incurred</i>	<i>Final Maturity Year</i>	<i>Original Obligations</i>	<i>Outstanding Obligations⁽²⁾</i>	<i>Annual Rent</i>
County and Corona Medical Arts Plaza, LLC (Corona Care Clinic) ⁽³⁾	2017	2032	\$42,573,904	\$26,029,776	\$2,572,906
Jurupa Valley Medical Partners, LLC (Jurupa Valley Care Clinic) ⁽⁴⁾	2017	2039	47,575,096	35,285,649	2,125,728
TC Riverside MOB, LLC (RUHS-Medical and Surgical Outpatient Office Bldg) ⁽⁵⁾	2019	2044	438,469,834	380,919,247	13,587,297
CFP Riverside, LLC (Libraries) ⁽⁶⁾	2019	2051	124,561,024	115,814,662	2,788,323
Sunquitz EMC, LLC (RUHS-Palm Springs Clinic) ⁽⁷⁾	2019	2051	73,070,212	66,464,968	2,094,075

⁽¹⁾ Amounts are rounded to the nearest dollar. As discussed below, the Leases for the Corona Care Clinic, Jurupa Valley Care Clinic, and the Libraries projects are comprised of leases that do not distinguish between principal component and components, however they include ongoing management/administrative expenses. The Lease for the RUHS Medical and Surgical Center (MSC) Building does not distinguish between principal and interest components. The \$438,469,834 figure cited above represents the total expected lease payments for which the County is obligated during the term of the MSC Lease. CFP Riverside lease payments are fixed for ten years and adjust every ten years thereafter. Sunquitz EMC, LLC is subject to a separate ground lease paid for by Sublessor.

⁽²⁾ Includes base rent, tenant improvements, furniture rent, operating expenses, RCIT costs, utility costs and FM fees.

⁽³⁾ Annual payments escalate by 2.75% annually.

⁽⁴⁾ Annual payments escalate by 2.00% annually.

⁽⁵⁾ Annual payments escalate by 4.00% annually.

⁽⁶⁾ Base rent commenced in Fiscal Year 2020-21 at \$2.03 million per year, escalating to \$3.261 million in Fiscal Year 2050-51. Base rent in Fiscal Year 2023-24 is \$2,788,323.

⁽⁷⁾ Base rent commenced in Fiscal Year 2021-22 at \$1.94 million per year, escalating to \$5.95 million in Fiscal Year 2050-51. Base Rent in Fiscal Year 2023-24 is \$2,094,075.

Source: County of Riverside Facilities Management.

The County and Corona Medical Arts Plaza, LLC entered into a Lease dated as of September 13, 2016, as supplemented by the First Amendment to Lease (as supplemented, the “Corona Clinic Lease”), dated as of June 20, 2017, in order to fund the construction, operation and maintenance of a 45,204 square-foot medical clinic (the “Corona Care Clinic”) for RUHS located in the City of Corona. The principal component of the lease obligation is estimated at \$42,573,904. Pursuant to the terms of the Corona Clinic Lease, rental payments commenced upon substantial completion of construction and occupancy of the Corona Care Clinic (in the first quarter of 2018), and the County will continue to pay rental payments for 15 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year’s lease payment (Fiscal Year 2018-19) was approximately \$2.6 million, escalating at 2.75% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Corona Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Corona Clinic Lease, the County is responsible for lease payments thereunder.

On July 11, 2017, the County and Jurupa Valley Medical Partners, LLC entered into a Lease (the “Jurupa Valley Clinic Lease”) in order to fund the proposed construction, operation and maintenance of an approximately 40,000 square-foot medical clinic for RUHS located in the City of Jurupa Valley (the “Jurupa Valley Care Clinic”). Presently, the principal component of the lease obligation is estimated at \$47,575,096. Pursuant to the terms of the Jurupa Valley Clinic Lease, it was anticipated that the County would commence rental payments upon substantial completion of construction and occupancy of the Jurupa Valley Care Clinic, and the County achieved substantial completion of construction on January 10, 2019. The County commenced

rental payments in Fiscal Year 2019-20 for the lease term and will continue to pay rental payments for approximately 20 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2019-20) was approximately \$2.4 million, escalating at 2% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Jurupa Valley Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Jurupa Valley Clinic Lease, the County is responsible for lease payments thereunder.

On April 18, 2017, the County entered into a Facilities Lease Agreement with TC Riverside MOB, LLC to fund the proposed construction, operation, and maintenance of an approximately 200,000 square foot surgery center and medical office building complex (the "RUHS Medical and Surgical Outpatient Office Building") next to the RUHS Medical Center. The total cost, over the term of the lease, including base rent and additional rent, related to the lease obligation is estimated at \$438,469,834. The final project budget and final rent schedule were approved by the County on November 14, 2017. Rental payments commenced upon the substantial completion of construction of the project on December 13, 2019, and the County will continue to pay rental payments for approximately 25 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2020-21) was approximately \$13.3 million, escalating at 3% annually thereafter. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects that the RUHS Medical and Surgical Outpatient Office Building will attract a more favorable payor mix that will enable RUHS to make Facilities Lease Agreement payments from its operating revenues, the County may be required to advance monies from its General Fund. Ultimately, as the Tenant and obligor under the Facilities Lease Agreement, the County is responsible for Facilities Lease Agreement payments.

On August 28, 2019, the County entered into a Facilities Lease Agreement with CFP Riverside, LLC, a Minnesota non-profit limited liability company, for the design, construction, installation, equipping, furnishing, operation and maintenance of three separate public library facilities and related amenities in the cities of Desert Hot Springs and Menifee and in the unincorporated area of French Valley (the "Libraries"). The principal component of the lease obligation is \$42,115,000. The construction of the Libraries was completed in May 2021. Upon completion and delivery of the Libraries to the County, the County commenced making rental payments on May 1, 2021. The County's lease obligations with respect to the Libraries will continue for 30 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's base rent payment in Fiscal Year 2021-22 was approximately \$2.036 million, escalating to \$3.261 million in Fiscal Year 2050-51.

On November 19, 2019, the County entered into a Facilities Sub-Lease Agreement with Sunquitz EMC, LLC, a California limited liability company for the design, construction and property management services for an approximately 35,000 square community health clinic located in the City of Palm Springs. The principal component of the lease obligation is \$73,070,212. The County commenced making rental payments on June 29, 2021. The County's lease obligations with respect to the clinic will continue for 30 years thereafter, subject to County's right to purchase the improvements based upon the pricing provisions specified in the sublease agreement. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. The initial year's base rent payment in Fiscal Year 2021-22 was approximately \$1.94 million, escalating to \$5.95 million in Fiscal Year 2050-51.

Lease Lines of Credit

Lease line of credit agreements are reviewed and approved by the Debt Advisory Committee, and then presented to the Board of Supervisors for their final approval. The County may utilize the lines of credit to

finance capital assets for a period of 24 to 120 months. No specific amortization is required by the lease lines of credit, and the County budgets to repay the outstanding amounts over the lifecycle of the financed assets.

The County has entered into several multi-year lease lines of credit with Banc of America Public Capital Corporation in connection with various capital and capital equipment purchases, on the dates and in the original principal amounts as further described in the following table.

On October 25, 2022, the County entered into a \$50 million multi-year lease line of credit with JPMorgan Chase Bank, N.A. (in increments of \$25 million).

On October 17, 2023, the County entered into a \$75 million multi-year lease line of credit with JPMorgan Chase Bank, N.A.

TABLE 39
COUNTY OF RIVERSIDE
SUMMARY OF LEASE LINES OF CREDIT
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF MARCH 1, 2024))⁽¹⁾

<i>Date Incurred</i>	<i>Original Principal Amount</i>	<i>Outstanding Principal Amount⁽¹⁾</i>	<i>Outstanding Interest⁽¹⁾</i>	<i>Total Outstanding Obligations⁽¹⁾</i>
February 4, 2014 ⁽²⁾	\$ 40,000,000	\$ 582,721	\$ 10,491	\$ 593,212
December 15, 2015 ⁽³⁾	40,000,000	2,691,777	143,292	2,835,069
July 31, 2018 ⁽⁴⁾	75,000,000	14,818,434	623,377	15,441,811
June 9, 2020 ⁽⁵⁾	40,000,000	23,399,050	1,734,726	25,133,776
October 25, 2022 ⁽⁶⁾	50,000,000	41,389,213	3,954,793	45,344,006
October 17, 2023 ⁽⁷⁾	75,000,000	0	0	0
Total	\$ 320,000,000	\$ 82,881,195	\$ 6,466,679	\$ 89,347,874

⁽¹⁾ Outstanding amounts as of March 1, 2024.

⁽²⁾ This line of credit was exhausted in March 2016.

⁽³⁾ This line of credit was exhausted in December 2018.

⁽⁴⁾ Original principal amount of \$50 million increased to \$75 million with County approval in April 2019. This line of credit was exhausted on June 3, 2020.

⁽⁵⁾ This line of credit was exhausted in September 2023.

⁽⁶⁾ As of March 1, 2024, the County has drawn down \$45 million of this \$50 million lease line of credit.

⁽⁷⁾ As of March 1, 2024, the County has not drawn on this \$75 million lease line of credit.

Capital Lease Purchase Agreements

On October 30, 2014, the County entered into a Lease Purchase Agreement with Banc of America Public Capital Corporation in the amount of \$54,573,300 to finance the purchase and installation of certain solar equipment for the purpose of reducing County energy costs. In March 31, 2017, the financing was restructured to a principal balance of \$57,977,325. As of March 1, 2024, approximately \$45,737,570 principal amount remained outstanding, which is scheduled to be repaid in full by August 30, 2035.

On June 11, 2021, the County entered into an Equipment Lease Purchase Agreement to finance replacement of Cisco network equipment and provide maintenance, support, and software fixes in an additional amount of \$3,613,826, which is scheduled to be repaid in full by Fiscal Year 2025-26. As of March 1, 2024, approximately \$1,445,530 principal amount of this Lease Purchase Agreement remained outstanding.

On September 30, 2021, the County entered into a Lease Purchase Agreement to finance the renewal of the Cisco Flex Enterprise License Agreement in the amount of \$4,014,486, which is scheduled to be repaid in full by Fiscal Year 2025-26. As of March 1, 2024, approximately \$1,907,243 principal amount of this Lease Purchase Agreement remained outstanding.

The following chart summarizes the County’s outstanding equipment lease obligations:

TABLE 40
COUNTY OF RIVERSIDE
SUMMARY OF EQUIPMENT LEASE OBLIGATIONS
AS OF MARCH 1, 2024

	<i>Final Maturity Year</i>	<i>Original Lease Amount</i>	<i>Outstanding Obligations</i>	<i>Annual Base Rental</i>
Lease Purchase Agreement – Solar Equipment	2035	\$57,977,325 ⁽¹⁾	\$45,737,570	\$3,155,289
Master Equipment Lease Purchase Agreement (6/11/2021)	2025	3,613,826	1,445,530	722,765
Master Equipment Lease Purchase Agreement (9/30/2021)	2025	4,014,486	1,907,243	953,621

⁽¹⁾ Original lease amount of \$54,573,300 was restructured to a principal balance of \$57,977,325.

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CONTINUING DISCLOSURE CERTIFICATE

_____, 2024

This Continuing Disclosure Certificate (this “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 – Mead Valley Wellness Village Project) Series 2024 (the “Series 2024 Bonds”). The Series 2024 Bonds are being issued pursuant to an Indenture of Trust, dated as of _____ 1, 2024 (the “Indenture”), by and among the California Enterprise Development Authority (the “Authority”), P3 Riverside Holdings, LLC and Wilmington Trust, 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 2024 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.

“*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 2024 Bonds required to comply with the Rule in connection with the offering of the Series 2024 Bonds.

“*Repository*” means, until otherwise designated by the Commission, the Electronic Municipal Market Access website of the MSRB (“EMMA”) 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 2023-24 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 2024 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 Property 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 2024 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 2024 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 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;

- (vii) modifications to the rights of Owners of the Series 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners of the Series 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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.

Section 14. Electronic Signatures. The County agrees that the transaction consisting of this Certificate may be conducted by electronic means. The County agrees, and acknowledges that it is the County's intent, that if the County signs this Certificate using an electronic signature, it is signing, adopting and accepting this Certificate and that signing this Certificate using an electronic signature is the legal equivalent of having placed its handwritten signature on this Certificate on paper. The County acknowledges that it is being provided with an electronic or paper copy of this Certificate in a usable format.

Section 15. Recordkeeping. The County shall, or shall cause the Dissemination Agent to, maintain records of all disclosure related to Annual Reports and Listed Events, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 16. Delivery to the MSRB. Any filings required to be made with the MSRB shall be made utilizing the EMMA system. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

[Remainder of page intentionally left blank]

Dated: as of the date first set forth above.

COUNTY OF RIVERSIDE

By _____
County Executive Officer

[Continuing Disclosure Certificate]

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 – Mead Valley Wellness Village Project) Series 2024

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

FACILITIES LEASE AGREEMENT

By and Between

P3 RIVERSIDE HOLDINGS, LLC,
as Landlord

and

COUNTY OF RIVERSIDE,
as Tenant

_____, 2024

(Riverside County - Mead Valley Wellness Village Project)

FACILITIES LEASE AGREEMENT
(Riverside County - Mead Valley Wellness Village)
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FACILITIES LEASE AGREEMENT
(Riverside County - Mead Valley Wellness Village Project)

This FACILITIES LEASE AGREEMENT (this “**Facilities Lease**”) is made as of the _____ day of _____, 2024, by and between P3 RIVERSIDE HOLDINGS, LLC, a California limited liability company, as Landlord (“**Landlord**”), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, as Tenant (“**Tenant**”). 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 Agreement dated as of the same date as this Facilities Lease (the “**Ground Lease**”), pursuant to which Landlord leases from Tenant the land described in **Exhibit A** attached hereto (the “**Property**”) in the County of Riverside, State of California (the “**County**”), being comprised of approximately 19.41 acres (subject to Section 2.6 below), located at the northwest corner of Harvill Avenue and Water Avenue, located south of the City of Riverside and west of the City of Perris in the unincorporated Mead Valley area of the County, and currently identified as APN 317-260-034.

B. The Ground Lease was entered into to facilitate the planning, entitling, developing, designing, financing, constructing and equipping of certain facilities on the Property (the “**Facilities**” and, together with the Property, the “**Leased Premises**”) as described in **Exhibit B**, attached hereto and incorporated herein by this reference, which Facilities include several individual buildings as described in **Exhibit B** (each, a “**Building**” and, collectively, the “**Buildings**”). The planning, entitling, developing, designing, financing, constructing and equipping of the Facilities upon the Property (including certain off-site utilities and other work described in the Ground Lease, the “**Off-Site Improvements**”), this Facilities Lease and **Exhibit B** attached hereto, is collectively referred to herein and in the Ground Lease as the “**Project.**” The Leased Premises will be a part of the Riverside University Health System owned and operated by the Tenant.

C. Facilities Management – Real Estate Division of the County of Riverside issued a Request For Proposal in February 2022 (the “**RFP**”) to select a developer to undertake the Project.

D. In response to the RFP, Tenant received a proposal from a development and financing team including PMB LLC, a California limited liability company, or its affiliates, as developer, and PMB Real Estate Services, LLC, a Delaware limited liability company, as property manager, which proposal included a summary of contemplated financing terms and included Landlord or its affiliate as lessor.

E. Landlord is wholly-owned by P3 Foundation Inc., a North Carolina non-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Landlord was formed for charitable purposes which include, but are not limited to, furthering community development, developing and expanding healthcare facilities and community buildings, and partnering with local government entities, such as the Tenant, to lessen the burdens inherent in the planning and development of public projects.

F. Landlord has been formed for the sole purposes of assisting Tenant in facilitating the Project and leasing the Leased Premises to Tenant in accordance with the terms of the RFP, this Facilities Lease and related documents.

G. Landlord has entered into a Development Agreement, dated as of [_____] (the “**Development Agreement**”), with PMB Mead Valley LLC, a Delaware limited liability company (“**Developer**”), to provide certain development and construction management services to assist Landlord in connection with the Project, a copy of which is attached hereto as **Exhibit C**.

H. The costs of the Project are to be financed in part through the issuance by the California Enterprise Development Authority (“**Issuer**”) of one or more series of its \$ _____ Lease Revenue Bonds (Riverside County Behavioral Health Facilities Campus – Mead Valley Project), Series 2024 (the “**Bonds**”) which will be issued on a tax-exempt basis pursuant to the terms of an Indenture of Trust (the “**Indenture**”), by and among Issuer, Landlord and Wilmington Trust, National Association, as trustee (“**Trustee**”), and in part through a grant of funds from the State of California Behavioral Health Continuum Infrastructure Program (“**BHCIP**”), in the amount of [\$80,478,259] (“**BHCIP Funds**”).

I. To provide for the design and construction of the Facilities, Landlord has caused Developer to enter into that certain AIA Document 141-2014 Standard Form of Agreement between Owner and Design Builder, dated as of September 15, 2023, with Snyder Langston, LLC (the “**Design-Builder**”), together with various exhibits including a Guaranteed Maximum Price exhibit (collectively, the “**Design-Build Agreement**”).

J. To provide security for the Bonds, Landlord has executed a Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement in favor of Issuer (the “**Deed of Trust**”), which the Issuer has in turn transferred and assigned to the Trustee all of the Issuer’s right, title, interest and obligations in, to and under the Deed of Trust for the ratable benefit of the registered owners of the Bonds, except the right of the Issuer to receive certain payments, if any, and the Issuer’s rights to fees, costs and indemnities under the Deed of Trust.

K. As further security for the Bonds, all of Landlord’s and Developer’s rights, title, and interests in and to the following agreements will be assigned to Issuer, which will in turn be transferred and assigned by Issuer to Trustee as follows, each dated on or about the date hereof:

1. This Facilities Lease will be assigned to Trustee pursuant to a Lease Assignment Agreement (the “**Lease Assignment Agreement**”);

2. The Design-Build Agreement will be assigned to Trustee pursuant to an Assignment of Agreement (Design-Build Agreement) (the “**Design-Build Agreement Assignment**”); and

3. The Development Agreement will be assigned to Trustee pursuant to an Assignment of Agreement (Development Agreement) (the “**Development Agreement Assignment**”).

L. Landlord and Tenant desire to enter into this Facilities Lease whereby Tenant shall sublease the Property and lease the Facilities from Landlord as the “**Leased Premises**” under this Facilities Lease, and Tenant shall occupy the Leased Premises in exchange for the payment of Base Rent and Additional Rent, 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 in **Exhibit D** and in the Work Letter attached as **Exhibit E** hereto and incorporated herein.

2. **Premises.**

2.1 **Letting.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased 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 Leased Premises until the date of the Substantial Completion of the Facilities; provided, however, that limited use of the Facilities and any Building within the Facilities shall be permitted for storage, move-in or installation of personal property by Tenant, or coordinating and obtaining the necessary licenses or qualifications for Tenant’s intended use of the Facilities when such use is determined by Landlord and Design-Builder to not likely result in any interference or delay in completing the Facilities. Substantial Completion of the Facilities is set forth in the Work Letter. The Leased Premises is subject to modification pursuant to Section 2.6 below.

2.2 **Rights and Obligations with respect to Project.** The rights and obligations of the Parties regarding the Project before the use and occupancy of the Leased Premises by Tenant are provided in this Facilities Lease, the Work Letter and the Ground Lease. Landlord shall complete the Project pursuant to the terms herein, the Work Letter and the Ground Lease, and Tenant shall operate and maintain the Leased Premises pursuant to the terms herein.

2.3 **Substantial Completion of Facilities.** Landlord shall cause Substantial Completion of the Facilities to be achieved in accordance with the terms of this Facilities Lease, including the Work Letter, on or prior to the Outside Completion Date. Tenant covenants and agrees to deliver a Certificate of Acceptance to Landlord and Trustee upon Substantial Completion of the Facilities in accordance with Section 6 of the Work Letter. In the event Landlord fails to achieve Substantial Completion of the Facilities by the Outside Completion Date, Tenant and the Trustee shall have all of the rights and remedies set forth in Section 14.1 and 14.2 of this Facilities Lease and Section 13 of the Work Letter.

2.4 **Permits, Fees and Assessments.** Prior to the Commencement of Construction or at such time or times as may be required by Applicable Laws, Landlord shall use commercially reasonable efforts to obtain, as part of Project Costs, the Permits required for the Project. Landlord shall pay, prior to delinquency, all fees, levies, assessments and charges (other than real property or possessory taxes which shall be paid by Tenant) required by any authorized public entity in connection with the Project, all such costs to be included in Project Costs to the

extent attributable to the period occurring prior to the Substantial Completion of the Facilities. Tenant shall be responsible for all fees, levies, assessments and charges (including real property or possessory taxes) required by any authorized public entity in connection with the Leased Premises on and after the Substantial Completion of the Facilities. Tenant shall be solely responsible for satisfying, and the costs associated with, Licensing and Accreditation Requirements. Tenant shall be responsible for obtaining the exemption for the Leased Premises from all real property and possessory taxes, and (if any) assessments under this Facilities Lease.

2.5 Release. If at any time during the Term (as herein defined), the Tenant exercises its Release Right (as defined in the Ground Lease) under the Ground Lease, the parties agree to amend this Facilities Lease to release from the Leased Premises hereunder the Released Parcel.

2.6 FF&E. Subject to design and selection by Tenant as provided in the Work Letter, Landlord shall cause the procurement and installation of FF&E. FF&E purchased with proceeds of the Bonds is and will at all times during the Term of this Facilities Lease be held in the name of Landlord. Notwithstanding any other provision of this Facilities Lease or the Ground Lease, Landlord acknowledges that all FF&E not purchased with proceeds of the Bonds 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 8.5), provided that Tenant will repair any damage to the Facilities caused by any FF&E installation or removal.

2.7 Access to the Property. Tenant agrees that Landlord and any Landlord representative, and Landlord's successors or assignees, shall have the right at all reasonable times to inspect the Leased Premises. Tenant further agrees that Landlord, any Landlord representative, and Landlord's successors or assignees, shall have such rights of access to the Leased Premises as may be reasonably necessary to cause the proper maintenance of the Leased Premises in the event of failure by Tenant to perform its obligations hereunder; provided, however, that neither Landlord nor Landlord's successors or assignees shall have any obligation to cause such proper maintenance.

3. Use. Tenant shall use and occupy the Leased Premises in accordance with all Applicable Laws and for the purpose of providing behavioral health services and for any other governmental purpose or, subject to obtaining a Favorable Opinion of Bond Counsel, any other legal use. Tenant may sublease or license, or enter into an operating agreement with respect to, the Leased Premises or a portion thereof as provided in Section 13.2 hereof. To the extent that BHCIP or other grant program funds are applied to the Project and require use covenants and restrictions, a long-term covenant and restriction may be recorded against the Leased Premises to ensure compliance with such requirements. Such requirements may include, without limitation, a requirement that the Leased Premises or a portion thereof shall be used to provide behavioral health services as provided in the documents for the BHCIP Funds.

4. Term.

4.1 Commencement and Duration; Lease Year. The term of this Facilities Lease (the "**Term**") shall commence on the Effective Date and, unless sooner terminated pursuant

to the terms and conditions provided herein, shall continue until _____, 2059 (the “Lease Expiration Date”). Notwithstanding the foregoing, the Term shall be automatically extended for a period of time equal in duration as the Leased Premises or any portion thereof are unavailable for Tenant’s use and occupancy as a result of an abatement with respect to the Leased Premises following the expiration of the rental interruption insurance coverage described in Section 10 hereof; provided, however, the Term shall in no event be extended more than ten years beyond the Lease Expiration Date. 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 for Completion Delay. Tenant shall have the right to terminate this Facilities Lease and the Ground Lease or replace Landlord under this Facilities Lease and Ground Lease in the event of a Completion Delay, subject to the provisions below:

4.2.1 Subject to the rights of the Trustee under the Lease Assignment Agreement and Section 4.2.2 below, in the event of a Completion Delay, Tenant may terminate this Facilities Lease and the Ground Lease or replace Landlord under this Facilities Lease and the Ground Lease which shall be effective thirty (30) days after written notice of Tenant’s election to terminate this Facilities Lease and the Ground Lease or replace Landlord under this Facilities Lease and Ground Lease is delivered by Tenant to Landlord and Trustee, with a copy to Developer.

4.2.2 Prior to invoking the right to terminate this Facilities Lease and the Ground Lease or replace Landlord under this Facilities Lease and Ground Lease set forth in subsection 4.2.1 above, Tenant shall first serve a final written notice on Landlord and Trustee, with a copy to Developer, specifying the outstanding default and any documentation Tenant may possess supporting such default. Landlord shall serve a written response to Tenant and Trustee setting out its position and any support for its position within ten (10) days following receipt of Tenant’s final written 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 written notice. Within ten (10) days following receipt of Landlord’s response, the Parties will meet to resolve the default. After such meeting, if no resolution has been agreed to, Tenant may pursue any such remedies as are available to Tenant, including those described in this Section 4.2 and in this Facilities Lease.

4.2.3 Landlord covenants and agrees to take all necessary action as directed by Tenant in connection with Tenant’s exercise of its rights pursuant to this Section 4.2.

4.3 Assignment. Subject to the rights of the Trustee under the Lease Assignment Agreement, in the event of termination by Tenant of this Facilities Lease and concurrent termination of the Ground Lease pursuant to any provisions of this Facilities Lease or the Ground Lease or replacement of Landlord under this Facilities Lease and Ground Lease pursuant to Section 4.2 hereof, Landlord shall promptly 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. Landlord, Developer and Design Builder (without

duplication) shall be entitled to payment and reimbursement for any costs and expenses incurred for Work performed by Landlord, Developer and Design-Builder in accordance with the Construction Documents and this Facilities Lease through the date of termination.

Following and subject to Tenant's satisfaction of all payment obligations set forth in the agreements referenced in this Section 4.3, Landlord shall assign to Tenant or Tenant's designee, or cause Developer to assign to Tenant or Tenant's designee, any agreements entered into by Landlord or Developer in connection with the Project prior to such termination or replacement to the extent Tenant elects in writing in its sole discretion to assume such agreements and such agreements are assignable, together with any rights Landlord or Developer 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 or Developer, as applicable. Any such assignment which includes a transfer of work product performed under the assigned agreement is conditioned upon Tenant's payment to Landlord, Developer or Design-Builder of the amounts owed to Landlord, Developer or Design-Builder for such specific work product performed under the assigned agreement, as evidenced by supporting documentation such as invoices and receipts. Ground Lessee covenants and agrees to take all necessary action as directed by Ground Lessor in connection with Ground Lessor's exercise of its rights pursuant to this Section 12.2.

5. Base Rent; Abatement; Additional Rent. This Facilities Lease is a triple net lease and Tenant hereby agrees that, except as otherwise specifically provided in this Facilities Lease, the Rental Payments are an absolute net return to Landlord, free and clear of any expenses, charges or set offs whatsoever.

5.1 **Base Rent.** Subject to Section 5.2 hereof, commencing upon the fifteenth (15th) day of April or October next succeeding the Substantial Completion of the Facilities by Landlord ("**Rent Commencement Date**"), Tenant shall pay, in arrears, to Landlord, or at Landlord's direction to Trustee, rent for the Leased Premises in semi-annual installments ("**Base Rent**"), and continuing on the fifteenth day of each April and October after the Rent Commencement Date for the duration of the Term, unless terminated sooner pursuant to the terms of this Facilities Lease. Base Rent payments shall be as set forth in the Base Rent Schedule attached hereto as **Exhibit G**, 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 H**. Tenant acknowledges that time is of the essence in payment of Base Rent since Landlord intends to use the Base Rent payments to make principal and interest payments on the Bonds. Any amount held in the Revenue Fund, the Interest Fund or the Principal Fund (other than amounts resulting from the prepayment of the Base Rent payments in part but not in whole pursuant to Section 6.4 hereof) on any Payment Date shall be credited towards the Based Rent payment then due and payable as permitted under the Indenture. The Parties acknowledge and intend that a portion of each payment of Base Rent will be allocable to the payment of principal of the Bonds and a portion of each payment of Base Rent will be allocable to the payment of interest on the Bonds, as set forth on **Exhibit G** to this Facilities Lease. If Tenant should fail to make any of the Base Rent payments required in this Section 5.1, the payment in default shall continue as an obligation of Tenant until the amount in default shall have been fully paid.

5.2 Abatement. During any period in which, by reason of material damage, destruction, title defect, or condemnation, there is substantial interference with the use and possession by Tenant of any portion of the Leased Premises, Rental Payments due hereunder with respect to the Leased Premises shall be abated to the extent that the total fair rental value of the portion of the Leased Premises in respect of which there is no substantial interference is less than the remaining scheduled Rental Payments, in which case the Rental Payments shall be abated only by an amount equal to the difference. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and end with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of title defect or substantial completion of the work of repair or replacement of the portions of the Leased Premises so damaged, destroyed, defective or condemned.

Any abatement of Rental Payments pursuant to this Section shall not be considered an Event of Default as defined in Section 14 hereof, but shall result in the extension of the Term by a period equal to the period of abatement for which Rental Payments have not been paid in full (but in no event later than 10 years after the Lease Expiration Date), and Rental Payments for such extension period shall be equal to the unpaid Rental Payments during the period of abatement but without interest thereon. Tenant waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this Facilities Lease by virtue of any such interference and this Facilities Agreement shall continue in full force and effect.

In the event that Rental Payments are abated, in whole or in part, pursuant to this Section due to damage or destruction of the Leased Premises, or any portion thereof, a defect in title to the Leased Premises, or condemnation of any part of the Leased Premises, and Tenant is unable to repair, replace or rebuild the Leased Premises from the proceeds of insurance or condemnation awards, if any, Tenant agrees to apply for and to use its best efforts to obtain any appropriate State and/or federal disaster relief in order to obtain funds to repair, replace or rebuild the Leased Premises.

Notwithstanding the foregoing, to the extent that net proceeds of rental interruption insurance are available for the payment of Rental Payments, Rental Payments shall not be abated as provided in this Section 5.2 but, rather, shall be payable by Tenant as a special obligation payable solely from such net proceeds.

5.3 Fair Rental Value. The Rental Payments for the Leased Premises for each Rental Period shall constitute the total rental for such Leased Premises for such Rental Period, and shall be paid by Tenant in each Rental Period for and in consideration of the right of the use of, and the continued quiet use and enjoyment of, the Leased Premises during such Rental Period. The parties hereto have agreed and determined that the total of all Rental Payments for the Leased Premises is not greater than the total fair rental value of the Leased Premises. Further, the Rental Payments for the Leased Premises for each Rental Period do not exceed the fair rental value of the Leased Premises for such Rental Period. In making such determinations, consideration has been given to the costs of planning, entitling, developing, designing, financing, constructing and equipping of the Facilities upon the Property, the appraised or market value of the Leased Premises, the insured value of the Leased Premises, the current and future value of rent paid by tenants of the Leased Premises other than Tenant, other obligations of the parties under this

Facilities Lease, the uses and purposes which may be served by the Leased Premises and the benefits therefrom which will accrue to Tenant and the general public.

5.4 Tenant 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 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, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE TENANT, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF 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. In addition to the payments set forth in Section 5.1 of this Facilities Lease, commencing on the Rent Commencement Date and continuing thereafter throughout the Term, Tenant hereby agrees, subject to the provisions of Section 5.2 hereof, to pay as additional rent the following costs and expenses for the use and possession of the Leased Premises ("Additional Rent"):

- 5.5.1 Operating Costs;
- 5.5.2 Utility Costs;
- 5.5.3 Taxes;
- 5.5.4 Insurance Premiums;
- 5.5.5 Indemnification Claims;
- 5.5.6 Bond Related Charges;
- 5.5.7 Landlord Fees and Costs; and

5.5.8 All other necessary costs and expenses required to operate and maintain the Leased Premises in accordance with this Facilities Lease.

Amounts constituting Additional Rent payable hereunder shall be paid by Tenant directly to the person or persons to whom such amounts shall be payable. Tenant shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from Landlord or Trustee to Tenant stating the amount of Additional Rent payments then due and payable and the purpose thereof. If Tenant should fail to make any of the Additional Rent payments required in this Section 5.5, the payment in default shall continue as an obligation of Tenant until the amount in default shall have been fully paid.

5.6 No-Offset. Except as otherwise provided in this Facilities Lease (including Sections 4.2, 5.1 and 5.2 of this Facilities Lease), this Facilities Lease shall not terminate, nor shall Tenant have any right to terminate this Facilities Lease or be entitled to any abatement of Base Rent or Additional Rent. It is the intention of Tenant and Landlord that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that (except as otherwise provided in this Facilities Lease), the Base Rent and Additional Rent shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected in all events, unless the requirement to pay or perform the same shall have been abated or 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 Leased Premises as provided in this Facilities Lease and the Work Letter; provided, however, such damages shall not include any consequential, special or punitive damages and Tenant hereby waives any and all claims for any such damages.

5.7 Application of Capitalized Interest; Operating Contingency Fund. Landlord and Tenant acknowledge that the Bonds are interest-only for the first thirty-six (36) months (i.e., through _____, the “**Capitalized Interest Period**”), and that during the Capitalized Interest Period interest payments on the Bonds shall be made from the proceeds of the Bonds received by the Trustee upon issuance of the Bonds. To the extent Landlord achieves Substantial Completion of the Facilities prior to the end of the Capitalized Interest Period and the Rent Commencement Date occurs prior to the end of the Capitalized Interest Period, proceeds of the Bonds in the Capitalized Interest Fund established pursuant to Section 3.05 of the Indenture shall be credited to the interest component of the Base Rent payment due from Tenant. Following Final Acceptance and payment of all Project Costs required to be paid, all remaining proceeds of the Bonds that are on deposit in the Project Fund (including the various accounts therein) shall be transferred to and deposited into the Operating Contingency Fund and/or the Optional Redemption Account as directed by Tenant and applied in accordance with the provisions of the Indenture applicable to such fund or account.

5.8 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 Leased Premises to Tenant, this Facilities Lease shall automatically terminate, no further payments need be made of any Base Rent or Additional Rent under this Facilities Lease and Landlord shall not be entitled to any lien, benefit or security in the Leased Premises, except the right to receive the funds so set aside for payments to Landlord, 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 Leased Premises are conveyed to Tenant pursuant to this Section, the Ground Lease shall also automatically terminate.

5.9 Application of Unused Project Contingency, Unused Base Rent, etc. If upon Substantial Completion of the Facilities and payment of all costs of the Project (including the payment of a portion of the Project Costs Savings (as defined in and pursuant to Section 6 of the Work Letter)) to Developer, there are funds remaining in the Project Fund and the accounts thereunder, such amounts shall be applied as provided in Section 3.04 of the Indenture.

5.10 Budget for Base Rent and Additional Rent. Tenant hereby agrees to take such action as may be necessary to include all Base Rent and Additional Rent due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rent and Additional Rent, subject to Section 5.2 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 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 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.

5.11 Advances. If Tenant shall fail to perform any of its obligations under this Facilities Lease, Landlord may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Tenant shall be obligated to repay all such advances as Additional Rent as soon as possible and shall pay interest on such advances from the date of any such advance to the date of repayment at a rate equal to ___%.

6. Options to Purchase the Facilities; Conveyance of Title.

6.1 Option to Purchase the Facilities. Subject to the terms of Article IV of the Indenture relating to the redemption of the Bonds, commencing on the Rent Commencement Date (the “**Optional Prepayment Date**”) and at any time thereafter until the expiration of the Term, Tenant shall have the option (the “**Purchase Option**”) to purchase, subject to the provisions of Article IV or Article XI of the Indenture, the Facilities and thereby terminate this Facilities Lease and the Ground Lease. The purchase price of the Facilities shall be the amount required to fully redeem all outstanding Bonds to the extent the Bonds are subject to optional redemption pursuant to Article IV of the Indenture on the purchase date or to defease all outstanding Bonds in accordance with Section 5.8 hereof and Article XI of the Indenture, together with any 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 (the “**Purchase Price**”). Tenant shall be responsible for paying all costs associated with the exercise of the Purchase Option.

6.2 Reserved.

6.3 Exercise of Purchase Options. Tenant shall give Landlord and Trustee not less than sixty (60) days' (or such shorter period as may be agreed to by Landlord and Trustee) prior written notice of its irrevocable election to exercise the Purchase Option. 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.

6.4 Option to Partially Prepay Base Rent. 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, Tenant shall have the option (the "**Partial Prepayment Option**") to partially prepay the principal component of Base Rent, in \$5,000.00 increments. Tenant shall give Landlord and Trustee not less than sixty (60) days' (or such shorter period as may be agreed to by Landlord and Trustee) prior written notice of its irrevocable election to exercise its Partial Prepayment Option. 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 and prepayment premium, if any, with instructions that such funds shall be used to optionally redeem Bonds. Upon such prepayment, **Exhibit G** 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 exercise of the Partial Prepayment Option.

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 twenty (20) days of its receipt of a notice under Section 6.3 or 6.4, Landlord shall provide, or cause to be provided to, Tenant 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 6.4, the accounting shall relate only to Additional Rent for the Facilities 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 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 Leased Premises, Landlord may seek those amounts through any lawful dispute resolution process. Amounts paid by Tenant to prepay Base Rent and redeem or defease the Bonds and cause conveyance of some or all of the Facilities shall be used only for that purpose and shall not be applied to Additional Rent.

6.7 Conveyance of Leased Premises. In the event of an exercise of the Purchase Option or Partial Prepayment Option, Landlord shall convey to Tenant its interests in and to the Facilities 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 more of the Buildings, 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 grant deed or other instrument reasonably acceptable to Tenant by which Landlord conveys the Facilities or portion thereof to Tenant may not list any exceptions other than covenants, conditions and restrictions then recorded against the

Leased Premises or portion thereof, if any, which: (i) were in effect on the Effective Date, (ii) were approved by Tenant prior to the recording thereof; (iii) consist of non-delinquent real estate taxes and assessments or (iv) 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 Facilities or portion thereof being transferred, and Tenant agrees to accept the Facilities or portion thereof in an "as is" condition. Upon conveyance, the Ground Lease or applicable portion thereof shall automatically terminate, and, upon request by either Party, the Parties shall execute and record a termination of Ground Lease and this Facilities Lease or portion thereof in the real property records of the 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. **Security.** Except to the extent included in Project elements to be designed and constructed pursuant to the Work Letter, Tenant shall, on and after the Rent Commencement Date, be solely responsible for providing any required security guard, security patrol, or other security services for the Leased Premises at its sole cost and expense.

8. **Alterations and Additions.**

8.1 **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 Leased 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 Section 7.22 of the Indenture. Landlord shall provide, or cause to be provided, 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 mutually acceptable to Tenant and Landlord) 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 (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 become part of the Leased Premises for purposes of this Facilities Lease.

8.2 **Lien Free.** Landlord shall pay or cause to be paid, 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 Leased 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.

8.3 Prevailing Wage. Landlord shall require that all contractors and subcontractors performing Alterations to the Leased Premises comply with the prevailing wage requirements and be subject to restrictions and penalties in accordance with Section 1770 of the California Labor Code, and as described in Sections 14.1 and 14.2 of the Work Letter, which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts and any Alterations made during the term of this Facilities Lease.

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

8.4 Alterations by Tenant. Any Alterations to be undertaken by Tenant shall not diminish the fair market value of the Leased Premises. Any Alterations made by Tenant shall remain Tenant property and may be removed by Tenant at or prior to the expiration of this Facilities Lease; provided, however, that such removal does not cause injury or damage to the Leased Premises or result in the diminution of the value of the Leased Premises. Landlord shall, upon reasonable notice and request, have access to all plans and specifications relating to Alterations made by Tenant to Leased Premises. Tenant 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 undertaken by Tenant, and which may be secured by a mechanics', materialman's or other lien against the Leased Premises or Landlord'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. Tenant shall cause all Alterations undertaken by Tenant to be lien free, completed in a workmanlike manner and in compliance with all Applicable Laws.

8.5 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 Leased 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 Landlord's reasonable requirements, including, without limitation, the requirement that any work affecting any roof of the Facilities be undertaken in a manner so as not to affect any roof warranty then in effect.

9. Indemnification.

9.1 Indemnification and Hold Harmless.

9.1.1 Landlord shall indemnify and hold harmless Tenant, and its Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and

invitees (individually and collectively hereinafter referred to as “**Tenant Indemnitees**”), from any liability, obligation, loss, damage, penalty, claim, action, cost and expense (including reasonable attorneys’ fees) imposed on, incurred by or asserted against any Tenant Indemnatee, including, but not limited to, property damage, bodily injury, death or any other element of any kind or nature whatsoever (“**Losses**”) arising out of any negligence or willful misconduct of Landlord and/or Landlord’s members, officers, agents, contractors or employees (“**Landlord Parties**”) in connection with the Project or in, on, or about the Leased Premises, except to the extent such Losses are attributable to the negligence or willful misconduct of such Tenant Indemnatee.

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.

9.1.2 Except to the extent such matter is attributable to the negligence or willful misconduct of Landlord and/or Landlord Parties in connection with the Project or this Facilities Lease, Landlord shall not be liable to Tenant, or any of Tenant’s Indemnitees, or any other parties for: (i) any damage to property of Tenant Indemnitees, or of others, located in, on or about the Leased Premises, (ii) the loss of or damage to any property of Tenant Indemnitees 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 Leased 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 Leased Premises, occupants of any other portions of the Leased 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 Indemnitees or any other parties for any consequential, special or punitive damages and Tenant hereby waives any and all claims for any such damages.

9.1.3 To the extent permitted by law, Tenant shall indemnify and hold harmless Landlord and Landlord Parties from any liability, obligation, loss, damage, penalty, claim, action, cost and expense (including reasonable attorneys’ fees) imposed on, incurred by or asserted against Landlord or Landlord Parties, including, but not limited to, any claim based on the validity of this Facilities Lease or the Ground Lease, property damage, bodily injury or death arising out of any negligence or willful misconduct of Tenant or any of Tenant’s Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees in connection with the Project or in, on, or about the Leased Premises, 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 Landlord Parties in any claim or action based upon such liability. Tenant shall in no event be liable to Landlord or Landlord Parties for any consequential, special or punitive damages and Landlord hereby waives any and all claims for any such damages.

9.1.4 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.

9.1.5 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.

9.1.6 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.

9.1.7 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.

9.1.8 Survival of Indemnification. The paragraphs of this Section 9 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 banned by the applicable statutes of limitations.

10. Insurance.

10.1 Landlord's Insurance – Prior to Rent Commencement Date. Without limiting or diminishing any indemnification provision contained within this Facilities Lease, Landlord shall procure and maintain, as applicable to Landlord, and cause Developer, Design-BUILDER, the other Contractors and the subcontractors, to procure and maintain, as applicable to each such party, as part of Project Costs, the below listed insurance coverage from the Effective Date to the Rent Commencement Date. Tenant, its Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees, shall be named as additional insureds with respect to such insurance policies, other than with respect to the Workers' Compensation Insurance and the Builder's Risk Insurance.

10.1.1 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 \$___,000,000 per person per accident and (ii) endorsed to waive subrogation in favor of Tenant.

10.1.2 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, development, construction, installation, equipping and furnishing of the Facilities and all areas appurtenant thereto including claims which may arise from or out of the use or and operations on the Property, or the performance of its obligations hereunder or under the Development Agreement or the Contract Documents. Said policy shall (i) name the Trustee and Tenant, its Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees as an additional insured for the

indemnity obligations herein and (ii) shall have limits not less than \$ __,000,000 per occurrence and not less than \$ __,000,000 in the aggregate. The Design-Builder shall maintain at least \$ __,000,000 of excess liability/umbrella insurance for any and all covered claims.

10.1.3 Vehicle Liability. If vehicles or licensed mobile equipment are used on the Property, auto liability insurance for all owned, non-owned or hired automobiles in an amount not less than \$ __,000,000 per occurrence combined single limit.

10.1.4 Property (Physical Damage) (Builder's Risk). Prior to the commencement of construction of the Facilities, Landlord shall (directly or through Design-Builder) obtain at Landlord's sole cost and expense (as part of the Project Costs), and keep in full force and effect until Final Acceptance, a builder's risk policy of insurance covering loss or damage to the Facilities for the full replacement value of such work, including earthquake insurance. The named insured shall include Trustee, Landlord, Tenant, Design-Builder and subcontractors as their interests appear. The Trustee shall be named as the loss payee under such builder's risk policy of insurance. Design-Builder or the other Contractors and subcontractors shall be responsible for any deductible payments that result from a loss of the Facilities or any portion thereof under this coverage.

10.1.5 Professional Liability Insurance. Professional liability insurance for the Facilities covering any service provider required to maintain a professional license or an advanced professional degree to perform any of the Work. Such professional liability insurance shall protect the Facilities against errors and omissions of such service provider and shall be (other than with respect to the architect) in an amount equal to not less than \$ __,000,000 per occurrence and \$ __,000,000 in the aggregate, with each deductible not to exceed \$ __,000. The architect for the Work shall be required to maintain professional liability insurance in an amount equal to not less than \$ __,000,000 per occurrence and \$ __,000,000 in the aggregate, with each deductible not to exceed \$ __,000. Such professional liability policies shall be available to Landlord and be maintained to provide continuous coverage from the commencement of the applicable Work until a minimum of twelve (12) full calendar months after completion of the Work. Any such insurance professional liability insurance shall be written to ensure that Landlord can make a direct claim under such professional liability insurance policy.

10.1.6 Contractor's Pollution Liability Insurance. Contractor's pollution liability insurance with limits of \$ __,000,000 per occurrence and \$ __,000,000.00 in the aggregate. Any such contractor's pollution liability insurance policy shall be written to ensure that Landlord can make a direct claim under such policy.

10.2 Landlord's Insurance – On and After Rent Commencement Date. On and after the Rent Commencement Date and through the Term of this Facilities Lease, Landlord shall provide, or cause to be provided, the following forms and amounts of insurance. Such insurance shall be primary to and not contributing with any other insurance maintained by Tenant, and shall name Tenant and Trustee as additional insureds, and shall include, but not be limited to:

10.2.1 Commercial General Liability. Commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Leased Premises, including in, on or about the sidewalks or premises adjacent to the Leased Premises,

providing coverage limits not less than \$ __,000,000 per occurrence and \$ __,000,000 in aggregate; and

10.2.2 Workers' Compensation. A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State and which specifically covers all persons providing services on behalf of the Landlord and all risks to such persons under this Facilities Lease.

10.3 Tenant's Insurance - From and After Rent Commencement Date. Without limiting or diminishing any indemnification provision contained within this Facilities Lease, Tenant shall procure and maintain or cause to be procured and maintained, the following insurance coverage from and after the Rent Commencement Date:

10.3.1 Property (Physical Damage). Casualty insurance coverage in an amount not less than the greater of: (i) the outstanding principal balance of the Bonds and (ii) full replacement cost of buildings, structures, building systems, fixtures and improvements as the same exists at each anniversary of the Rent Commencement Date. Said policy shall (i) insure the Facilities against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood (unless the Property is located in an area designated by the Federal Emergency Management Agency as an area having special flood hazards (Zones A and V) and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (or any successor Act thereto) in the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis, subject to the maximum limit of coverage available under such Act), which shall be provided by separate policies to the extent required) and may be subject to a \$ __,000 loss deductible provision, (ii) shall name Trustee as Loss Payee and Issuer and Landlord as additional insureds. 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**").

10.3.2 Rental Interruption Insurance. Rental interruption insurance to cover loss, total or partial, of the use of the Leased Premises as a result of any of the hazards covered by the insurance required pursuant to Section 10.3.1 above in an amount not less than the amount of Base Rent payments scheduled to be paid during the next two succeeding Lease Years, the proceeds of which shall be applied to the payment of Base Rent payments during the period in which, as a result of the damage or destruction to the Leased Premises that resulted in the receipt of such proceeds, there is substantial interference with Tenant's right to the use or occupancy of the Leased Premises; provided, however, that Tenant's obligations under this subsection may not be satisfied by self-insurance.

10.3.3 Commercial General Liability Insurance. Commercial general liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Premises. Such insurance shall afford protection with a combined single limit of not less than \$ __,000,000 per occurrence and \$ __,000,000 in aggregate with respect to bodily injury, death or property damage liability, or such greater amount as may from time to time be recommended by Tenant's risk management officer or an independent insurance consultant retained by Tenant for that purpose.

10.3.4 Workers' Compensation Insurance. Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Workers' Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto.

10.3.5 Boiler and Machinery Insurance. Boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Leased Premises in an amount not less than \$2,000,000 per accident.

10.4 General Insurance Provisions-All Lines.

10.4.1 Insurance Company Rating. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State 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 Tenant may obtain any or all of its required insurance from the Insurance Authority or successor thereto. If Tenant'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.

10.4.2 Deductibles. Landlord or Landlord's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed [\$__00,000.00] per occurrence, such deductibles and/or retentions shall have the prior written consent of Tenant'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 Tenant'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.

10.4.3 Certificates of Insurance. On the Effective Date and annually at 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 Landlord'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 Term of this Facilities Lease shall not commence until Tenant has been furnished

certificates(s) of insurance and copies of endorsements as required in this Section, which shall be provided upon execution and delivery of this Facilities Lease.

10.4.4 Primary Insurance. It is understood and agreed by the Parties hereto and 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.

10.5 Deposit of Net Insurance Proceeds. The net proceeds of any insurance award resulting from any loss of, damage to or destruction of the Leased Premises by fire or other covered casualty shall be deposited in the Insurance and Condemnation Proceeds Fund held by the Trustee promptly upon receipt thereof and applied as set forth in Section 5.03 of the Indenture. In accordance with Section 5.03 of the Indenture, Tenant shall notify Landlord and Trustee of its election with respect to the application of any net proceeds of an insurance award.

10.6 Federal and State Disaster Aid. Tenant shall promptly apply for federal disaster aid or State disaster aid in the event that the Leased Premises are damaged or destroyed as a result of an earthquake or other disaster occurring at any time. Any proceeds received as a result of such disaster aid shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Leased Premises, or to redeem or defease Outstanding Bonds if such use of such disaster aid is permitted pursuant to Article IV and Article XI of the Indenture.

11. Warranty

11.1 Warranty Period. Landlord shall cause all Contractors and subcontractors to guaranty or warrant that (a) the Work and all materials and equipment furnished by all Contractors and subcontractors for the Work shall be of good quality and new, (b) the Work shall be free of defects and (c) all Base Building Systems shall be fully operational in accordance with manufacturers' specifications for the period specified for each applicable component of the Work (including all Base Building Systems) (collectively, the "Warranties"), but in no event less than a period of one year from the date of Substantial Completion of the Facilities (the "Warranty Period"). If the Work or any defective material or equipment requires repair or replacement within the Warranty Period, Landlord shall cause all Contractors and subcontractors, to repair or replace the Work or such defective material or equipment. Landlord agrees to obligate, or cause to be obligated, all Contractors and subcontractors hired by or on behalf of Landlord to warranties and guarantees of workmanship imposed by state law or state agency at the time of contracting, including, without limitation, written manufacturer's warranty for the heating, ventilation and air conditioning systems. All Warranties shall be in the name of Tenant. Tenant shall be entitled to directly make claims on, collect and/or enforce all Warranties, provided Landlord shall assist Tenant in prosecuting enforcement of all such Warranties. At the request of Tenant, Landlord agrees to enforce all Warranties for the Tenant's benefit. The Parties acknowledge and agree that any Warranty provided for the Work and any material or equipment comprising part of the Work shall specifically exclude any remedy for damage or defect caused by abuse, alternations to the Work not performed by the responsible Contractor or subcontractor, improper or insufficient maintenance, improper operation, or normal wear and tear. Notwithstanding anything herein to the contrary, in the event Landlord fails to perform its obligations pursuant to this subsection,

Tenant may, following prior written notice to Landlord specifying the nature of such failure, withhold amounts due Landlord as a component of Additional Rent, and apply such withheld amounts as an offset to any costs incurred by Tenant or its representatives in undertaking the obligations imposed on Landlord pursuant to this subsection. All amounts received by Landlord or Tenant from the enforcement of any warranty or guaranty shall be applied to the repair or replacement of the defective item or component.

11.2 Repair and Replacement. In the event that any portion of the Work shall require repair or replacement during the Warranty Period, Tenant shall deliver written notice to Landlord specifying in detail the required repair or replacement. In the event Landlord should fail, neglect or refuse to seek and diligently pursue any permits required or otherwise to commence the repair or replacement of any damaged or defective portion of the Work within thirty (30) days after written notice has been delivered to Landlord by Tenant, Tenant shall provide written notice to Trustee of Landlord's failure to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. Within ten (10) Business Days of the receipt of such written notice, Trustee shall notify Tenant of the actions to be taken by or at the direction of Trustee to seek and diligently pursue any permits required or otherwise to commence such repair and replacement. In the event Trustee is unable to seek and diligently pursue any permits required or otherwise to commence such repair and replacement, Tenant shall have the right to undertake the repair and replacement of the defective item or component of the Work and to deduct the cost of such repair or replacement from the amounts due Landlord as a component of Additional Rent.

11.3 Emergency. In the event that during the Warranty Period any damaged or defective component of the Work results in an emergency, upon Landlord's failure, neglect or refusal to seek and diligently pursue any permits required to commence the repair or replacement of any such damaged or defective portion of the Work, or fail, neglect or refuse to pursue said repair or replacement work with reasonable diligence to completion, within 24 hours or such longer period of time as may be reasonable under the circumstances, after notice has been delivered by Tenant, Tenant, at its sole election, may repair or replace such damaged or defective component of the Work and deduct the cost of such repair or replacement from the amount of Additional Rent payments due to Landlord.

11.4 Commencement of Work. The term "commence" means that Landlord shall show reasonably satisfactory progress in performing the work or, if required, in procuring any required permits and entering into contracts in pursuance of doing the work. An "emergency" means (a) a situation creating an immediate risk to life, health or safety or (b) the Work or a portion thereof being rendered unusable because of a utility disruption, including, without limitation, the HVAC systems, water, electricity or sewer lines or more than one elevator in a Building being inoperable.

11.5 Tenant Repair or Replacement. In the event that during the Warranty Period Tenant undertakes the repair or replacement of a defective component of the Work following Landlord's failure or refusal to complete such repair or replacement, Tenant shall provide Landlord and Trustee with a detailed accounting of the costs of such repair and replacement within forty-five (45) days of the completion of the repair and replacement. Tenant shall, to the extent permitted by law, defend, indemnify and hold Landlord harmless from any and all claims, damages,

judgments, suits, causes of action or liabilities in connection with Tenant's exercise of its rights to repair or replace a defective component of the Work pursuant to this Section.

11.6 Indemnification of Tenant. Landlord agrees to indemnify, defend and hold harmless Tenant, and its members, officers, employees and agents from and against any and all liability, claims, loss, damages or expenses (including disbursements costs and reasonable legal fees), arising during the Warranty Period by reason of bodily injury, death, personal injury, property damage or claims for damages of any nature whatsoever, arising solely from or resulting solely from any defects in the Work.

12. Eminent Domain.

12.1 Total Condemnation of all or Portion of Leased Premises. If all of the Leased 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 pursuant to Section 5.2 hereof. If a portion of the Leased Premises is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose, but the remaining portion of the Leased Premises is useable by Tenant for the purposes of Tenant permitted by this Facilities Lease as reasonably determined by Tenant, this Facilities Lease attributable to the portion of the Leased Premises that is condemned by eminent domain, inversely condemned, or sold in lieu of condemnation for any public or quasi-public use or purpose thereto will terminate as of the date of title vesting in that proceeding, and the Base Rent will be abated pursuant to Section 5.2 hereof.

12.2 Award. Subject to the provisions of Section 12.4 hereof and Section 5.03 of the Indenture, if the Leased 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 Leased Premises, to the extent the amount required to prepay or defease all or a portion of the Bonds and to pay the costs associated with such prepayment or defeasance, and Tenant waives any claim to that 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 Property as Ground Lessor under the Ground Lease.

12.3 Temporary Condemnation. In the event of a temporary condemnation, this Facilities Lease will not terminate and will 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 12.2 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 Leased 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 12.2.

12.4 Deposit of Condemnation Award. The net proceeds of a condemnation award resulting from any condemnation by eminent domain, inverse condemnation, or sale in lieu of condemnation for any public or quasi-public use or purpose of the Property shall be deposited in the Insurance and Condemnation Proceeds Fund held by the Trustee promptly upon receipt thereof and applied as set forth in Section 5.03 of the Indenture. In accordance with Section 5.03 of the Indenture, Tenant shall notify Landlord and Trustee of its election with respect to the application of any net proceeds of a condemnation award.

12.5 Tenant Covenants. Notwithstanding anything to the contrary set forth in this Facilities Lease, if and to the extent permitted by applicable laws, Tenant 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 under this Facilities Lease, or (ii) take any action to rezone the Property for any use not consistent with the intended uses set forth in this Facilities Lease.

12.6 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 Landlord's request in writing, 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 12.6 may be relied upon by Trustee as assignee of Landlord.

13. Assignment and Subletting.

13.1 Assignment. During the term of this Facilities Lease, the Ground Lease and the Leased Premises 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.

13.2 Subleases, Licenses and Operating Agreements. Notwithstanding the provisions of Section 13.1, Tenant may enter into subleases or licenses of, and operating agreements with respect to, the Leased Premises or any portion thereof, without the prior consent of Landlord, provided that any and all such subleases, licenses and operating agreements are in compliance with the Tax Regulatory Agreement and are subject and subordinate to the terms of this Facilities Lease. Tenant shall not be released of any liability under this Facilities Lease by reason of any sublease, license or operating agreement entered into by Tenant with respect to the Leased Premises or any portion thereof.

14. Default.

14.1 Landlord's Default.

14.1.1 Failure to Perform. 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 and Trustee. If the required performance to cure such default by Landlord cannot be completed within thirty (30) days, Landlord's failure to perform shall constitute a default under this Facilities Lease unless Landlord commences to cure the failure within thirty (30) days after written notice of the failure from Tenant to Landlord and Trustee and diligently and continuously takes action to complete the cure as soon as reasonably possible and in no event later than one-hundred twenty (120) days after written notice of the failure from Tenant to Landlord and Trustee. Except as otherwise provided in this Section 14.1 and in the Work Letter, Tenant may pursue any remedies at law or in equity to recover costs and damages resulting from Landlord's failure to perform; provided, however, Landlord shall in no event be liable to Tenant or any other parties for any consequential, special or punitive damages and Tenant hereby waives any and all claims for any such damages.

In the event Landlord's breach under this Facilities Lease is the failure to achieve Substantial Completion of the Facilities by the Outside Completion Date, Tenant's sole remedy for such failure shall be as provided Section 13 of the Work Letter.

14.1.2 Tenant's Right to Cure Landlord's Default. If Tenant provides notice to Landlord of Landlord's failure to perform any of its obligations under this Facilities Lease in accordance with Section 14.1.1 above and Landlord fails to perform such obligations as required by the terms of this Facilities Lease within the period specified, Tenant may take the required actions if: (a) Tenant delivers to Landlord an additional written notice advising Landlord that Tenant intends to take the required actions if Landlord does not begin the required actions within ten (10) days after the written notice; and (b) Landlord fails to begin the required actions within this ten (10) day period. Any election by Tenant to cure a Landlord default shall not impact Landlord's cure period set forth in Section 14.1.1 with respect to such default.

14.2 Tenant's Default.

14.2.1 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 Leased 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 Leased 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 (or such longer period as is reasonably necessary to commence such cure) 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.

14.2.2 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 14.2.4 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.

14.2.3 Consequences of Abatement. Notwithstanding any provision of this Section 14, neither 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 Landlord 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.

14.2.4 Remedies on Default.

(a) Upon the occurrence of any monetary default (and subject to Section 14.2.2 above), Landlord (or Trustee as assignee of the rights of Landlord pursuant to the Indenture and the Lease Assignment Agreement) may exercise those remedies granted to it pursuant to law or hereunder, subject to the terms of this Facilities Lease. Landlord, 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 Leased Premises as hereinafter provided for in subsection (a)(ii) below, and to retake possession of the Leased Premises. In the event of such termination, Tenant agrees to surrender immediately possession of the Leased Premises, without let or hindrance, and to pay Landlord all damages recoverable at law that Landlord 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 Leased Premises. Neither notice to pay Base Rent or Additional Rent nor to deliver possession of the Leased Premises given pursuant to

law, nor any proceeding in unlawful detainer or otherwise, brought by Landlord for the purpose of obtaining possession of the Leased Premises, nor the appointment of a receiver upon initiative of Landlord 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 Landlord 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 Leased Premises.

(b) In the event Landlord 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 Leased Premises by Landlord or suit in unlawful detainer, or otherwise, brought by Landlord for the purpose of obtaining possession of the Leased Premises. Should Landlord elect to retake possession of the Leased Premises as herein provided, Tenant hereby irrevocably appoints Landlord as the agent and attorney-in-fact of Tenant to re-let the Leased Premises, or any portion thereof, from time to time, in Landlord's name or otherwise, upon such terms and conditions and for such use and period as Landlord may deem advisable and Tenant hereby indemnifies and agrees to hold harmless Landlord 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 Leased Premises by Landlord 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 Landlord or its agents. Tenant agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of Landlord to re-let the Leased Premises in the event of such reentry without effecting a surrender of this Facilities Lease, and further agrees that no acts of Landlord 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 Landlord to be effected in the sole and exclusive manner provided for in subsection (a)(i). Tenant further waives the right to rental payments obtained by Landlord in excess of the Base Rent herein specified and hereby conveys and releases such excess to Landlord as compensation to Landlord for its services in re-letting the Leased Premises or any items thereof.

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

relating to the Leased Premises, unless the other party to such sublease, license, management contract, or other agreement is in default thereunder.

14.2.5 Further Limitations on Remedies Following Tenant's Default. Notwithstanding any provision of this Section 14, in no event shall Landlord have the right to accelerate any payments owing by Tenant under this Facilities Lease.

14.2.6 Section 1951.4 Remedy. In the event of any default by Tenant, beyond the expiration of the applicable notice and cure period, Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Facilities Lease in full force and effect after Tenant's breach and abandonment and recover Base Rent and Additional Rent as it becomes due, if Tenant has the right to sublet or assign this Facilities Lease subject only to reasonable limitations).

15. Representations and Warranties.

15.1 By Landlord. Landlord represents and warrants to Tenant that, as of the Effective Date:

15.1.1 Due Organization and Existence. Landlord is a limited liability company duly organized and existing under the laws of the State, has full legal right, power and authority to enter into the Ground Lease, this Facilities Lease and the Work Letter and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action Landlord has duly authorized the execution and delivery by Landlord of the Ground Lease, this Facilities Lease and the Work Letter.

15.1.2 Execution and Delivery. Landlord has taken all actions required to authorize and execute this Facilities Lease, the Ground Lease and the Work Letter in accordance with Landlord's Articles of Organization, Operating Agreement and other governing documents and all acts, conditions and things required by Landlord's Articles of Organization, Operating Agreement and other governing documents to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Landlord of this Facilities Lease, the Ground Lease and the Work Letter, do exist, have happened and have been performed in due time, form and manner as required by law. The person(s) who is acting as its signatory in this Facilities Lease, the Ground Lease and the Work Letter is duly authorized and empowered to act for and on behalf of Landlord. Landlord shall furnish Tenant prior to the execution hereof with evidence of the authority of the signatory to bind Landlord as contemplated herein.

15.1.3 Valid, Binding and Enforceable Obligations. The Ground Lease, this Facilities Lease and the Work Letter have been duly authorized, executed and delivered by Landlord and constitute the legal, valid and binding obligations of Landlord enforceable in accordance with their respective 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).

15.1.4 No Conflicts. The execution and delivery of this Facilities Lease, the Ground Lease and the Work Letter, the consummation of the transactions herein and therein

contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which Landlord is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Landlord, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Facilities Lease, the Ground Lease and the Work Letter or the financial condition, assets, properties or operations of Landlord.

15.1.5 Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of Landlord, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Ground Lease, this Facilities Lease or the Work Letter, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

15.1.6 No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on Landlord or, to the knowledge of Landlord after reasonable investigation, threatened against or affecting Landlord or the assets, properties or operations of Landlord which, if determined adversely to Landlord or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Ground Lease, this Facilities Lease or the Work Letter, or upon the financial condition, assets, properties or operations of Landlord. Landlord is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Ground Lease, this Facilities Lease or the Work Letter or the financial condition, assets, properties or operations of Landlord.

15.2 By Tenant. Tenant represents and warrants to Landlord that, as of the Effective Date:

15.2.1 Evidence of Authority. Tenant is a political subdivision of the State, duly organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into this Facilities Lease, the Ground Lease and the Work Letter and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action Tenant has duly authorized the execution and delivery by Tenant of this Facilities Lease, the Ground Lease and the Work Letter.

15.2.2 Authorization, Enforceability. The Constitution and laws of the State, and the actions of Tenant authorize the Tenant to enter into this Facilities Lease and to carry out its obligations under the Ground Lease, this Facilities Lease and the Work Letter, and the Tenant has duly authorized the execution and delivery of the Ground Lease, this Facilities Lease

and the Work Letter. The Ground Lease, this Facilities Lease and the Work Letter constitute the legal, valid and binding obligations of the Tenant, enforceable in accordance with their terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally or limitations on legal remedies against governmental entities such as the Tenant in the State.

15.2.3 No Conflicts. The execution and delivery of this Facilities Lease, the Ground Lease and the Work Letter, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which Tenant is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Tenant, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Facilities Lease, the Ground Lease and the Work Letter or the financial condition, assets, properties or operations of Tenant.

15.2.4 Execution and Delivery. Tenant has taken all actions required to authorize and execute the Ground Lease, this Facilities Lease and the Work Letter in accordance with the Constitution and laws of the State and all acts, conditions and things required by the Constitution and statutes of the State to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery by Tenant of the Ground Lease, this Facilities Lease and the Work Letter, do exist, have happened and have been performed in due time, form and manner as required by law.

15.2.5 Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of Landlord, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of, this Facilities Lease, the Ground Lease or the Work Letter, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

15.2.6 No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on Tenant or, to the knowledge of Tenant after reasonable investigation, threatened against or affecting Tenant or the assets, properties or operations of Tenant which, if determined adversely to Tenant or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Ground Lease, this Facilities Lease or the Work Letter, or upon the financial condition, assets, properties or operations of Tenant. Tenant is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Ground Lease, this

Facilities Lease or the Work Letter or the financial condition, assets, properties or operations of Tenant.

16. Tenant's Covenants.

16.1.1 Hazardous Waste. Tenant shall not cause or permit the Leased Premises or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, State and local laws or regulations, nor shall Tenant cause or permit, as a result of any intentional or unintentional act or omission on the part of Tenant or any tenant or subtenant, a release of Hazardous Substances onto the Leased Premises. Tenant shall comply with and ensure compliance by all tenants and subtenants with all applicable federal, State and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. Tenant shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Leased Premises (A) in accordance with all applicable federal, State and local laws, ordinances, rules, regulations, and policies, (B) to the satisfaction of the Trustee, and (C) in accordance with the orders and directives of all federal, State and local governmental authorities, and (ii) to the extent permitted by law, defend, indemnify, and hold harmless the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (A) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, and/or (C) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the mortgage trustee, which are based upon or in any way related to such Hazardous Substances including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. In the event that the Trustee elects to control, operate or otherwise claim property rights in the Leased Premises following an event of default by Tenant under this Facilities Lease, Tenant shall deliver the Leased Premises free of any and all Hazardous Substances so that the conditions of the Leased Premises shall conform with all applicable federal, State and local laws, ordinances, rules or regulations affecting the Leased Premises.

16.1.2 Continuing Disclosure. Tenant hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate in accordance with its terms. Notwithstanding any other provision of this Facilities Lease, failure of Tenant to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder. However, Trustee, upon payment of its fees and expenses, including counsel fees and expenses, and receipt of indemnity satisfactory to it, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, or any Owner or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific

performance by court order, to cause Tenant to comply with its obligations under this Section 16.1.2.

16.1.3 Tax Covenants. Tenant and the Landlord hereby covenant and agree that neither the Landlord nor Tenant will take any action that would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes or the exemption from State personal income taxes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes or the exemption from State personal income taxes.

17. Ground Lease.

17.1 Facilities Lease Subordinate to Ground Lease. Tenant acknowledges and agrees that Landlord's interest in the Property 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.

17.2 Compliance with Ground Lease. 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 Property, 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.

17.3 Notices. 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 or the Ground Lease promptly after such Party's sending or receipt of the same.

17.4 Ground Lease Default. 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.

18. Miscellaneous.

18.1 Quiet Enjoyment. Landlord covenants that Tenant shall at all times during the term of this Facilities Lease peaceably and quietly have, hold and quietly enjoy the use of the Leased 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.

18.2 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.

18.3 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.

18.4 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.

18.5 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, and the Parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

18.6 Tenant's Representative. Tenant hereby appoints the [County Executive Officer], or his or her designee, as its authorized representative to administer this Facilities Lease.

18.7 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 Tenant's Chief Executive Officer, 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.

18.8 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.

18.9 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.

18.10 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.

18.11 Consent. Except as otherwise provided in this Facilities Lease, 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.

18.12 Conveyance by Landlord. Should Landlord assign, transfer or convey its interest in the Leased Premises (other than a transfer pursuant to the Bond Financing Documents for security purposes only), 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.

18.13 Mechanic's Liens. If any mechanic's or materialmen's lien or liens shall be filed against the Leased Premises for work done or materials furnished to Landlord, Landlord shall, at Tenant's sole cost and expense (unless such liens are attributable to the acts, omissions or negligence of Landlord or its contractors or employees), 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 Leased Premises, Landlord shall immediately forward a copy of such notice to Tenant. If any mechanic's or materialmen's lien or liens shall be filed against the Leased Premises for work done or materials furnished to the Tenant, Tenant shall, at Tenant's sole cost and expense, 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 Tenant for work done on the Leased Premises, Tenant shall immediately forward a copy of such notice to Landlord.

18.14 Force Majeure. If either Party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by a Force Majeure Delay, 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 Delay.

18.15 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 this Section 18.15. 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.

<p>Tenant’s Notification Address:</p> <p>County of Riverside 4080 Lemon Street Riverside, CA 92501 Attention: County Executive Officer</p> <p>With copies to:</p> <p>Riverside University Health System 4095 County Circle Drive Riverside, CA 92503 Attention: Administrative Services Manager</p> <p>Office of County Counsel County of Riverside 3960 Orange Street, Suite 500 Riverside, CA 92501 Attention: County Counsel</p>	<p>Landlord’s Notification Address:</p> <p>P3 Riverside Holdings, LLC 700 N. Colorado Boulevard, #351 Denver, CO 80206 Attention: Kimberly Wyatt (kwyatt@p3-foundation.org)</p> <p>With copies to:</p> <p>P3 Riverside Holdings, LLC 200 Quebec Street 300-111 Denver, CO 80230</p>
<p>Trustee’s Notification Address:</p> <p>Wilmington Trust, National Association 650 Town Center Drive, Suite 800 Costa Mesa, CA 92626 Attention: Corporate Trust Services</p>	<p>Developer’s Notification Address:</p> <p>PMB Mead Valley LLC 3394 Carmel Mountain Road, Suite 200 San Diego, CA 92121</p> <p>Attention: Mark Toothacre (mark@pmbllc.com) Benjamin Rosenfeld (brosenfeld@pmbllc.com) Rebecca Gemmel (rgemmel@pmbllc.com)</p>

Landlord and Tenant agree that when this Facilities Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by California Code of Civil Procedure Section 1161 or any similar or successor statute. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Facilities Lease) in the manner required by this Section 18.15 shall replace and satisfy the statutory service-of-notice procedures, including those required by California Code of Civil Procedure Section 1162 or any similar or successor statute.

18.16 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 entity, in accordance with the constituent documents of said entity.

18.17 Approval of Supervisors. Anything to the contrary notwithstanding, this Facilities Lease shall not be binding or effective until its approval by the Board of Supervisors and execution by the Chairman of the Board of Supervisors, the County Executive Officer or the County Director of Finance.

18.18 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 Facilities, and no other assets of Landlord. Notwithstanding the foregoing, however, nothing in this Facilities Lease shall in any way affect any rights Tenant may have hereunder to recover directly from Landlord or Landlord's sole member, any amounts, funds, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred by Tenant as a result of Landlord's fraud, intentional misrepresentation, bad faith, or misappropriation of any proceeds under any insurance policies or awards by reason of damage, loss or destruction to any portion of the Leased Premises or resulting from condemnation or the exercise of the power of eminent domain, in each case as determined in a final, unappealable judgment in a court of law having jurisdiction over this Facilities Lease. 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 of the title to the Facilities or Landlord's leasehold interest in the Property pursuant to the Ground Lease. 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 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.

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

18.20 Separate Writing and Exhibits. Any exhibits or writings referenced herein this Facilities Lease shall constitute a part of this Facilities Lease 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.

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

18.22 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 Office of the County Recorder of Riverside County for recordation purposes, and thereafter, Landlord shall cause such Memorandum of this Facilities Lease to be recorded in the Office of the County Recorder of Riverside County forthwith and furnish Tenant with a conformed copy thereof.

18.23 State-Specific Provisions.

18.23.1 CASp Inspection. To Landlord's actual knowledge, the Leased Premises have not undergone inspection by a Certified Access Specialist ("CASp"). In accordance with California Civil Code Section 1938(e), Landlord hereby states the following: "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." The scope and timing of such inspection shall be subject to Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Tenant shall be solely responsible for (i) the CASp inspection fees, if Tenant elects to obtain a CASp inspection, and (ii) except as otherwise expressly set forth in this Facilities Lease, any costs related to addressing and/or correcting any violations of disability rights laws disclosed by such CASp inspection.

18.23.2 Failure to Consent. If Tenant claims or asserts that Landlord has violated or failed the covenant of Landlord not to unreasonably withhold, delay, or condition Landlord's consent or approval under this Facilities Lease, or in any case where Landlord's

reasonableness in exercising its judgment is in issue, Tenant's sole remedy shall be an action for specific performance, declaratory judgment, or injunction, and, except as specifically set forth elsewhere in this Facilities Lease, in no event shall Tenant be entitled to any offsets or monetary damages for a breach of any such covenant or unreasonable exercise of judgment, and Tenant hereby specifically waives the provisions of California Civil Code Section 1995.310 and any other similar or successor statute, and the right to any monetary damages or other remedies (including self-help remedies and any right at law or equity to terminate this Facilities Lease) in connection with any such breach or unreasonable exercise of judgment, on its own behalf and, to the extent permitted under applicable laws, on behalf of the proposed transferee.

18.23.3 Amendments. This Facilities Lease may be amended and the rights and obligations of Landlord and Tenant hereunder may be amended at any time by an amendment hereto which shall become binding upon execution and delivery by Landlord and Tenant, but only in accordance with the provisions of Section 7.20 of the Indenture.

18.23.4 Further Assurances and Corrective Instruments. Landlord and Tenant agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Premises hereby leased or intended so to be or for carrying out the expressed intention of this Facilities Lease. In addition, Tenant and Landlord shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and recordings necessary or desirable in order to perfect, preserve and protect the interest of the Trustee in the Leased Premises to the extent possible under applicable law.

18.23.5 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Facilities Lease as a whole and not to any particular article, section, subdivision or clause hereof. The use herein of the words "including" and "includes," and words of similar import, shall be deemed to be followed by the phrase "without limitation".

18.23.6 Governing Law. This Facilities Lease shall be governed by and construed in accordance with the laws of the State.

18.23.7 Execution in Counterparts. This Facilities Lease may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

18.23.8 Self-Help. In addition to and not in limitation of any other waiver contained in this Facilities Lease, Tenant hereby voluntarily waives the provisions of California Civil Code Sections 1941 and 1942 and all other provisions of law now in force or that become in force hereafter that provide Tenant the right to make repairs at Landlord's expense and to deduct

the expense of such repairs from Base Rent or Additional Rent owing under this Facilities Lease, and Tenant agrees that the express provisions of this Facilities Lease will control.

18.23.9 Limitation on Tenant Liability. Notwithstanding anything contained in this Facilities Lease to the contrary, the obligations of Tenant under this Facilities Lease (including as to any actual or alleged breach or default by Tenant) do not constitute personal obligations of the individual members of the Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives, attorneys or accountants of Tenant, and Landlord shall not seek recourse against the individual members of the Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives, attorneys or accountants of Tenant. The term "Tenant" as used in this Facilities Lease, so far as covenants or obligations on the part of Tenant are concerned, shall be limited to mean, and include only the lessee, at the time in question, of the leasehold interest in the Leased 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 Tenant contained in this Facilities Lease; provided transferee is fully bound by all covenants and terms of the Facilities Lease which shall remain in full force and effect.

[Signature Provisions on the Following Page]

IN WITNESS WHEREOF, the Parties have executed this Facilities Lease upon the Effective Date indicated above.

LANDLORD:

P3 RIVERSIDE HOLDINGS, LLC,
a California limited liability company

By: P3 Foundation Inc., a North Carolina non-profit corporation

By: _____
Name: Kimberly Wyatt
Title: Executive Director

TENANT:

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

Minh C. Tran, County Counsel

By: _____
Supervising Deputy General Counsel

Schedule of Exhibits:

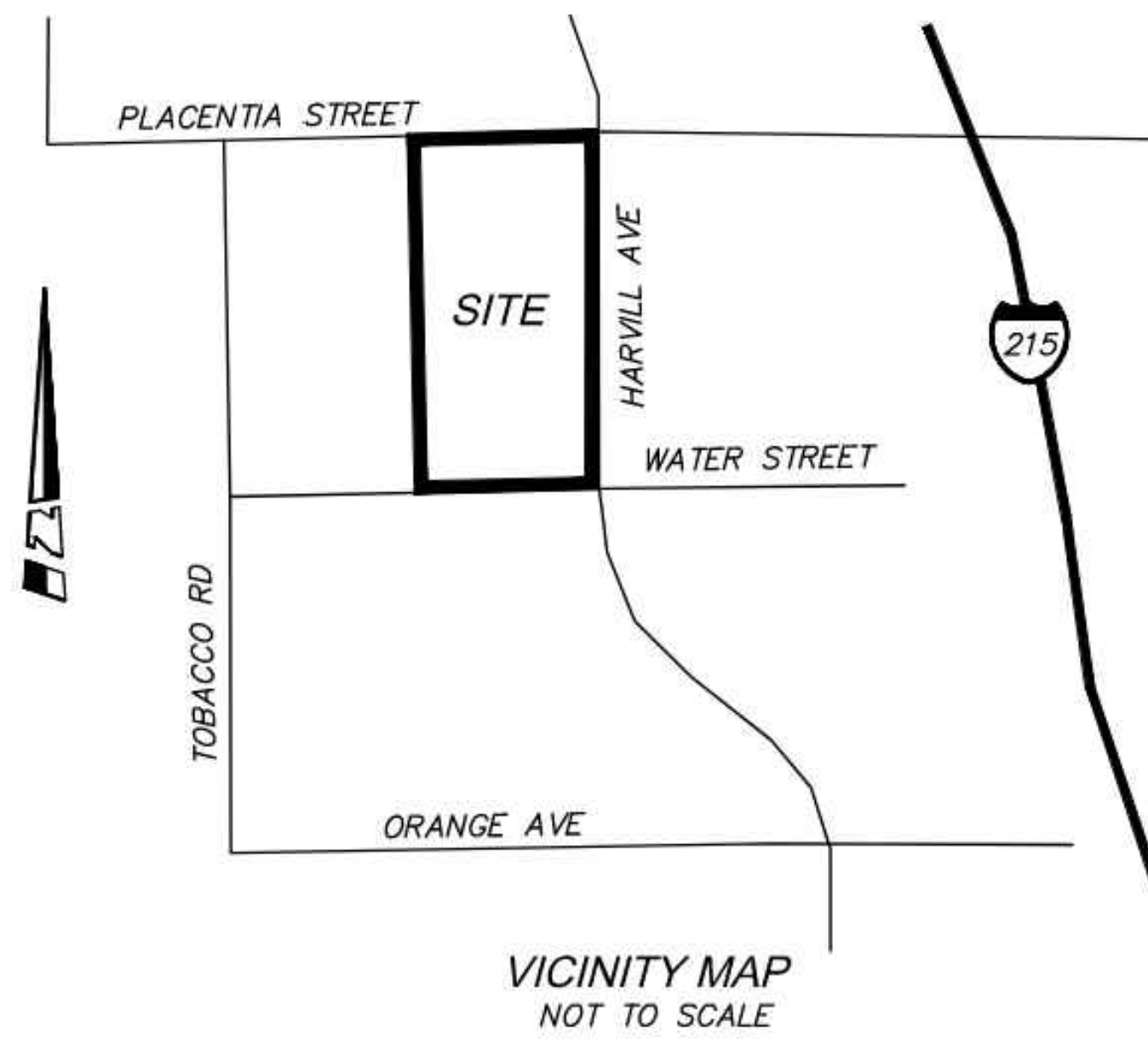
- A – Location Map / Description of Property
- B – Description of the Facilities
- C – Development Agreement
- D – Definitions
- E – Work Letter
- F – Final Project Schedule
- G – Base Rent Schedule
- H – Confirmation of Rent Commencement Date

TENTATIVE PARCEL MAP NO. 38929

FOR

PERRIS BEHAVIORAL HEALTH VILLAGE

HARVILL AVENUE
PERRIS, CA 92570
PROJECT ID: 099649009



LEGEND

— — — — —	PROPERTY LINE
— — — — —	RIGHT-OF-WAY LINE
— — — — —	CENTER LINE
— — — — —	EASEMENT OR SETBACK LINE

ABBREVIATIONS

AB	— AGGREGATE BASE
AC	— ASPHALT
AHJ	— AUTHORITY HAVING JURISDICTION
BC	— BACK OF CURB
BS	— BOTTOM OF STAIR
BLDG	— BUILDING
BW	— BACK OF WALK
CAB	— COMPACTED AGGREGATE BASE
CB	— CATCH BASIN
CF	— CURB FACE
C/L	— CENTERLINE
CONC.	— CONCRETE
CONST.	— CONSTRUCT. CONSTRUCTION
CSG	— COMPACTED SUBGRADE
DF	— DEEPEDED FOOTING
DI	— DRAIN INLET
DW	— DOMESTIC WATER
E	— EAST
EG	— EDGE OF GUTTER
ELEC	— ELECTRIC
EP	— EDGE OF PAVEMENT
FF	— FINISHED FLOOR
FG	— FINISHED GRADE
FL	— FLOW LINE
FS	— FINISHED SURFACE
FW	— FIRE WATER
G	— GAS
GB	— GRADE BREAK
HP	— HIGH POINT
INV	— INVERT
IRR	— IRRIGATION WATER
JS	— JUNCTION STRUCTURE
LP	— LOW POINT
MH	— MANHOLE
N	— NORTH
PCC	— PORTLAND CEMENT CONCRETE
P/L	— PROPERTY LINE
PUE	— PUBLIC UTILITY EASEMENT
PVC	— POLYVINYL CHLORIDE
R	— RADIUS OR RIDGE
RD	— ROOF DRAIN
RW	— RECLAIMED WATER
R/W	— RIGHT-OF-WAY
S	— SEWER OR SOUTH
SD	— STORM DRAIN
STA	— STATION
SS	— SANITARY SEWER
SPPWC	— STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION
SW	— SIDE WALK
T	— TELEPHONE
TC	— TOP OF CURB
TS	— TOP OF STAIR
VIF	— VERIFY IN FIELD
W	— WATER OR WEST
XXX.XX	— PROPOSED ELEVATION
(XXX.XX)	— EXISTING ELEVATION

PROJECT TEAM

OWNER/OPERATOR COUNTY OF RIVERSIDE 4095 COUNTY CIRCLE DRIVE RIVERSIDE, CA 92503 (800) 706-7500	APPLICANT/CIVIL ENGINEER KYLE KOIVUNEMI, PE KIMLEY-HORN AND ASSOCIATES, INC. 1100 TOWN AND COUNTRY RD, STE 700 ORANGE, CA 92868 (714) 939-1030 (714) 938-9488 FAX KYLE.KOIVUNEMI@KIMLEY-HORN.COM
ARCHITECT DARCI HERNANDEZ, AIA BOULDER ASSOCIATES ARCHITECTS 300 SPECTRUM CENTER DRIVE SUITE 730 IRVINE, CA 92618 (949) 727-9000 DHERNANDEZ@BOULDERASSOCIATES.COM	GEOTECHNICAL CONSULTANT DONALD A. CORDS, G.E. GEOTECHNICAL PROFESSIONALS, INC. 5736 CORPORATE AVENUE CYPRESS, CA 90630 (714) 220-2211
SURVEYOR JEFF LENHERR KIMLEY-HORN AND ASSOCIATES, INC. 1100 TOWN AND COUNTRY RD, STE 700 ORANGE, CA 92868 (714) 939-1030 JEFF.LENHERR (657)-452-0200 JEFF.LENHERR@KIMLEY-HORN.COM	

UTILITY PURVEYORS

WATER, SEWER, & TRASH EASTERN MUNICIPAL WATER DISTRICT (EMWD) 2270 TRUMBULE ROAD, P.O BOX 8300 PERRIS, CA 92572 (951) 928-3777	PARK DISPOSAL (EDCO) BUENA PARK & LA PALMA PARK WASTE & RECYCLING SERVICES 6762 STANTON AVE BUENA PARK, CA 90621 (714) 522-3577	VERIZON 1400 EAST PHILLIPS BLVD. POMONA, CA 91766 (909) 469-2250
ELECTRICITY SOUTHERN CALIFORNIA EDISON (SCE) 26100 MENIFEE ROAD, MENIFEE, CA 92585 (951) 928-8290	AT&T 11265 N. VAN BUREN ST., RM. 180 ANAHEIM, CA 92807 (714) 666-5467	VAL VERDE UNIFIED SCHOOL DISTRICT 875 WEST MORGAN ST. PERRIS, CA 92571 (951)-940-6100
GAS SOUTHERN CALIFORNIA GAS COMPANY 25200 TRUMBULE ROAD, PERRIS, CA 92571	CABLE TV TIME WARNER CABLE BILL GANKOWSKI (714) 903-8336	

LEGAL DESCRIPTION PER TITLE REPORT

REAL PROPERTY IN THE UNINCORPORATED AREA, IN COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL A AS SHOWN ON CERTIFICATE OF PARCEL MERGER NO. 01912, AS EVIDENCED BY DOCUMENT RECORDED AUGUST 21, 2012 AS INSTRUMENT NO. 2012-0398796 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LYING WITHIN SECTION 13, TOWNSHIP 4 SOUTH, RANGE 4 WEST, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 2 AND 7 OF OAKES AND SAWYERS SUBDIVISION, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 5, OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

CONTAINING 20.485 ACRES, MORE OR LESS

APN: 317-260-034

CERTIFICATE OF PARCEL MERGER NO. 01912 EXHIBIT A LEGAL DESCRIPTION:
LYING WITHIN SECTION 13, TOWNSHIP

GEOTECHNICAL REPORT

THE FEASIBILITY-LEVEL GEOTECHNICAL INVESTIGATION DATED AUGUST, 8, 2023, PREPARED BY GEOTECHNICAL PROFESSIONALS, INC. AND ALL ADDENDA SHALL BE CONSIDERED PART OF THESE CONSTRUCTION DOCUMENTS.

BENCHMARK NOTE

COUNTY OF RIVERSIDE BENCHMARK:
DESIGNATION: 435 (PID DX5442)

ELEVATION = 1515.12' NAVD 88'
DESCRIPTION: 3 1/2" ALUMINUM DISK SET IN TOP OF CURB 1300 FEET WEST OF ATSF RAILROAD ALONG RIDER STREET, ON TOP OF NORTH CURB FACE OF RIDER STREET 28 FEET NORTH OF RIDER STREET, 6 FEET SOUTH OF A GTE TELEPHONE BOX.

BASIS OF BEARINGS NOTE

BEARING SHOWN HEREON ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 (CCS83) ZONE 6, RELATIVE TO THE NORTH AMERICAN DATUM OF 1983 (2017.50 EPOCH) AND WERE DETERMINED BY STATIC GPS TIES TO TWO CONTINUOUS GPS STATIONS.

SITE INFORMATION

SITE ADDRESS: HARVILL AVE.
PERRIS, CA 92570

APN: 317-260-034

TOTAL SITE AREA: 20.486 AC

ZONING CLASSIFICATION: M-SC MANUFACTURING SERVICE COMMERCIAL
R-R-1

GENERAL PLAN DESIGNATION: BUSINESS PARK

EXISTING USE: VACANT

PROPOSED USE: MEDICAL

TOTAL LOTS: 6

SETBACK REQUIREMENT

WHERE THE FRONT, SIDE, OR REAR YARD ADJOINS A LOT ZONED R-R-1, THE MINIMUM SETBACK SHALL BE 25 FEET FROM THE PROPERTY LINE.

WHERE THE FRONT, SIDE, OR REAR YARD ADJOINS A STREET, THE MINIMUM SETBACK SHALL BE 25 FEET FROM THE PROPERTY LINE.

SCOPE OF WORK

PROJECT SUBDIVIDES THE SITE INTO 6 PARCELS, AREAS RANGING FROM 1.4 TO 5.2 ACRES, LAND ALONG PLACENTIA AVENUE AND HARVILL AVENUE DEDICATED TO THE CITY.

SHEET INDEX

SHEET NO.	SHEET TITLE
CO	COVER SHEET
CI	TENTATIVE PARCEL MAP



BOULDER ASSOCIATES

300 SPECTRUM CENTER DR, SUITE 730
IRVINE, CALIFORNIA 92618
949.727.9000

Kimley»Horn

Kimley Horn and Associates, Inc.
1100 TOWN AND COUNTRY RD
SUITE 700
ORANGE, CA 92868
714-939-1030
www.kimley-horn.com
RIVCO FIM# FM 0541-001-2596-0

BA PROJECT 225398.01

RUHS WELLNESS VILLAGE - SITE

23815 PLACENTIA AVENUE,
PERRIS, CA 92570

CONSTRUCTION DOCUMENTS

DATE 03/13/2024

REVISIONS

DESCRIPTION	DATE

NOT FOR CONSTRUCTION

SHEET TITLE

COVER SHEET

SHEET NUMBER

CO





BOULDER ASSOCIATES

300 SPECTRUM CENTER DR, SUITE 730
IRVINE, CALIFORNIA 92618
949.727.9000

Kimley»Horn

Kimley Horn and Associates, Inc.
1100 TOWN AND COUNTRY RD
SUITE 700
ORANGE, CA 92668
714-939-1030
www.kimley-horn.com
RIVCO FIM# FM 0541-001-2596-0

BA PROJECT 225398.01

**RUHS WELLNESS
VILLAGE - SITE**

23815 PLACENTIA AVENUE,
PERRIS, CA 92570

CONSTRUCTION DOCUMENTS

DATE 03/13/2024

REVISIONS

DESCRIPTION DATE

NOT FOR CONSTRUCTION

SHEET TITLE

TENTATIVE TRACT
MAP

SHEET NUMBER

C1

LEGEND

- PROPERTY LINE
- RIGHT-OF-WAY LINE
- CENTER LINE
- EASEMENT OR SETBACK LINE
- AREA TO BE DEDICATED

PARCEL AREA TABLE

PARCEL NUMBER	AREA GROSS	ACRES NET
1	2.396	1.428
2	3.257	3.205
3	5.528	5.177
4	3.724	3.724
5	3.011	2.664
6	2.570	2.053
TOTAL	20.486	18.251
	NET DEDICATION	2.235

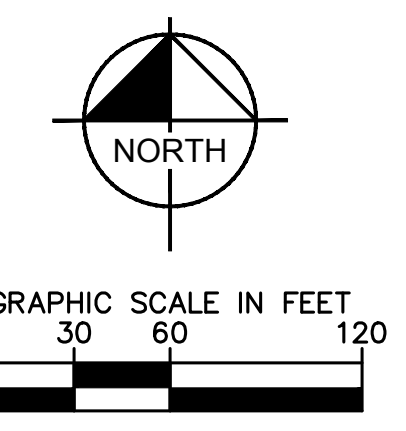
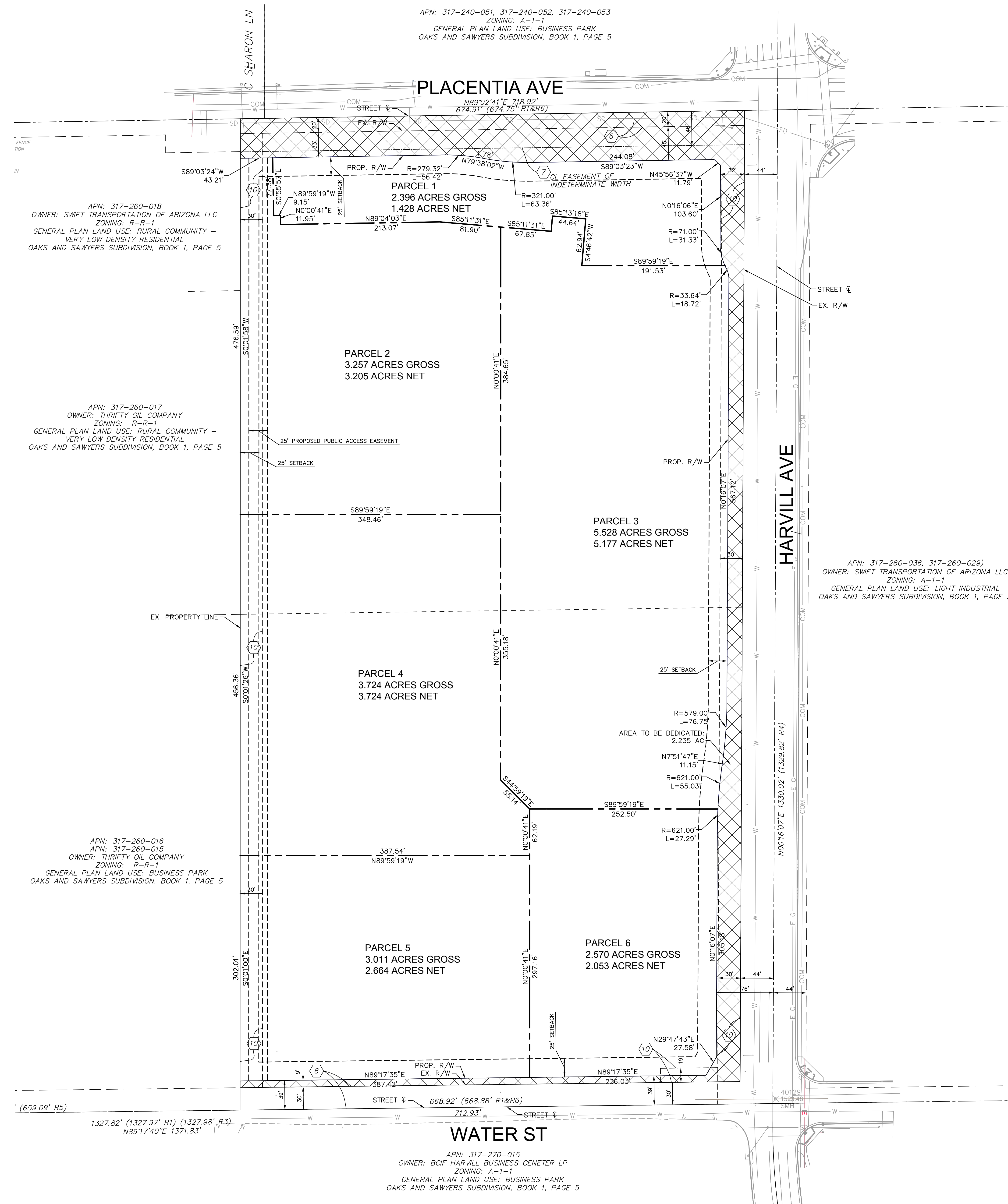
TITLE REPORT INFORMATION

ITEM NUMBERS AND LEGAL DESCRIPTION SHOWN HEREON CORRESPOND TO FIRST AMERICAN TITLE INSURANCE COMPANY PRELIMINARY TITLE REPORT NO. NCS-1182771-SD, DATED JANUARY 10, 2024.

NO RESPONSIBILITY FOR COMPLETENESS, ACCURACY OR CONTENT OF SAID REPORT IS ASSUMED BY THIS MAP.

ITEM NUMBERS INDICATED WITH A HEXAGON (◻) REFLECT ITEMS WHICH ARE PLOTTED HEREON:

- 1-2 TAXES.
- 3 THE LIEN OF SPECIAL TAXES.
- 4 THE LIEN OF SUPPLEMENTAL TAXES, IF ANY.
- 5 AN EASEMENT FOR PIPE LINES PURPOSES IN FAVOR OF GEORGE H. SAWYER RECORDED MARCH 26, 1912, IN BOOK 308, PAGE 380, OFFICIAL RECORDS. (NOT LOCATABLE FROM RECORD)
- 6 AN EASEMENT FOR PUBLIC ROAD AND PUBLIC UTILITY PURPOSES IN FAVOR OF THE COUNTY OF RIVERSIDE RECORDED OCTOBER 8, 1952, IN BOOK 1406, PAGE 243, OFFICIAL RECORDS. SAID OFFER WAS ACCEPTED FOR PUBLIC USE BY A RESOLUTION RECORDED JANUARY 6, 1998 AS INSTRUMENT NO. 002290, OFFICIAL RECORDS.
- 7 AN EASEMENT FOR ELECTRIC LINES PURPOSES IN FAVOR OF CALIFORNIA ELECTRIC POWER COMPANY RECORDED SEPTEMBER 6, 1956, IN BOOK 1967, PAGE 374, OFFICIAL RECORDS.
- 8 THE EFFECT OF A MAP PURPORTING TO SHOW THE LAND AND OTHER PROPERTY, FILED BOOK 35, PAGE 86 OF RECORD OF SURVEYS (DEPICTS THE SUBJECT PROPERTY).
- 9 THE FACT THAT THE LAND LIES WITHIN THE BOUNDARIES OF THE PROJECT 5-1987 REDEVELOPMENT PROJECT AREA, AS DISCLOSED BY THE DOCUMENT RECORDED DECEMBER 24, 1987 AS INSTRUMENT NO. 362718, OFFICIAL RECORDS (NOT A MATTER OF SURVEY).
- 10 THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "SUMMARILY VACATING A PORTION OF WATER STREET, A PORTION OF HARVILL AVENUE AND THE RIGHT TO ACCEPT A PORTION OF A DECLARATION OF DEDICATION FOR AN UNNAMED ROAD IN THE MEAD VALLEY AREA" RECORDED JULY 18, 2012 AS INSTRUMENT NO. 2012-0333829, OFFICIAL RECORDS (EXCEPTING AND RESERVING FROM THE VACATION AN EASEMENT FOR ANY EXISTING PUBLIC UTILITIES AND PUBLIC SERVICE FACILITIES, TOGETHER WITH THE RIGHT TO MAINTAIN, OPERATE, REPLACE, REMOVE, OR RENEW SUCH FACILITIES).
- 11 AN AGREEMENT OR COVENANT TO HOLD LAND AS ONE PARCEL RECORDED AUGUST 21, 2012 AS INSTRUMENT NO. 2012-0398796, OFFICIAL RECORDS (CERTIFICATE OF PARCEL MERGER NO. 01912).
- 12 MATTERS DISCLOSED BY AN ALTA/NSPS SURVEY MADE BY KIMLEY-HORN DATED AUGUST 9 AND ITS LATEST REVISION.
- 13 ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH A CORRECT SURVEY WOULD SHOW.
- 14 WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.
- 15 STANDARD TITLE COMPANY NOTE.
- 16 RIGHTS OF PARTIES IN POSSESSION.



Wellness Village Program Summary

The Riverside and Riverside University Health System – Behavioral Health aims to increase capacity in the Continuum of Care by building a Wellness Village to serve as a full-service Behavioral Health Campus that serves as a safe, monitored, and therapeutic community and living space while simultaneously delivering high quality, person-first, treatment for Behavioral Health, Substance Use Disorder and homelessness for adults, adolescents and children. This facility will include 449,757 square feet on county-owned land with the purpose of helping reduce the burden of untreated behavioral health conditions in our communities and meet the increasing demands of care needed by integrating mental health, substance use and physical health services to break down the barriers to individuals achieving the best health outcomes.

The Wellness Village includes nearly the entire Behavioral Health Continuum of Care model on one campus, including the following program components:

Outpatient Services for Mental Health & Substance Use Disorder – All individuals on the campus will be encouraged to participate in integrated behavioral health and primary care outpatient services during their stay at the Wellness Village. These services will also be available to the surrounding community.

Community Health Center – outpatient primary health care services including regular doctor visits for individuals of all ages. The facility will also include a pharmacy, dentistry, mammography, x-ray services and Women, Infant and Children (WIC).

Residential Substance Use Disorder Treatment – Services will include inpatient, clinically managed residential programming with a goal to monitor patients as they safely withdraw from drugs and/or alcohol, while providing motivation for change so that ongoing recovery is possible. The program will link consumers to services for care and potential step-down to a Recovery Residence on site.

Sobering Center - Consisting of stations or chairs as a safe place for law enforcement and paramedics to bring individuals under the influence, instead of an emergency department or criminal justice facility. Although the Sobering Center is not intended for long-term care, the center will work as a hub to connect consumers to appropriate treatment options within the campus.

Crisis Residential Treatment (Social Rehabilitation Program) – Program will provide inpatient crisis stabilization, medication monitoring, and evaluation to determine needs for the type and intensity of additional services within a framework of peer support and trauma-informed approaches to recovery planning. The safe, accepting environment nurtures the individual's process of personal growth and is essential to individuals as they work through crises at their own pace. Clients will learn daily living skills and social development using a strength-based approach that supports recovery and wellness in homelike environments.

Mental Health Rehabilitation Center - Program provides inpatient intensive support and rehabilitative services designed to assist individuals with mental disorders who would have been placed in a state hospital or another mental health facility to develop skills to become self-sufficient and capable of increasing levels of independence and functioning.

Mental Health Urgent Care (MHUC)- Urgent care for those struggling with urgent emotional and/or behavioral concerns that pose a risk to their safety, or the safety of others, or significantly impair their daily lives. This facility will serve children, adolescents and adults. It will serve as the first MHUC in the county to serve children.

Adult Residential Facility (ARF) - Provides services to clients that are 18 years of age or older and are unable to live by themselves but who do not require 24-hour nursing care. The adult residential facility provides a room, meals, housekeeping, supervision, storage and distribution of medication, and personal care assistance with basic activities like hygiene, dressing, eating, bathing and transferring.

Children's Crisis Residential Program - A residential treatment facility providing inpatient crisis stabilization, medication monitoring, and evaluation to determine needs for the type and intensity of additional services for children and teens. Housing and support will be available for caregivers whose children are receiving treatment.

Short Term Residential Treatment Program – A residential treatment facility providing inpatient crisis stabilization, medication monitoring, and evaluation for our hardest to place youth and most complex cases.

Recovery Residences - This community-like setting is for individuals with a substance use disorder (SUD) or a co-occurring disorder. Residents will receive outpatient SUD and/or recovery services on the campus site. Single, double and family units will be available.

Housing with Connected Treatment - Apartment style homes in a community-like setting available in single, double and family units. Surrounding grounds will include playgrounds, barbeque areas and parklike settings. Outpatient services will be provided to assist homeless persons in transitioning from homelessness, and to promote the provision of supportive housing to enable homeless persons to live as independently as possible.

The Wellness Village will also include a recreation area, library and Peer Resource Center, vocational services, laundry facility, animal kennel and market. These amenities will be partially operated by residents of Wellness Village to teach and promote social and employment skills.

Entry to the campus could be from a variety of intensive short-term facilities, Emergency Psychiatric Hospitals, Crisis Stabilization Units (CSU), Social Rehabilitation Programs (SRP), and Institutes for Mental Disease (IMD) to name a few. Consumers may also come from untreated homeless populations who are unable to connect with long-term treatment due to not having safe and sustainable housing while learning how to overcome their behavioral health challenges.

The vision of the Wellness Village is to enable consumers and their families to move through the campus' continuum of care from intensive oversight and treatment activities, to decreased therapeutic contact enabling consumers to prepare for a self-sustained recovery grounded in their own community. By delivering the right level of care at the right time and expanding service levels this model can save cities and the County millions of dollars annually, making a long-lasting impact on the community through complete health, balance, and societal reintegration.

3 | Campus Design – Master Plan



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is made as of the ___ day of _____, 2024 (the “**Effective Date**”), by and between PMB MEAD VALLEY LLC, a Delaware limited liability company (“**Developer**”), and P3 RIVERSIDE HOLDINGS, LLC, a California limited liability company (“**Landlord**”). Landlord and Developer are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

A. The County of Riverside, a political subdivision of the State of California (“**Tenant**”), owns the land described in Exhibit A attached hereto in the County of Riverside, State of California (the “**Property**”), being comprised of approximately 19.41 acres, located at the northwest corner of Harvill Avenue and Water Avenue, south of the City of Riverside and west of the City of Perris in the unincorporated Mead Valley area of Riverside County, California, and currently identified as APN 317-260-034.

B. Tenant has leased the Property to Landlord pursuant to that certain Ground Lease Agreement dated on the same date as this Agreement (“**Ground Lease**”) in order to facilitate the planning, entitling, developing, designing, financing, constructing and equipping of the Facilities (as defined below). The Property will be subleased, and the Facilities will be leased, to Tenant pursuant to the Facilities Lease (as defined below).

C. Landlord desires to engage Developer to provide Development Services (as defined below) with respect to the Project (as defined below), and Developer is willing to accept such engagement pursuant to the terms of this Agreement.

D. The Parties are entering into this Agreement in order to set forth the full terms of their agreement concerning the Project.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, the Parties hereto agree as follows:

1. Definitions. For purposes of this Agreement, each of the following terms, when used with an initial capital letter, shall have the meaning ascribed to it in this Article:

(a) “Adjusted Project Costs” means the Project Costs, unless there are any Project Cost Savings upon Final Acceptance, in which event the “Adjusted Project Costs” shall mean the Project Costs adjusted to account for the disbursement of the Project Cost Savings in accordance with the terms of this Agreement.

(b) “Applicable Laws” shall have the meaning set forth in the Work Letter.

(c) “BHCIP Funds” shall have the meaning set forth in the Ground Lease.

(d) “Business Day” shall have the meaning set forth in the Work Letter.

(e) “Change Order” means any written change or modification to the Construction Documents executed by Landlord and Tenant, excluding Minor Deviations.

(f) “Change Request Form” means a written request for a Change Order in the form attached hereto as Exhibit D.

(g) “Completion Date” means the date upon which all conditions for Substantial Completion of the Facilities are satisfied as set forth in the Work Letter.

(h) “Construction Contracts” shall have the meaning set forth in the Work Letter.

(i) “Construction Documents” shall have the meaning set forth in the Work Letter.

(j) “Contract Documents” shall have the meaning set forth in the Work Letter.

(k) “Contractors” shall have the meaning set forth in the Work Letter.

(l) “Design-Build Agreement” means that certain “AIA Document 141-2014 Standard Form of Agreement between Owner and Design-Builder” dated September 15, 2023, together with various exhibits including a Guaranteed Maximum Price exhibit.

(m) “Design-Builder Contingency” means the contingency or reserve line item in the Final Project Budget to fund certain Project Costs in accordance with the Design-Build Agreement.

(n) “Design-Builder” means Snyder Langston, LLC.

(o) “Design-Builder Reserve Account” shall have the meaning set forth in the Indenture.

(p) “Design-Builder Liquidated Damages Account” shall have the meaning set forth in the Indenture.

(q) “Developer Fee” shall have the meaning set forth in Section 7(a).

(r) “Developer Fee Reserve Account” shall have the meaning set forth in the Indenture.

(s) “Developer Fee Account” shall have the meaning set forth in in the Indenture.

(t) “Developer Fee Reserve Requirement” means the amount of \$8,267,595.

(u) “Development Services” shall have the meaning set forth in Section 3.

(v) “Due Diligence Materials” shall have the meaning set forth in the Work Letter.

(w) “Facilities” shall have the meaning set forth in Work Letter and are as described on Exhibit B attached hereto.

(x) “Facilities Lease” means that certain Facilities Lease Agreement, dated as of the date hereof, between Landlord and Tenant for the lease of the Leased Premises described therein.

(y) “Final Acceptance” shall have the meaning set forth in the Work Letter.

(z) “Final Project Budget” means the Final Project Budget referred to in the Work Letter and attached hereto as Exhibit C-1.

(aa) “Final Project Schedule” means the Final Project Schedule referred to in the Work Letter and attached hereto as Exhibit C-2.

(bb) “Force Majeure Delays” shall have the meaning set forth in the Work Letter.

(cc) “Facilities” shall have the meaning set forth in the Work Letter.

(dd) “Hazardous Substances” shall have the meaning set forth in the Work Letter.

(ee) “Material Site Defect” shall have the meaning set forth in the Work Letter.

(ff) “Minor Deviations” shall have the meaning set forth in the Work Letter.

(gg) “Outside Completion Date” shall have the meaning set forth in the Work Letter.

(hh) “Payment Application” shall have the meaning set forth in Section 5.

(ii) “Permits” shall have the meaning so forth in the Work Letter.

(jj) “Program Funding Agreement” shall have the meaning set forth in the Work Letter.

(kk) “Project” shall have the meaning set forth in the Work Letter.

(ll) “Project Costs” shall have the meaning set forth in the Work Letter.

(mm) “Project Contingency” shall have the meaning set forth in the Work Letter.

(nn) “Project Contingency Account” shall have the meaning set forth in the Indenture.

(oo) “Project Cost Savings” shall have the meaning set forth in Section 7(g).

(pp) “Project Cost Statement” shall have the meaning set forth in Section 7(f).

(qq) “Project Documents” means, collectively, the Facilities Lease (including the Work Letter), and the Ground Lease.

(rr) “Projected Completion Date” has the meaning set forth in the Work Letter, as such date may be extended by Force Majeure Delays and Tenant-Caused Delays.

(ss) “Project Management Fee” shall have the meaning set forth in Section 7(b).

(tt) “Punch List Items” shall have the meaning set forth in the Work Letter.

(uu) “Property” shall have the meaning set forth in the recitals of this Agreement.

(vv) “Reimbursable Expenses” means Project Costs paid or incurred by Developer.

(ww) “Substantial Completion” shall have the meaning set forth in the Work Letter.

(xx) “Tenant Contingency” shall have the meaning set forth in the Work Letter.

(yy) “Tenant Contingency Account” shall have the meaning set forth in the Indenture.

(zz) “Title Company” shall mean First American Title Insurance Company.

(aaa) “Warranty Period” shall have the meaning set forth in the Work Letter.

(bbb) “Work” shall have the meaning set forth in the Work Letter.

(ccc) “Work Letter” means that certain Work Letter Agreement for Development of Property – Terms and Conditions, dated as of _____, 2024, attached to the Facilities Lease.

2. Appointment. Landlord hereby appoints Developer, and Developer hereby agrees to act, as Landlord’s independent contractor to perform the Development Services upon and subject to the terms and conditions of this Agreement.

3. Development Services. Developer shall perform the Development Services described in this Section 3. Developer shall use the degree of professional care, skill, judgment, and diligence exercised by competent project developers regularly developing projects similar in scope and complexity to the Project in the metropolitan area where the Project is located. The Development Services are as follows:

(a) enter into the Design-Build Agreement and prepare, or caused to be prepared for Tenant’s approval, the Final Project Budget and the Final Project Schedule;

(b) obtain, or cause to be obtained, all Permits;

(c) oversee the Design-Builder and the other Contractors, and administer and enforce the Design-Build Agreement and the other Construction Contracts (or oversee the administration and enforcement thereof, as applicable) in accordance with the terms thereof;

(d) cause the Design-Builder to construct and complete the Facilities in accordance with and subject to the Facilities Lease, Applicable Laws, the Final Project Schedule, the Final Project Budget and the Contract Documents all on or before the Outside Completion Date; and

(e) provide coordination, management supervision and administration of the Design Builder and the other Contractors to cause the Design Builder and the other Contractors to perform the Work necessary to construct and complete the Facilities on or before the Outside Completion Date.

Notwithstanding the foregoing, none of the Development Services shall include the means and methods of construction. Contractors, including Design-Builder, shall be solely responsible for, and shall have exclusive control over, the design, construction means, methods, techniques, sequences, and procedures in connection with the Project.

4. Due Diligence on the Property. Landlord and Developer have completed all due diligence on the Property to their satisfaction. Developer has provided all of the Due Diligence Materials to Landlord in its possession, and hereby represents that (a) the Due Diligence Materials provided by the Developer are complete copies in all respects, and (b) based on its experience and the Due Diligence Materials, as of the Effective Date, Developer is not aware of any Material Site Defect that would prevent the construction of the Facilities. Developer shall not be held responsible for any Hazardous Substances existing on, under or at the Property or anywhere else at the Property prior to the Effective Date, including any Hazardous Substances identified in the Due Diligence Materials; provided, however, such limitation shall not excuse Developer from responsibility for exacerbating any contamination on the Property due to Developer's negligence or willful misconduct.

5. Completion of the Project.

(a) Financing and Source of Funds; Payment Applications. Landlord has secured or, prior to the commencement of construction of the Facilities, will secure or will cause to be secured financing sufficient for completion of the Project. The financing for the Project will be in the form of bond financing, BHCIP Funds and related matching funds, and any other grant funds that may be made available to the Project. As a part of the Development Services, Developer shall submit to Landlord and Tenant, on a monthly basis, an application for payment ("**Payment Application**") for (i) the applicable portion of the Developer Fee and the Project Management Fee; plus (ii) the Project Costs incurred by Developer through the end of the period covered by the Payment Application, and for which Developer has made or is required to make payment prior to the next Payment Application, supported by such data substantiating Developer's right to payment in the form required of the Contractors under their respective Construction Contracts. Each Payment Application shall be certified to be accurate and complete by Developer and shall include the following: (i) mechanics' lien waivers and release forms that conform to all Applicable Laws, from all Contractors who have provided labor, services or materials in connection with the Project, which shall be date specific conditional or unconditional waiver and release forms; (ii) a summary of all disbursements to Developer and all Contractors on a monthly basis; (iii) the percentage of completion of the Facilities as of the date of completion based on the schedule of values prepared by the Design-Builder and allocating the costs of the Work performed under the Construction

Contracts; and (iv) other information reasonably requested by Landlord, Tenant, Trustee, Title Company or any other source of Project funding. Landlord shall promptly submit all Payment Applications to the appropriate funding party or parties and shall use commercially reasonable efforts to secure payment for Developer in accordance with the respective documents pursuant to which the Project Costs will be funded.

(b) Design. Landlord, Tenant, and Developer have approved the Construction Documents for the Facilities (as described in Exhibit E attached hereto).

(c) Approved Design-Builder and Contract Documents. Developer has entered into the Design-Build Agreement with the Design-Builder for the construction of the Facilities. The Design-Build Agreement is on the basis of the cost of the Work plus the Design-Builder's Fee with a Guaranteed Maximum Price consistent with the Final Project Budget. Excluding Minor Deviations, the Contract Documents shall not be amended except in accordance with this Agreement, the Design-Build Agreement, Section 18 of the Work Letter and the Indenture.

(d) Commencement/Completion. Developer shall, subject to availability of funds pursuant to Section 3(a), cause the Design-Builder to construct the Facilities (a) in accordance with and subject to the Contract Documents, excluding Minor Deviations and Change Orders pursuant to the Work Letter and this Agreement, (b) in compliance with all Permits and (c) in compliance with all Applicable Laws. Developer shall have no responsibility for securing any approvals, accreditations, certificates, licensing, and permits related to or required for Tenant's intended use and occupancy, and following the Substantial Completion, of the Facilities, all of which shall be Tenant's responsibility, and Developer shall not be responsible for any delays in Developer's ability to achieve Substantial Completion of the Facilities by the Outside Completion Date as a result of Tenant's failure to secure any of the foregoing approvals, accreditations, certificates, licensing, or permits to the extent required to achieve Substantial Completion of the Facilities. At the request of Landlord or Tenant, Developer agrees to assist Tenant, without any additional charge, by providing information about the Facilities, participating in strategy discussions, meetings and attending hearings that may be held in connection with Tenant's efforts to apply for and to secure any approvals, accreditations, certificates, licensing, and permits for the Facilities related to or required for Tenant's intended use and occupancy of the Facilities.

(e) Force Majeure Delays.

(i) If Developer shall be delayed from punctually performing any obligation or satisfying any condition under this Agreement as a result of Force Majeure Delays, then the time to perform such obligation or satisfy such condition shall be extended. The existence of Force Majeure Delays shall excuse Developer for resulting delays and changes in the Final Project Schedule and Project Costs, if any, as provided in subsection (ii) below. Developer shall use, and cause the Contractors to use, commercially reasonable efforts to minimize the duration of any Force Majeure Delay. Developer shall notify Landlord and Tenant, or shall cause Design-Builder to notify Landlord and Tenant, of any Force Majeure Delay not more than five (5) Business Days after actual knowledge of the event that Developer or Design Builder, as applicable, alleged has or will result in a Force Majeure Delay.

(ii) In the event of a Force Majeure Delay, the Final Project Schedule shall be adjusted to the extent required to reflect the actual, reasonable and substantiated increase in time caused by Force Majeure Delay. If the Force Majeure Delay causes a net increase to the Final Project Budget, the Final Project Budget shall be adjusted to the extent required to reflect the actual, reasonable and substantiated line item increase in Project Costs caused by such Force Majeure Delay. Developer shall provide Landlord and Tenant with all documents evidencing the actual, reasonable and substantiated line item increase in Project Costs caused by such Force Majeure Delay prior to any adjustment in the Final Project Budget. Any increase in the Final Project Budget as a result of a Force Majeure Delay shall be paid from amounts on deposit in the following accounts within the Project Fund and in such order until the amount in each such account has been fully depleted: (A) the Project Contingency Account, (B) the Developer Fee Reserve Account, and (C) the Tenant Contingency Account. To the extent the increase in the Final Project Budget as a result of a Force Majeure Delay exceeds amounts on deposit in the Project Contingency Account, the Developer Fee Reserve Account and the Tenant Contingency Account, then such cost increase shall be paid from the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

(iii) If the Facilities, or any portion thereof, are damaged by fire or other casualty prior to the Projected Completion Date or the Outside Completion Date, as applicable, then the Projected Completion Date and Outside Completion Date, as applicable, shall be extended by the period of time reasonably necessary to repair or reconstruct the Facilities, or any portion thereof, damaged by such fire or other casualty, and Developer shall cause Design-Builder to repair or reconstruct the Facilities, or any portion thereof, so damaged subject to availability of insurance or other proceeds.

(f) Tenant-Caused Delays. If any of the dates by which Developer is required to perform or cause Contractors to perform an action set forth in this Agreement or the Construction Documents is delayed as a result of a Tenant-Caused Delay, then the date for such action set forth in this Agreement and the Construction Documents shall be extended by the time period of such Tenant-Caused Delay. In addition, if the Tenant-Caused Delay causes any net increase to the Project Costs, the Developer shall deliver to Landlord and Tenant a detailed description of the increase in the Project Costs to reflect the actual, reasonable and substantiated line item increase in Project Costs caused by such Tenant-Caused Delays and the Final Project Budget shall be adjusted to reflect the line-item increase in Project Costs caused by the Tenant-Caused Delays and, in such event, Landlord agrees to execute a Change Order documenting the adjustment to the Final Project Budget. The cost increase attributable to Tenant-Caused Delays shall be paid first from the Tenant Contingency Account, and then may, with Developer's written consent, which consent shall not be unreasonably withheld, conditioned or delayed, be paid from amounts in the Project Contingency Account, and if such consent is withheld, from the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

(g) Progress Meetings. Following the Effective Date of this Agreement, Developer shall hold, or shall cause Design-Builder to hold, monthly progress meetings with Landlord, Tenant or their respective representatives at the Property, or at such other time and place as is reasonably acceptable to Landlord and Tenant. At such meetings, the progress of the Work shall be discussed in detail by Developer and Design-Builder with reference to the Final Project Schedule, and all problems or other issues relating to the Project and the Final Project Schedule

shall be discussed, including methods for resolution. Developer and Design-Builder shall have a representative present at such meetings to report on the condition of the Work and to provide information regarding the performance of the Work.

(h) Punch List. Prior to Substantial Completion, Landlord and Developer shall inspect the Facilities and prepare a Punch List identified during such inspection, all of which shall be repaired or completed (as the case may be) by Design-Builder, at Design-Builder's sole cost and expense, within a reasonable period of time after Substantial Completion of the Facilities in a manner that does not materially interfere with Tenant's use of the Facilities or activities therein, but in any event prior to the Final Acceptance Date.

(i) Liens. Provided that Landlord complies with the terms of this Agreement, including the payment of complete and correct Payment Applications, and Tenant complies with the Project Documents, Developer will not create or permit Design Builder to create or to remain, and will, within a reasonable period of time, discharge, or cause the Design Builder to discharge at their respective sole costs and expenses, any lien, encumbrance or charge upon the Property which arises by reason of any labor, services or materials furnished or claimed to have been furnished to Developer or Design-Builder, as applicable, with respect to the Project. If any such lien is filed against the Property, Developer or Design-Builder, as applicable, shall, within ten (10) Business Days after notice of the filing thereof, cause such lien to be released or discharged with respect to the Property by payment or bonding. If Developer or Design-Builder shall fail to cause such lien to be bonded or discharged within ten (10) Business Days after being notified of the filing thereof, then in addition to any other rights and remedies available to Landlord or Trustee, as assignee of this Agreement, under the terms of this Agreement or the Indenture, at law or in equity, Landlord or Trustee may, but shall not be obligated to, discharge or bond the same by paying the amount claimed to be due or posting a bond, and the amount so paid by Landlord or Trustee and all costs and expenses, including reasonable attorneys' fees incurred by Trustee in paying, bonding or procuring the discharge of such lien, shall be paid by Design Builder unless such lien results from any act or omission of Developer, in which case it shall be paid from amounts in the Developer Fee Reserve Account.

(j) Insurance. From the Effective Date of this Agreement to the Final Acceptance or such later date as set forth herein, Developer shall maintain and/or cause Design-Builder, other Contractors and subcontractors to maintain, as applicable to each such party, the following insurance coverage:

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

(ii) 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, development, construction, installation, equipping and furnishing of the Facilities and all areas appurtenant thereto including claims which may arise from or out of the use or and operations

on the Property, or the performance of its obligations hereunder or under the Contract Documents. Said policy shall (i) name the Trustee and Tenant, its Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees as an additional insured for the indemnity obligations herein and (ii) shall have limits not less than \$ __,000,000 per occurrence and not less than \$ __,000,000 in the aggregate. The Design-Builder shall maintain at least \$ __,000,000 of excess liability/umbrella insurance for any and all covered claims.

(iii) If vehicles or licensed mobile equipment are used on the Property, Landlord and Design-Builder 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 Trustee, Landlord, Tenant and Tenant's Board of Supervisors, elected and appointed officials, officers, employees, agents, representatives and invitees as additional insureds for Developer's and Design-Builder's obligations herein and in the Design-Build Agreement.

(iv) A builder's risk policy of insurance covering loss or damage to the Facilities for the full replacement value of the Work, including earthquake insurance. The named insured shall include Trustee, Landlord, Tenant, Design-Builder and subcontractors as their interests appear. Trustee shall be named as the loss payee under such builder's risk policy of insurance. Design-Builder or the other Contractors and subcontractors shall be responsible for any deductible payments that result from a loss of the Facilities or any portion thereof under this coverage.

(v) Professional liability insurance for the Facilities covering any service provider required to maintain a professional license or an advanced professional degree to perform any of the Work. Such professional liability insurance shall protect the Facilities against errors and omissions of such service provider and shall be (other than with respect to the architect) in an amount equal to not less than \$ __,000,000 per occurrence and \$ __,000,000 in the aggregate, with each deductible not to exceed \$ __,000. The architect for the Work shall be required to maintain professional liability insurance in an amount equal to not less than \$ __,000,000 per occurrence and \$ __,000,000 in the aggregate, with each deductible not to exceed \$ __,000. Such professional liability policies shall be available to Landlord and be maintained to provide continuous coverage from the commencement of the applicable Work until a minimum of twelve (12) full calendar months after completion of the Work. Any such insurance professional liability insurance shall be written to ensure that Landlord can make a direct claim under such professional liability insurance policy.

(vi) Contractor's pollution liability insurance with limits of \$ __,000,000 per occurrence and \$ __,000,000.00 in the aggregate. Any such contractor's pollution liability insurance policy shall be written to ensure that Landlord can make a direct claim under such policy.

(k) Bonds. Developer agrees to cause Design-Builder to obtain payment and performance bonds in form and substance that is reasonably acceptable to Landlord and Tenant. The cost of any bond that is required by Landlord and Tenant shall be included in Project Costs. The Trustee shall be named as obligee under such payment and performance bonds and AHP and DHCS shall be named as subordinate co-obligees of such payment and performance bonds.

6. Change Orders.

(a) There shall be no changes in the Construction Documents, the Design-Build Agreement or the Work contemplated thereby, except for Minor Deviations and Change Orders, except in accordance with this Section 6. Landlord, on behalf of Tenant, or Tenant may request changes to the Construction Documents and the Work in accordance with Section 6(b) below, provided that Developer shall not be required to accommodate any changes, additions, or deletions to the Work if it would (i) increase the Project Costs beyond those which are set forth on the Final Project Budget, unless funds are available in accordance with Section 6(b) below to pay for such increase in Project Costs, (ii) violate any Applicable Laws, (iii) violate sound engineering practices, or (iv) delay the completion of the Facilities beyond the Projected Completion Date or the Outside Completion Date, unless such dates are extended to account for such delay by Tenant in accordance with Section 6(b) below.

(b) Within fifteen (15) Business Days after such request for a change pursuant to Section 6(a) above, Developer shall provide or cause to be provided to Landlord and Tenant a fixed bid setting forth the required net increases or decreases in the applicable line items of the Final Project Budget on account of any Change Order being considered (after giving effect to any savings realized or to be realized in other line items of the Final Project Budget), and the delay, if any, in Projected Completion Date or Outside Completion Date that will result therefrom. The applicable line items of the Final Project Budget shall be adjusted only to the extent required to reflect the actual, reasonable and substantiated increase or decrease in the Project Costs caused thereby. In the event Tenant accepts any such fixed bid, in writing, the same shall be binding and conclusively establish the net increase or decrease in the applicable line items of the Final Project Budget. Landlord and Tenant shall either accept or reject such proposal within ten (10) Business Days after the receipt of the same. In addition, if any Change Order requested by Tenant or Landlord on behalf of Tenant, delays Substantial Completion of the Facilities, then the Projected Completion Date and Outside Completion Date shall be extended by the period of such delay. Developer shall cause to be prepared all plans, specifications and other materials requested by Tenant in connection with any Change Order being requested. Any increased cost associated with a Change Order pursuant to this Section 6(b) may be paid from the Tenant Contingency Account of the Project Fund or, if consented to by Developer, which consent shall not be unreasonably withheld, delayed or conditioned, the Project Contingency Account of the Project Fund. At its option, Tenant may elect to amend the Facilities Lease and fund the costs of such Change Order with the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

(c) If Developer believes that a change in the Construction Documents is required to clarify a discrepancy or omission in the Construction Documents or it otherwise believes a Change Order is in the best interest of Tenant or the Project, then it shall submit a request to Landlord and Tenant to modify the Construction Documents, which request must contain a description and supporting documentation of the changes and set forth the effect on Project Costs (including with respect to any line item of the Final Project Budget) on account of any such change being considered and the delay, if any, in the Projected Completion Date or Outside Completion Date that will result therefrom. Landlord and Tenant shall respond to such request within the time frames provided in Section 22 of the Work Letter.

(d) It is anticipated that there will be field change orders (“Field Change Orders”) which shall result in changes to the scope of Work. Developer shall use its reasonable efforts to apprise Landlord and Tenant of proposed Field Change Orders and its recommendations regarding such Field Change Orders prior to any action being taken. It is anticipated that it may not always be possible to receive Landlord’s or Tenant’s prior approval to Field Change Orders in a timely manner. Therefore, Field Change Orders may be approved by Developer, without prior Landlord and Tenant approval, but only if the Field Change Order authorized by Developer shall not have the effect of delaying the Substantial Completion of the Facilities beyond the Outside Completion Date, materially altering the Work or increasing the Project Costs in excess of the Final Project Budget (including with respect to any line item thereof). As soon as practical, Developer shall provide, or cause to be provided, Landlord and Tenant with all Field Change Orders approved by Developer. For the purposes of this Section, the effect of a Field Change Order shall be deemed to be “material” if it would reduce the intended quality of the Facilities or any component thereof, result in an increase to Tenant’s operational costs over time, or result in an unequal substitution of any of the systems in the Facilities (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, security systems, and infrastructure components).

(e) In connection with any changes to the Work authorized pursuant to this Section 6 resulting in an increase in the Project Costs for a line item of the Final Project Budget, Developer will initially reallocate actual cost savings in line items of the Final Project Budget to the line item of the Final Project Budget where the actual Project Costs in such line item of the Final Project Budget exceeds the amount shown for such line item . Developer agrees to consult with Landlord and Tenant prior to utilizing the Project Contingency, and agrees to give good faith consideration of Landlord’s or Tenant’s recommendations concerning the use of the same, including any recommendations for value engineering or other changes that might help to retain the Project Contingency for future use. Following the reallocation by Developer as set forth above, Developer shall be fully entitled to draw upon the Project Contingency Account and to use such amounts to pay the Project Costs that are in excess of the amounts in the applicable line item of the Final Project Budget after giving effect to the reallocation described in this subsection; provided, however, in the event the amount to be drawn from the Project Contingency Account for any Project Costs is in excess of \$1,000,000, Tenant’s prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed) shall be required prior to such draw on the Project Contingency Account.

(f) All change orders contemplated in this Section 6 shall be documented, in writing, using the Change Request Form.

(g) Notwithstanding anything in this Agreement, the Project Documents or the Contract Documents to the contrary, to the extent any change to the Contract Documents or the Work requires the prior approval (written or otherwise) of AHP or DHCS pursuant to the Program Funding Agreement, Developer shall, and shall cause Design-Builder to, cooperate with Landlord and Tenant to secure such approval, which shall include the assembly and submission of all documents and information requested by AHP and/or DHCS necessary to substantiate and approve such change. Any delay in securing the approval of AHP and/or DHCS to such change in the Contract Documents or the Work shall not be deemed a Tenant-Caused Delay.

7. Developer Fee; Project Management Fee; Project Contingency; Savings; Right to Audit.

(a) Developer shall, subject to the provisions of this Section 7(a), receive a developer fee equal to \$16,535,190 as set forth in the Final Project Budget in consideration for providing the Development Services, which will be labeled as “Developer Fee” in the Final Project Budget for the Project (the “**Developer Fee**”). A portion of the Developer Fee in the amount of the Developer Fee Reserve Requirement shall be set aside in the Developer Fee Reserve Account and the amount on deposit in the Developer Fee Reserve Account shall only be disbursed to Developer on Final Acceptance. Prior to Final Acceptance, the funds on deposit in the Developer Fee Reserve Account shall be applied in accordance with the terms and provisions of this Agreement, the Work Letter and the Indenture including, without limitation, Section 5(e)(ii), Section 5(i) and Section 19(c) hereof. A portion of the Developer Fee in the amount of \$8,267,595 shall be set aside in the Developer Fee Account, and the amount on deposit in the Developer Fee Account on Final Acceptance shall only be paid to Developer on Final Acceptance. Prior to Final Acceptance, the funds on deposit in the Developer Fee Account shall be applied in accordance with the terms and provisions of this Agreement, the Work Letter and the Indenture including, without limitation, Section 19(c) hereof.

(b) Developer shall receive a project management fee equal to \$14,034,809 as set forth in the Final Project Budget in consideration for managing construction of the Facilities, including pre-construction services, which will be labeled as “Project Management Fee” in the Final Project Budget for the Project (the “**Project Management Fee**”). The Project Management Fee will be paid to Developer from the proceeds of the Bonds in accordance with the provisions of the Indenture. The Project Management Fee shall be paid in accordance with the following schedule: (i) fifty percent (50%) of the Project Management Fee shall be paid to Developer on the date of issuance of the Series 2024 Bonds, and (ii) fifty percent (50%) of the Project Management Fee shall be paid to Developer in equal monthly installments commencing with Commencement of Construction of the Facilities in accordance with the Indenture.

(c) Developer shall keep full and detailed accounts and books setting forth the Project Costs and other records necessary for proper financial management of the development of the Project. Landlord and Tenant shall have the right to review the form and content of the accounting and financial records created and maintained by Developer for the Project. The Parties acknowledge and agree that the Project will be managed on an open book basis. Within sixty (60) days after the Final Acceptance, Developer shall furnish to Landlord and Tenant a complete set of “As-Built” drawings together with CD copies, showing every detail of the Facilities, including, but not limited to, electrical circuitry and plumbing, and a written statement (the “**Project Cost Statement**”) setting forth the total Adjusted Project Costs and any unused Design-Builder Contingency, Project Contingency and Tenant Contingency, and the Project Costs broken down into the expense categories set forth in the Final Project Budget. Landlord and Tenant shall have a period of ninety (90) days after their receipt of the Project Cost Statement to review the accounting and financial records for the Project and notify Developer, in writing, of any objections that Landlord or Tenant has to the Project Cost Statement. If there are any errors in the calculation of Project Costs or the Adjusted Project Costs set forth on the Project Cost Statement, the Developer shall submit to Landlord and Tenant a reconciliation of the variance in Project Costs or

Adjusted Project Costs to the Project Cost Statement and corresponding payments will be made to or from Developer or Design Builder to reflect the Project Cost Statement.

(d) Upon Final Acceptance, Developer shall provide to Landlord and Tenant, an accounting of the actual final Project Costs. If the actual final Project Costs are less than the Final Project Budget (“Project Cost Savings”), then ten percent (10.0%) of such Project Cost Savings shall be disbursed to Developer as a performance fee and the remaining ninety percent (90.0%) shall be applied pursuant to the Facilities Lease. The calculation of Project Cost Savings shall not include the amount of the Tenant Contingency as set forth in the Final Project Budget.

8. Inspection of Construction.

(a) Landlord shall have the right, but not the obligation and subject to the Project Documents, at its cost and expense as a part of Project Costs, to hire consultants to inspect work being performed in connection with the Project and Developer shall require Design-Builder to make the Property, or any portion thereof, available to Landlord or its consultants upon reasonable notice for such inspections; provided that Landlord and its consultants agree to abide by all safety protocols and requirements of the Design-Builder and its contractors. Developer acknowledges and agrees that neither Landlord nor any consultant hired by Landlord are under any obligation to inspect any work performed in connection with the Project or discover defects or deficiencies in such work; provided, however, in the event Landlord or its consultants do discover defects or deficiencies in the work, Landlord shall promptly notify Developer and Design-Builder of such the defects or deficiencies.

(b) Developer shall furnish, or shall cause Design-Builder to furnish, Landlord and Tenant all inspection reports, engineer’s analysis, test results, construction logs, requests for information, and other materials related to the Development Services in its possession or control.

9. Representations and Warranties.

(a) Developer represents and warrants to Landlord that:

(i) All actions required by law or otherwise to authorize the execution and delivery of this Agreement by Developer, the performance by Developer of its obligations hereunder and the consummation of the transactions contemplated hereby, have been taken.

(ii) There is no litigation or proceeding pending or, to the best of Developer’s knowledge, threatened against Developer at law or in equity before any court or other governmental agency which would have a material adverse effect on Developer or its ability to perform its obligations under this Agreement.

(iii) Neither the execution and delivery of this Agreement, nor the performance by Developer of its obligations hereunder nor the consummation of the transactions contemplated hereby will violate or be in conflict with any provision of, or result in the breach of, or constitute a default under or acceleration of, or require any consent under any law, or any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal, or any contract, agreement or instrument by which Developer or its assets or properties are bound. This Agreement is valid, binding and enforceable against Developer.

(b) Landlord represents and warrants to Developer that:

(i) All actions required by law or otherwise to authorize the execution and delivery of this Agreement by Landlord, the performance by Landlord of its obligations hereunder and the consummation of the transactions contemplated hereby, have been taken.

(ii) There is no litigation or proceeding pending or, to the best of Landlord's knowledge, threatened against Landlord at law or in equity before any court or other governmental agency which would have a material adverse effect on Landlord or its ability to perform its obligations under this Agreement.

(iii) Neither the execution and delivery of this Agreement, nor the performance by Landlord of its obligations hereunder nor the consummation of the transactions contemplated hereby will violate or be in conflict with any provision of, or result in the breach of, or constitute a default under or acceleration of, or require any consent under any law, or any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal, or any contract, agreement or instrument by which Landlord or the assets or properties of Landlord are bound. This Agreement is valid, binding and enforceable against Landlord.

10. Warranties. Developer acknowledges the warranty provisions for the Facilities set forth in Section 11 of the Facilities Lease. Developer agrees to cause the Design-Builder to secure for the benefit of Landlord and Tenant all available warranties and guarantees of the Work by contractors, suppliers and manufacturers of components of the Facilities in compliance with such warranty provisions. Within the Warranty Period, Developer shall assist Landlord and Tenant in enforcing any warranties or guarantees upon request.

11. Limitation Upon Authority. Notwithstanding any provision of this Agreement to the contrary, Developer shall have no right, power or authority to take any action on behalf of Landlord or Tenant, or to permit, approve or authorize the taking of any action by any other person on behalf of Landlord or Tenant to, (i) acquire or lease any real property, (ii) dispose of any interest in real property owned or leased by Landlord or Tenant, (iii) encumber, or permit or cause to be encumbered, any real or personal property owned or leased by Landlord or Tenant, (iv) enter into any contracts in the name of or on behalf of Landlord or Tenant, and (v) convert property of Landlord or Tenant to its own use or assign any rights in specific property of Landlord or Tenant.

12. Indemnification of Landlord. Except for any negligence or willful misconduct of Landlord or Tenant, Developer shall indemnify, defend and hold harmless Landlord and Tenant and their affiliates, respective members, managers, officers, employees, agents, consultants, representatives, successors, transferees and assigns from and against any and all lawsuits, claims, actions, injuries, damages, liabilities, losses, fines, penalties, sanctions, judgments, awards, costs and expenses (including any of the foregoing asserted against Landlord by Tenant, or suffered by Landlord or Tenant, under the Project Documents or otherwise) arising from, relating to or associated with (i) any actual or alleged actions or omissions of Developer, Design-Builder or their respective employees, agents, representatives, general contractors, subcontractors or sub-subcontractors (including any employees, agents, representatives or contractors of any of the foregoing), including, without limitation, (A) any lien, security interest, claim or encumbrance in favor of any person or entity making a claim by reason of having provided labor, materials or

equipment relating to the Project, and (B) any injury, damage, death, harm or loss arising from, relating to or in any manner connected with willful misconduct or negligence of Developer or its employees, agents, representatives, general contractor, subcontractors or sub-subcontractors (including any employees, agents, representatives or contractors of any of the foregoing), or (ii) any default by Developer or its employees, agents, representatives, general contractor, subcontractors or sub-subcontractors (including any employees, agents, representatives or contractors of any of the foregoing), of Developer's obligations under this Agreement, or (iii) unless caused by Landlord's failure to perform hereunder, breaches and defaults for non-compliance by Developer under the terms of any agreements or obligations with respect to the Project to which Developer is a party, or (iv) Developer, Design-Builder or any other contractors or subcontractors performing Work on the Project shall fail to comply with any Applicable Laws including, without limitation, the prevailing wage requirements of Section 1770 of the California Labor Code, and as described in Sections 14.1 of the Work Letter.

13. Brokers. Landlord and Developer each represent to the other that no brokerage commissions or other fees or compensation are or will be due to any person in connection with this Agreement, the Project or the transactions contemplated herein. Each party hereto agrees to indemnify and hold the other party harmless from any and all claims of any person or entity whatsoever who claims to have been employed or performed any service in connection with the transactions contemplated by this Agreement at the instance of the indemnifying party.

14. Successors and Assigns; Assignment. Except as otherwise provided herein, neither Landlord nor Developer shall assign or transfer this Agreement or delegate any of its obligations or duties hereunder without the prior written consent of Trustee and Tenant. Notwithstanding the foregoing, Developer acknowledges and agrees that Landlord is permitted to collaterally assign its interest in this Agreement to the Trustee as security for repayment of the Bonds. Developer agrees to execute upon request in favor of Landlord and/or the Trustee and to cause the Design-Builder to execute upon request in favor of Landlord and/or Trustee, (i) a collateral assignment of the Design-Build Agreement, (ii) a consent to collateral assignment of this Agreement; (iii) a consent by Design-Builder to the collateral assignment of the Design-Build Agreement and the payment and performance bonds and (iv) other customary agreements required by Landlord and/or the Trustee in connection with the Bonds, in each case in commercially reasonable form and reasonably acceptable to Developer, Landlord and Trustee. No assignment hereof by either party shall affect or reduce any of the assignor's rights or obligations hereunder, which rights and obligations shall continue in full force and effect to the same extent as though no assignment had been made. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the Parties, and their respective legal representatives, successors and permitted assigns. The provisions hereof are solely for the benefit of the Parties hereto and their respective legal representatives, successors and permitted assigns, and shall not be deemed or construed to create rights for any other person's benefit; provided, however, Trustee and Tenant shall be express third-party beneficiaries of this Agreement.

15. Miscellaneous.

(a) This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of California without reference to its choice of law rules. The Parties acknowledge that personal jurisdiction upon proper service will be valid in the State

of California, and that venue of all actions arising out of or related to this Agreement shall be proper only in the county where the Property is located, and shall be brought in the appropriate state court for such venue. In the event of any judicial, arbitration or other adversarial proceeding between the Parties concerning this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled.

(b) The Parties are and shall be independent contractors to one another and nothing herein shall be deemed to cause this Agreement or any of the other agreements entered into pursuant to this Agreement to create an employment, agency, partnership or joint venture arrangement between or among Landlord and Developer.

(c) All exhibits referred to in this Agreement are attached hereto and are incorporated into and made fully a part of this Agreement.

(d) All notices required or permitted hereunder shall be in writing and shall be deemed given if addressed to the respective party as set forth below, unless another address shall have been designated in the manner provided herein, and delivered by hand, by nationally-recognized overnight courier or by registered or certified mail, postage prepaid:

If to Landlord: P3 Riverside Holdings, LLC
700 N. Colorado Boulevard, #351
Denver, Colorado 80206
Attention: Kimberly Wyatt (kwyatt@p3-foundation.org)

and

P3 Riverside Holders, LLC
200 Quebec Street 300-111
Denver, Colorado 80230

If to Developer: PMB MEAD VALLEY LLC
3394 Carmel Mountain Road, Suite 200
San Diego, CA 92121
Attn: Mark Toothacre (mark@pmbllc.com)
Rebecca Gemmel (rgemmel@pmbllc.com)
Jake Dinnen (jdinnen@pmbllc.com)

(e) This Agreement and the exhibits hereto constitute the entire agreement between the Parties with respect to the Project and supersede all prior oral or written negotiations and communications by or on behalf of the Parties, and no variance or modification hereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner of this Agreement.

(f) Any amendments to this Agreement will be effective only if in writing and signed by Landlord and Developer.

(g) The Parties agree that time is of the essence with regard to this Agreement.

(h) The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions of this Agreement.

(i) This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which together shall constitute one and the same agreement of the Parties.

(j) Any provision of this Agreement creating obligations extending beyond the term of this Agreement will survive the expiration or termination of this Agreement, regardless of the reason of such termination. No failure on either party's part at any time to require the other party's performance of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on either party's part of any term hereof shall be taken or held to be a waiver of any other term hereof or breach thereof.

(k) Invalidity or unenforceability of any particular provision hereof shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had not been contained herein.

(l) Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in the Project Documents.

16. Confidentiality. Landlord and Developer each agree that any proprietary information of the other Party provided in connection with the Project, the Project Documents, broker lists, pricing information, business strategies, leasing and marketing techniques and information, work plans, and other information that is generally not known to the public and has economic value, will be held in strict confidence and will not be divulged, furnished, or made accessible to any brokers, developers, tenants, healthcare organizations, or other persons or entities except for disclosure to (a) any of its attorneys and accountants who agree with the other party in writing to be bound by this confidentiality requirement, (b) any person, entity or governmental agency to which a Party is obligated to disclose such information under state and federal laws, or (c) any accountants, attorneys, consultants or lending institutions. This requirement will survive any termination of this Agreement. Additionally, neither the Landlord nor Developer shall have any obligation to maintain confidentiality of (i) any information in the public domain, (ii) information that is disclosed by a person that is under no obligation to maintain confidentiality of such information, (iii) information independently generated by such Party, or (iv) information disclosed by either Party to the extent reasonably necessary in connection with any dispute between Landlord and Developer.

17. Press Releases. No press release or other public announcement or statement concerning this Agreement or the transactions contemplated hereby shall be made by either Party without advance approval by both Parties, except as may be required by law.

18. Execution of Project Documents. This Agreement and the obligations herein are expressly conditioned upon the Project Documents becoming fully executed and delivered by the Parties thereto.

19. Developer Default; Liquidated Damages.

(a) The following events shall be Events of Default

(i) Developer shall fail to observe, perform or comply with any other term, covenant, agreement or condition of this Agreement that is to be observed, performed or complied with by Developer under the provisions of this Agreement, and such failure shall continue uncured for thirty (30) calendar days after the giving of written notice thereof by Landlord to Developer specifying the nature of such failure, or if the required performance to cure cannot be completed within thirty (30) days, then such longer period as is reasonably necessary to cure provided Developer commences to cure such failure and diligently and continuously attempts to complete the cure as soon as reasonably possible (but in no event more than 120 days after written notice of the failure from Landlord to Developer);

(ii) Developer's and/or Design-Builder's failure to achieve Substantial Completion of the Facilities by the Outside Completion Date;

(iii) Developer has, in connection with the Project, performed an act or failed to perform any act constituting fraud, misconduct, negligence (unless such negligence is cured within fifteen (15) business days of written notice thereof), or misappropriation or comingling of funds for the Project;

(iv) Developer's admission of its inability to pay its debts as they become due or Developer becoming "insolvent" by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to the United States Bankruptcy Code, the Uniform Fraudulent Transfers Act, any similar state or federal act or law, or the ruling of any court;

(v) the making of an assignment for the benefit of creditors or the filing of a voluntary petition in bankruptcy by Developer;

(vi) the filing of an involuntary petition in bankruptcy against Developer which is not dismissed within ninety (90) days after filing or the adjudication of Developer as a bankrupt or insolvent;

(vii) the filing by Developer of (A) a petition or answer seeking for Developer any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule or (B) an answer or other pleading admitting or failing to contest the material allegations of a petition filed against Developer in any proceeding of a nature described under subparagraph (A) above;

(viii) seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator by Developer of all or a substantial part of Developer's properties;

(ix) the commencement of a proceeding against Developer or any of its affiliates seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule not dismissed within ninety (90) days after commencement of the proceeding;

(x) the criminal conviction of Developer or person with a Controlling Interest in Developer for fraud or any felony unless such person with a Controlling Interest has been terminated and removed from Developer (but only to such extent of such person's involvement with Developer). For purposes of this Agreement, a "Controlling Interest" means the power to direct the management and policies of Developer as a result of holding directly or indirectly whether through the ownership of voting securities, by contract or otherwise, which shall include, without limitation, the person(s) with the largest share of voting rights in Developer; or

(xi) the occurrence of an event of default by Developer under the Design-Build Agreement.

(b) Except as provided herein with respect to the Event of Default described in subsection (a)(ii) above, upon the occurrence and during the continuance of any other Event of Default by Developer under this Agreement, Landlord shall have the right to terminate this Agreement by written notice to Developer and Landlord shall have all remedies available at law or in equity; provided, however, Developer's total liability with respect to any Event of Default other than an Event of Default described in subsection (a)(ii) above shall be limited to the amount of the Developer Fee initially deposited in the Developer Fee Account notwithstanding and disbursement of such amount to Developer and amounts available under Developer's insurance policies. Landlord shall have the right from time to time to take action to recover any sum or sums which are owed to Landlord hereunder as a result of Developer's default hereunder, including all costs and expenses (including reasonable attorney's fees) incurred by Landlord in connection with the enforcement of its rights and remedies under this Section 19, and without prejudice to the rights of Landlord thereafter to exercise other remedies on account of any such default. Upon the occurrence and during the continuance of an Event of Default, neither Landlord nor Trustee shall have any obligation to pay any Developer Fee or Management Fee to Developer until such time as such Developer's default has been cured. Amounts otherwise owed to Developer upon the occurrence and during the continuance of an Event of Default hereunder may be applied by Trustee to remedy such default. In the event of a termination of this Agreement by Landlord or Trustee pursuant to this Section, Landlord shall, following the determination of Developer's obligations to Landlord or Trustee pursuant to subsection (b) arising from Developer's default, cause to be paid to Developer, within sixty (60) days following termination, all Reimbursable Expenses incurred by Developer through the date of termination, together with that portion of the Developer Fee and Project Management Fee earned through the date of termination.

(c) All time limits stated in this Agreement and the Project Documents are of the essence of this Agreement and the Project Documents. Upon the occurrence of an Event of Default described in subsection (a)(ii) above, the Parties understand and agree that Landlord may suffer damages under the Project Documents and the Indenture. Accordingly, if Developer fails to achieve Substantial Completion of the Facilities on or before the Outside Completion Date but is diligently and continuously proceeding to achieve the Substantial Completion of the Facilities, then, as Landlord's sole and exclusive remedy for damages for such delay and instead of any actual damages, commencing on the first day following the Outside Completion Date, Developer shall pay or cause to be paid (i) by Design Builder to Landlord promptly on demand by Landlord (or Landlord may cause Trustee to withhold the same from amounts on deposit in the Design-Builder Liquidated Damages Account the amount of \$_____ /day and to transfer such amounts to the Tenant Contingency Account until the amount on deposit in the Design-Builder Liquidated

Damages Account is fully depleted, and thereafter, (ii) by the transfer of the amount \$ _____ per day from the Developer Fee Reserve Account to the Tenant Contingency Account, as compensation to Landlord for such failure during the period of the delay, but not as a penalty (“Liquidated Damages”). The Parties hereto hereby agree that the foregoing Liquidated Damages are fair and reasonable and comprise the sum of Landlord’s damages in the event of a delay in Substantial Completion of the Facilities. The Parties hereto further agree that the payment of the amounts described in this section 19 as Liquidated Damages is not intended as a forfeiture or penalty within the meaning of California Civil Code Sections 3275 or 3369, but is intended to constitute Liquidated Damages to Landlord pursuant to California Civil Code Sections 1671, 1676 and 1677. Developer and Landlord agree that the amount of Liquidated Damages required pursuant to this Agreement shall not be in addition to Liquidated Damages that may be paid by Design-Builder to Trustee pursuant to the Design-Build Agreement or otherwise in connection with the Bonds, and, in the event such other payments are actually paid to Trustee, such amount shall be deemed to have been paid pursuant to this Agreement. Following the payment or depletion of the Liquidated Damages, Landlord shall have the right to terminate this Agreement by written notice to Developer.

Developer’s
initials

Landlord’s
initials

In furtherance of the foregoing, Developer hereby assigns to Landlord and Trustee its right to receive Liquidated Damages from Design-Builder under the Design-Build Agreement. Landlord shall have the right to assign its right to receive such Liquidated Damages to Trustee and, in connection therewith, Developer shall pay the Liquidated Damages, or cause such amounts to be paid directly, to Trustee.

(d) Notwithstanding any other provision to the contrary, in no event shall Developer be liable to Landlord or Tenant for any consequential, special, indirect or punitive damages.

20. Landlord Responsibilities. Landlord shall, and shall cause the Tenant to the extent required under the Project Documents, throughout the performance of the Agreement, to reasonably cooperate with Developer and perform Landlord’s and cause the Tenant the Tenant to perform Tenant’s responsibilities, obligations and services under this Agreement and the Project Documents in a timely manner so as not to delay or interfere with Developer’s performance of its obligations under this Agreement and to permit each party to realize the benefits expected and afforded under the Project Documents, which include the satisfactory and timely completion of the Project and performance of all obligations required by the Contract Documents. Landlord hereby further covenants to Developer that Landlord will not amend, assign, or permit the Work Letter or any of the Project Documents to be amended or assigned without the prior written consent of Developer. The Landlord shall identify a representative authorized to act on the Landlord’s behalf with respect to the Project. Unless a time period is otherwise provided for herein, the Landlord shall render decisions pertaining to documents the Developer submits in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Developer’s services and the work of the Contractors. The Landlord shall furnish such legal, accounting, and

other services as may be required by the Landlord for the Project, including auditing or other services as Tenant or Landlord may require, to verify applications for payment and the performance of Landlord's other duties and obligations under the Project Agreements.

21. Default of Landlord. If Landlord (a) fails or fails to cause the Tenant to pay any undisputed amounts due and payable pursuant to this Agreement and such failure or refusal continues for fifteen (15) days following the date the Developer notifies the Landlord and Tenant in writing of such failure or refusal, (b) fails to comply with or perform in any respect any of the material terms and provisions to be complied with or any of the obligations to be performed by Landlord under this Agreement or the Project Documents (including assignment or attempt to assign its rights or obligations under this Agreement or the Project Documents), and such failure continues uncured for a period of thirty (30) calendar days after written notice to Landlord, Tenant and Trustee specifying the nature of such default in the case of a monetary default, or if a non-monetary default, such longer period if the required performance to cure cannot be completed within thirty (30) days, then such longer period as is reasonably necessary to cure provided Landlord commences to cure such failure within such thirty (30) days and diligently and continuously attempts to complete the cure as soon as reasonably possible (but in no event more than 120 days after written notice of the failure from Landlord to Developer), then Developer shall have, in addition to all other rights and remedies available to Developer at law or in equity, the right to terminate this Agreement by giving written notice thereof to Landlord, Tenant and Trustee. In such event, Landlord shall pay or cause to be paid to Developer within sixty (60) days following termination all Reimbursable Expenses incurred by Developer through the date of termination, [together with all of the Developer Fee and the Project Management Fee earned through the date of termination.]

[Signatures are on the following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

LANDLORD:

P3 RIVERSIDE HOLDINGS, LLC,
a California limited liability company

By: P3 FOUNDATION INC., its sole member

By: _____

Name: _____

Title: _____

DEVELOPER:

PMB MEAD VALLEY LLC,
a Delaware limited liability company

By: PMB LLC,
a California limited liability company

By: _____

Name: _____

Its: _____

EXHIBIT A

DESCRIPTION OF THE SITE

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

[INSERT SITE LEGAL DESCRIPTION]

EXHIBIT B

DESCRIPTION OF THE PROJECT AND FACILITIES

[To be inserted]

EXHIBIT C-1

FINAL PROJECT BUDGET

[Attached]

EXHIBIT C-2

FINAL PROJECT SCHEDULE

[Attached]

EXHIBIT D
CHANGE REQUEST FORM
CHANGE ORDER

DATE: _____
COMPANY: P3 Riverside Holdings, LLC (“**Landlord**”)
DEVELOPER: PMB Mead Valley LLC (“**Developer**”)
OWNER: County of Riverside (“**Tenant**”)
AGREEMENT: Development Agreement dated _____, 2024 (“**Agreement**”)

The Contract Documents (as defined in the Agreement) are hereby amended or revised as follows:

[INSERT DESCRIPTION]

In connection with the above-described amendment or revision of the Contract Documents, the Final Project Budget (as defined in the Agreement) is hereby amended or revised as follows:

FINAL PROJECT BUDGET [TI BUDGET] AMOUNT	\$ _____
NET CHANGE BY PREVIOUSLY AUTHORIZED CHANGE ORDERS:	\$ _____
INCREASE (DECREASE) IN ACCORDANCE WITH THIS CHANGE ORDER:	\$ _____
NEW FINAL PROJECT BUDGET AMOUNT (INCLUDING THIS CHANGE ORDER):	\$ _____
CHANGE IN PROJECTED COMPLETION DATE (IN DAYS):	_____
NEW PROJECTED COMPLETION DATE:	_____

Except as may be set forth in this Change Order, the terms and conditions of the Agreement (as previously amended) shall remain in full force and effect and are hereby ratified, confirmed and agreed to by Landlord, Tenant and Developer.

[SIGNATURES TO FOLLOW]

Agreed as of the date set forth above.

COMPANY:

P3 RIVERSIDE HOLDINGS, LLC, a
California limited liability company

By: P3 FOUNDATION INC.,
its sole member

By: _____
Name: _____
Title: _____

DEVELOPER:

PMB MEAD VALLEY LLC, a Delaware
limited liability company

By: PMB LLC, a California limited
liability company

By: _____
Name: _____
Title: _____

OWNER:

COUNTY OF RIVERSIDE

By: _____
Name: _____
Title: _____

EXHIBIT E
CONSTRUCTION DOCUMENTS

[Attached – List of all Plan Sheets]

EXHIBIT D DEFINITIONS

This list of Definitions 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 P3 Riverside Holdings, LLC, as Ground Lessee.

1. Definitions. As used in the Work Letter, the Ground Lease and the 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 Rent**” is defined in Section 5.5 of the Facilities Lease.

1.3 “**Alterations**” is defined in Section 8.1 of the Facilities Lease.

1.4 “**Applicable Laws**” shall have the meaning assigned thereto in the Work Letter.

1.5 “**Applicable Requirements**” is defined in Section 8.1 of Facilities Lease.

1.6 “**Authorized Representatives**” is defined in Section 2.5 of Ground Lease.

1.7 “**Base Building Systems**” means 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 Facilities and all other such elements in the Facilities, other than those elements installed or constructed by Tenant.

1.8 “**Base Rent**” is defined in Section 5.1 of the Facilities Lease.

1.9 “**BHCIP**” is defined in Recital I of the Facilities Lease.

1.10 “**BHCIP Funds**” is defined in Recital I of the Facilities Lease.

1.11 “**Board**” or “**Board of Supervisors**” means the Tenant’s Board of Supervisors.

1.12 “**Bonds**” is defined in Recital H of the Facilities Lease.

1.13 “**Bond Financing Documents**” is defined in Section 32 of the Ground Lease.

1.14 “**Bond Related Charges**” means, the fees and expenses of Issuer, Trustee and Rating Agencies in connection with the Bonds and any rebate liability with respect to the Bonds in accordance with the Tax Regulatory Agreement.

1.15 “**Capitalized Interest Period**” is defined in Section 5.7 of the Facilities Lease.

1.16 “**Certificate of Acceptance**” means the written notification of Tenant to Landlord and the Trustee evidencing Tenant’s acceptance and occupancy of the Leased Premises.

1.17 “**Certified Access Specialist (CASp)**” is defined in Section 18.23 of the Facilities Lease.

1.18 “**CEQA**” means the California Environmental Quality Act (California Public Resources Code, Section 21100, *et seq.*), as the same is amended from time to time.

1.19 “**Claim**” is defined in Section 15.1 of the Ground Lease Section.

1.20 “**Completion Delay**” means the occurrence of all of the following: (a) Landlord has failed or refused to achieve Substantial Completion of the Facilities by the Outside Completion Date, (b) Design-Builder Liquidated Damages have either not been delivered to Trustee in the amount and at the times required by the Design-Build Agreement or the amount of Design-Builder Liquidated Damages paid by Design-Builder pursuant to the Design-Build Agreement has reached the Maximum Design-Builder Liquidated Damages under the Design-Build Agreement, and (c) the amount in the Developer Fee Reserve Account of the Project Fund has been fully exhausted.

1.21 “**Construction Contracts**” shall have the meaning assigned thereto in the Work Letter.

1.22 “**Construction Documents**” shall have the meaning assigned thereto in the Work Letter.

1.23 “**Construction Drawings**” shall have the meaning assigned thereto in the Work Letter.

1.24 “**Contract Documents**” shall have the meaning assigned thereto in the Work Letter.

1.25 “**Contractors**” shall have the meaning assigned thereto in the Work Letter.

1.26 “**County**” means the County of Riverside, a political subdivision of the State of California. See also “Tenant” and “Ground Lessor.”

1.27 “**Deed of Trust**” is defined in Recital K of the Facilities Lease.

1.28 “**Design Build Agreement**” is defined in Recital J of the Facilities Lease.

1.29 “**Design-Build Assignment**” is defined in Recital K-2 of the Facilities Lease.

1.30 “**Design-Builder**” is defined in Recital J of the Facilities Lease.

1.31 “**Design-Builder Liquidated Damages**” means the amount of \$_____ per day payable by Design-Builder as liquidated damages pursuant to the Design-Build Agreement for failing to achieve Substantial Completion of the Facilities by the Outside Completion Date.

1.32 “**Detailed Specifications**” shall have the meaning assigned thereto in the Work Letter.

1.33 “**Development Agreement**” is defined in Recital G of the Facilities Lease.

1.34 “**Development Agreement Assignment**” is defined in Recital K-3 of the Facilities Lease.

1.35 “**Developer**” is defined in Recital G of the Facilities Lease.

1.36 “**Developer Fee Reserve Account**” means the account by that name established pursuant to Section ___ of the Indenture.

1.37 “**Developer Liquidated Damages**” means the amount of \$_____ per day payable by Developer to Landlord and assigned to Trustee as liquidated damages pursuant to the Development Agreement for failing to achieve or causing to be achieved Substantial Completion of the Facilities by the Outside Completion Date (as such date may be extended by any Tenant-Caused Delays and Force Majeure Delays).

1.38 “**Effective Date**” is _____, 2024.

1.39 “**Environmental Laws**” shall have the meaning assigned thereto in the Work Letter.

1.40 “**Existing Conditions Information**” is defined in Section 2.3.2 of the Ground Lease and identified on Exhibit B attached thereto.

1.41 “**Facilities**” is defined in Recital B of the Facilities Lease and further described in Exhibit B to the Facilities Lease.

1.42 “**Facilities Lease**” means that certain Facilities Lease Agreement between Landlord and Tenant to which this Exhibit F is attached, as amended from time to time.

1.43 “**Favorable Opinion of Bond Counsel**” means, with respect to any action the occurrence of which requires such an opinion, an opinion of Bond Counsel to the effect that such action is permitted under this Facilities Lease and will not, in and of itself, cause interest payable with respect to the Bonds to be included in gross income for purposes of federal income taxation or to be subject to California personal income taxation.

1.44 “**FF&E**” means the components of the Facilities comprising the furniture, fixtures and equipment to be designed, procured and installed by Design-Builder.

1.45 “**Final Acceptance**” shall have the meaning assigned thereto in the Work Letter.

1.46 “**Final Drawings and Specifications**” is the scope of work of the Facilities as will be set forth in [Exhibit E-3] once finalized and confirmed in **Exhibit D** of the Ground Lease.

1.47 “**Final Project Budget**” shall have the meaning assigned thereto in the Work Letter.

1.48 “**Final Project Schedule**” means the agreed upon schedule for development, design, construction and equipping of the Facilities set forth in **Exhibit F** of the Facilities Lease, as amended from time to time in accordance with the 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.

1.49 “**Force Majeure Delays**” shall have the meaning assigned thereto in the Work Letter.

1.50 “**Ground Lease**” means that certain Ground Lease Agreement between Tenant, as lessor, and Landlord, as lessee, as amended from time to time.

1.51 “**Ground Lessee**” means P3 Riverside Holdings, LLC, a California limited liability company. See also “Landlord” or “P3.”

1.52 “**Ground Lessor**” means the County of Riverside, a political subdivision of the State of California. See also “County” and “Tenant.”

1.53 “**Ground Lessor Contamination**” is defined in Section 31 of the Ground Lease.

1.54 “**Hazardous Substances**” shall have the meaning assigned thereto in the Work Letter.

1.55 “**Indemnification Claims**” means any claim, demand or complaint against the Landlord, Trustee or Issuer arising from the Landlord’s leasehold interest in the Ground Lease and fee interest in the Facilities or by virtue of the Facilities Lease.

1.56 “**Indemnitees**” is defined in Section 15.1 of the Ground Lease.

1.57 “**Indenture**” is defined in Recital H of the Facilities Lease.

1.58 “**Insurance Premiums**” means the premiums to be paid by Lessee to procure and maintain the various insurance policies required pursuant to Section 10.3 of the Facilities Lease.

1.59 “**Issuer**” means the California Enterprise Development Authority, and its successors and assigns.

1.60 “**Landlord**” means P3 Riverside Holdings, LLC, a California limited liability company. See also “P3.”

1.61 “**Landlord Fees and Costs**” means _____ and insurance premiums associated with Landlord’s purchase of insurance required by Section 10.2 of the Facilities Lease.

1.62 “**Landlord Parties**” is defined in Section 12.1.2 of the Facilities Lease.

1.63 “**Lease Assignment Agreement**” is defined in Recital K-1 of the Facilities Lease.

- 1.64 “**Lease Expiration Date**” is defined in Section 4.1 of the Facilities Lease.
- 1.65 “**Lease Year**” is defined in Section 4.1 of the Facilities Lease.
- 1.66 “**Leased Premises,**” is defined in Recital B of the Facilities Lease.
- 1.67 “**Maximum Design-Builder Liquidated Damages**” means the amount of \$_____.

1.68 “**Moody’s**” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by Tenant or, if Tenant is in default under the Facilities Lease, Landlord and approved by Issuer, with notice to Trustee.

1.69 “**New Facilities Lease**” is defined in Section 16.1.2(e) of the Ground Lease.

1.70 “**New Lease**” is defined in Section 16.1.2(e) of the Ground Lease.

1.71 “**Off-Site Improvements**” is defined in Recital B of the Ground Lease and described in Exhibit B of the Facilities Lease.

1.72 “**Operating Costs**” means all costs and expenses of operating and maintaining the Leased Premises, including, but not limited to, the costs of providing or performing the following: (a) maintenance and repair of the heating, ventilation, air conditioning, plumbing systems, electrical systems, life safety equipment, telecommunication and other communication equipment, elevators and fire detection systems, including sprinkler systems, and replacement of regularly scheduled components within each such system, e.g., light bulbs, filters, belts, etc.; (b) trash disposal; (c) janitorial services; and (d) landscaping services.

1.73 “**Optional Prepayment Date**” is defined in Section 6.1 of the Facilities Lease.

1.74 “**Outside Completion Date**” means _____, 2027, the date Landlord is required to achieve Substantial Completion of the Facilities as set forth in the Final Project Schedule attached to the Facilities Lease as Exhibit F.

1.75 “**P3**” means P3 Riverside Holdings, LLC, a California limited liability company. See also “Landlord.”

1.76 “**Pandemic Delays**” is defined in Section 8.6.4 of the Facilities Lease.

1.77 “**Partial Prepayment Option**” is defined in Section 6.4 of the Facilities Lease.

1.78 “**Payment Date**” means, each April 15 and October 15 following the Rent Commencement Date during the Term.

1.79 “**Permits**” shall have the meaning assigned thereto in the Work Letter.

1.80 “**Permitted Use**” is defined in Section 6.1 of the Ground Lease.

- 1.81 “**Pre-Existing Contamination**” is defined in Section 31.1 of the Ground Lease.
- 1.82 “**Project**” is defined in Recital B of the Facilities Lease.
- 1.83 “**Project Contingency**” shall have the meaning assigned thereto in the Work Letter.
- 1.84 “**Project Costs**” shall have the meaning assigned thereto in the Work Letter.
- 1.85 “**Project Requirements**” shall have the meaning assigned thereto in the Work Letter.
- 1.86 “**Property**” is defined in Recital A of the Facilities Lease.
- 1.87 “**Purchase Option**” is defined in Section 6.1 of the Facilities Lease.
- 1.88 “**Purchase Price**” is defined in Section 6.1 of the Facilities Lease.
- 1.89 “**Punch List**” shall have the meaning assigned thereto in the Work Letter.
- 1.90 “**Rating Agencies**” means Moody’s and S&P.
- 1.91 “**Release Right**” is defined in Section 2.6 of the Ground Lease.
- 1.92 “**Released Parcel**” is defined in Section 2.6 of the Ground Lease.
- 1.93 “**Rent Commencement Date**” is defined in Section 5.1 of the Facilities Lease.
- 1.94 “**Rental Payments**” means, collectively, Base Rent payments and Additional Rent payments.
- 1.95 “**Rental Period**” means the twelve-month period commencing on Rent Commencement Date of each year during the term of the Facilities Lease.
- 1.96 “**RFP**” is defined in Recital C of the Facilities Lease.
- 1.97 “**Site Plans**” is defined in the Ground Lease, as further depicted in Exhibit A-3 thereto.
- 1.98 “**S&P**” means S&P Global Ratings, a division of McGraw Hill Financial Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved, liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County or, if the County is in default under the Facilities Lease, the Landlord and approved by the Issuer, with notice to the Trustee.
- 1.99 “**State**” means the State of California.

1.100 “**Substantial Completion**” or “**Substantially Complete**” shall have the meaning assigned thereto in the Work Letter.

1.101 “**Tax Regulatory Agreement**” means the Tax Regulatory Agreement, dated _____, 2024, executed by Issuer, Landlord and the Tenant, as amended or supplemented from time to time, in connection with the issuance of the Bonds.

1.102 “**Taxes**” means all taxes, fees and assessments of any nature whatsoever, including but not limited to excise taxes, fees, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Leased Premises or upon any interest of Landlord therein or in this Facilities Lease; provided, however, Tenant may, at Tenant’s expense and in its name, in good faith contest any such taxes, fees and assessments and, in the event of such contest, may permit such taxes, fees and assessments to remain unpaid during the period of such contest and appeal therefrom unless Landlord shall notify Tenant that, in the opinion of Landlord, by nonpayment of any such items, the interest of Landlord in the Leased Premises will be materially endangered or the Leased Premises, or any portion thereof, will be subject to loss or forfeiture, in which event Tenant shall promptly pay such taxes, fees and assessments or provide Landlord with full security against any loss which may result from nonpayment, in form satisfactory to Landlord.

1.103 “**Taxes and Assessments**” is defined in Section 5 of the Ground Lease.

1.104 “**Tenant**” means the County of Riverside, a political subdivision of the State of California, and its successors and assigns.

1.105 “**Tenant-Caused Delay**” shall have the meaning assigned thereto in the Work Letter.

1.106 “**Tenant Indemnitees**” is defined in Section 12.1.1 of the Facilities Lease.

1.107 “**Title Policies**” shall have the meaning assigned thereto in the Work Letter.

1.108 “**Trustee**” is defined in Recital H of the Facilities Lease.

1.109 “**Utility Costs**” means the costs of water, gas, electricity, sewer, telecommunication and any other publicly mandated services being provided to the Leased Premises.

1.110 “**Utility Lines**” is defined in Section 7.3 of the Ground Lease.

1.111 “**Warranty Period**” is defined in Section 11 of the Facilities Lease.

1.112 “**Work Letter**” means the Work Letter attached to the Facilities Lease as Exhibit E, including all exhibits and attachments thereto, as amended from time to time.

EXHIBIT E
WORK LETTER AGREEMENT
FOR DEVELOPMENT OF PROPERTY - TERMS AND CONDITIONS

This Work Letter (this “Work Letter”) is attached to and incorporated into the Facilities Lease Agreement, dated as of _____ 1, 2024 (the “Facilities Lease”), by and between **P3 Riverside Holdings, LLC**, as Landlord (“Landlord”), and **County of Riverside**, as Tenant (“Tenant”). This Work Letter also makes reference to that certain Ground Lease Agreement dated concurrently with the Facilities Lease, between Tenant, as Ground Lessor, and Landlord, as Ground Lessee (the “Ground Lease”).

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

1.1 “ADA” means the Americans with Disabilities Act of 1990, as amended from time to time.

1.2 “AHP” means Advocates for Human Potential, Inc. acting in the capacity of a contractor for DHCS.

1.3 “Applicable Laws” means all statutes, rules, orders, regulations, laws, ordinances, covenants, conditions and restrictions of any federal, state, county, municipal or other governmental agency or quasi-official entity or body (e.g., board of fire examiners or public utilities) applicable to the development, design, construction, existence, use, operation or occupancy of the Leased Premises, including, without limitation, those pertaining to planning, zoning, subdivision, flood hazard, fire safety, CEQA and ADA.

1.4 “Application for Payment” means an AIA Form G702 and G703 executed by Design-Builder and Architect, including invoices, canceled checks, lien waivers, a statement showing which funds will be used for hard costs and soft costs and other documents to evidence compliance with this Work Letter and the Contract Documents.

1.5 “Architect” means _____.

1.6 “Base Rent Schedule” means the semi-annual rent based upon the final pricing and sale of the Bonds, as approved by Tenant and as set forth in **EXHIBIT G** of the Facilities Lease, all subject to adjustment as set forth in the Facilities Lease.

1.7 “BHCIP Funds” shall have the meaning set forth in the Ground Lease.

1.8 “Bonds” shall have the meaning set forth in the Ground Lease.

1.9 “Building” or “Buildings” shall have the meaning set forth in the Facilities Lease.

1.10 “Building Ceremonial Event” means a building progress construction event to be held upon the request of the Tenant.

1.11 “Business Days” means any day which is not one of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco, (b) any other day on which banks or trust companies in Wilmington, Delaware, Los Angeles, California, or New York, New York are authorized or required to be closed by the appropriate regulatory authorities, or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

1.12 “Commencement of Construction” means the date Landlord causes Developer to execute and deliver to Design-Builder the notice authorizing the Commencement of Construction of the Facilities following the execution of the Design-Build Agreement after receipt of all Permits required for the Commencement of Construction.

1.13 “Construction Contracts” means collectively (i) the Design-Build Agreement and (ii) all other contracts for construction services entered into between Landlord, Developer or Design-Builder and a Contractor (excluding Design-Builder) for construction of any portion of the Facilities.

1.14 “Construction Documents” means the Construction Drawings and Detailed Specifications approved by Landlord and Tenant, attached hereto as **EXHIBIT E-**, for construction of the Facilities, including technical drawings, schedules, diagrams, plans and specifications setting forth in detail the requirements for construction of the Facilities and providing information customarily required for the use of the building trades.

1.15 “Construction Drawings” means drawings setting forth in detail all of the requirements for the construction of the Facilities to be attached hereto as **EXHIBIT E-** 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 Facilities and include plans, elevations, sections, details, schedules and diagrams for the Facilities, all of which shall be consistent with the Project Requirements.

1.16 “Contract Documents” means the Construction Contracts, the Construction Documents and all other documents identified as Contract Documents in the Design-Build Agreement.

1.17 “Contractors” means the Design-Builder and all subcontractors, material suppliers, manufacturers, architects, surveyors, engineers, project design consultants and any other third-party consultants with whom Landlord or Developer (or one of their respective Contractors) contracts for the Project.

1.18 “Design-Builder” has the meaning set forth in the Facilities Lease.

1.19 “Design-Build Agreement” has the meaning set forth in the Facilities Lease.

1.20 “Design Development Drawings” means drawings that are a consistent development of the Schematic Drawings attached hereto as **EXHIBIT E-**, which further define and describe all important aspects of the Facilities and will serve as the basis for the Construction Drawings. The Design Development Drawings shall include the Riverside County Information Technology Department’s plans and specifications for installation of cabling and related components.

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

1.22 “Developer” means PMB Mead Valley LLC, a Delaware limited liability company.⁷

1.23 “Development Agreement” means that certain Development Agreement by and between Landlord and Developer, dated as of the date hereof.

1.24 “DHCS” means the State of California Department of Health Care Services.

1.25 “Due Diligence Materials” means all of the title insurance commitments (and related title documents), surveys, subdivisions plats, environmental assessments, geotechnical assessments and soils reports, zoning letters, site engineering and other similar due diligence materials obtained by Landlord, Developer or Design-Builder related to the physical condition of the Property. Due Diligence Materials includes specifically the Environmental Reports. Due Diligence Materials shall not include Developer’s corporate records, internal memoranda, accounting and tax records and similar proprietary, confidential or privileged information unrelated to the investigation of the condition of the Property.

1.26 “Effective Date” means _____, 2024.

1.27 “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 Waste Control Act (California Health & Safety Code §§ 25100 et seq.), as such federal, state, and local laws exist as of the Effective Date and as amended in the future.

1.28 “Environmental Reports” means the [Phase I Environmental Site Assessment Report, dated _____, prepared by Partner Engineering and Science, Inc. with respect to the Property, and _____].

1.29 “Facilities” means collectively, the buildings, structures, and any other improvements constructed and installed by Design-Builder or Contractors, including all parking, curb cuts, driveways, drive aisles, parking areas, sidewalks, walls, fences and gates, if any, parking area and other exterior lighting, landscaping and landscaping equipment and all utility lines and equipment including transformers, water, gas, electrical, sewer and other utility meters, all as described in the Construction Documents.

1.30 “Final Acceptance” means Tenant’s written approval (not to be unreasonably withheld, conditioned or delayed) that each of the following items shall have occurred with respect to the Facilities:

1.30.1 All of the conditions to the Substantial Completion of the Facilities shall have been satisfied in accordance with this Work Letter.

1.30.2 The County of Riverside has issued a certificate of occupancy (or its substantial equivalent) for the Facilities permitting Tenant to occupy and use the Facilities 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 Tenant then this condition shall be deemed satisfied;

1.30.3 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) modified, to the extent necessary, to reflect the design-build nature of the Project, together final waivers and releases of liens in form required by California law from Contractors including, without limitation, Architect and any Architect consultant or subconsultant;

1.30.4 All Punch List items shall have been completed;

1.30.5 A Notice of Completion has been recorded. If any Contractor in accordance with all Construction Contracts performing work on site refuses to furnish a release or waiver required by this Work Letter, Tenant may require Landlord to provide reasonably acceptable bonding for any such liens;

1.30.6 Architect and Design-Builder shall have issued a certificate of final completion, attached hereto as **Exhibit E-__**;

1.30.7 Design-Builder shall have issued a certificate that, except for products and materials that are known to be or contain Hazardous Substances but are routinely and legally incorporated in the construction of facilities similar to the Facilities, no Hazardous Substances were incorporated into the Facilities;

1.30.8 Landlord shall have delivered or have caused to be delivered to Tenant a written report showing the allocation of actual Project Costs among the categories of the Final Project Budget and the remaining specified dollar amount of any remaining allocated funds;

1.30.9 Landlord shall have received and delivered to Tenant and Trustee an endorsement to the Title Policies 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 Facilities exist, and (2) show no additional exceptions to the Title Policies other than those appearing on the Title Policies or as otherwise approved by or arising through Tenant;

1.30.10 Landlord shall deliver or have caused to be delivered to Tenant evidence that the Construction Contracts for the Facilities required the Contractors under those contracts and their subcontractors to pay the prevailing wage as required by this Work Letter; and

1.30.11 Landlord shall deliver or have caused to be delivered the initial applications, supporting documents and other materials needed to obtain LEED Silver certification.

1.31 “Final Project Budget” means the Project budget based on the Design Development Drawings and established after the completion of bidding the Project, and approved by Tenant, as set forth in EXHIBIT E- attached hereto, as the same may be modified in accordance with this Work Letter.

1.32 “Final Project Schedule” means the project schedule set forth in EXHIBIT F of the Facilities Lease, as approved by Tenant, and as the same may be modified in accordance with this Work Letter.

1.33 “Force Majeure Delays” means any Pandemic Delays or delay in the performance by Landlord, Developer, or the Design-Builder of the performance of the Work and/or their obligations under this Work Letter with respect to the Project due to causes beyond Landlord’s, Developer’s, or Design-Builder’s reasonable control including, but not limited to, strikes, lock-outs, labor disputes, unusual delay in deliveries, 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, flood or other natural disaster or casualty, unusually severe rain and other weather conditions, unavoidable casualties, governmental or freight embargo restrictions, unknown underground conditions including Material Site Defects or other causes beyond the reasonable control of Landlord, Developer or Design-Builder, which, after the exercise of due diligence to mitigate the effects thereof, delay construction of the Facilities; provided, however, Force Majeure Delays do not include: (a) delays caused solely by the negligence or willful misconduct of Landlord, Developer or Design-Builder, or (b) increased prices not directly attributable to any of the events listed above.

1.34 “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.

1.35 “Leased Premises” has the meaning set forth in the Facilities Lease.

1.36 “Licensing and Accreditation Requirements” means all statutes, rules, orders, regulations, laws, ordinances, covenants, conditions and restrictions of any federal, state, county, municipal or other governmental agency applicable to Tenant’s use, operation, and/or occupancy of the Leased Premises following the Substantial Completion of the Facilities.

1.37 “Material Site Defect” means any material adverse environmental condition, material adverse soil condition or material preexisting condition that will cause the Final Project Budget to be exceeded or will have a material adverse effect on the ability to construct the Facilities. A Material Site Defect shall not be deemed to exist for purposes of this Work Letter if the material adverse environmental condition, material adverse soil condition or material preexisting condition was not reasonably identified by Landlord, Developer or Design-Builder

prior to the Effective Date in the exercise of their respective commercially reasonable due diligence (or which would reasonably have been expected to have been identified by Landlord, Developer or Design-Builder if Landlord, Developer or Design-Builder had exercised commercially reasonable due diligence). Landlord acknowledges that Landlord, Developer and Design-Builder have received and reviewed the Due Diligence Materials.

1.38 “Minor Deviations” means minor deviations from the Construction Documents that do not materially affect the aesthetics or functionality of the Facilities. By way of example, and not limitation, variations in the placement, but not the type or number, of electrical outlets, and variations in the location of interior walls by a few inches that do not adversely affect the mechanical systems or floor plan are Minor Deviations.

1.39 “Outside Completion Date” means [_____ (insert date)], as such date may be extended for Force Majeure Delays and/or Tenant-Caused Delays.

1.40 “Pandemic Delays” means any delay by Landlord, Developer, or Design-Builder in the performance of the Work and/or its obligations under this Work Letter with respect to the Project due to or arising from or related to a governmentally declared epidemic or pandemic including, without limitation, an unforeseeable delay arising as a result of (i) any government-mandated shutdown of (x) construction activities with respect to the Project, (y) the Design-Builder or any other Contractor, or (z) transportation of the applicable materials or supplies to the Property, (ii) material supply chain disruption including factory shutdowns or slowdowns and shipping/transportation shutdowns or slowdowns, (iii) the unavailability or reduced availability of Design-Builder’s or any other Contractor’s labor workforce, or (iv) unavailability or reduced availability of inspectors to perform required inspections of the construction in progress.

1.41 “Permits” means all land use approvals, applications, permits and approvals required for construction of the Facilities, including without limitation, the elevator permit, and shall expressly exclude all approvals, accreditations, certificates, licensing, and permits related to Tenant’s intended use and occupancy of the Leased Premises.

1.42 “Preliminary Plans” means collectively preliminary site plans for the Facilities including off-site improvements; floor plans for the buildings to be constructed as part of the Facilities; elevations for the buildings to be constructed as part of the Facilities; and outline specifications for the Facilities, attached hereto as **EXHIBIT E-**, as mutually approved by Landlord and Tenant prior to the date hereof.

1.43 “Program Funding Agreement” means that certain Program Funding Agreement dated _____, between Tenant and Advocates for Human Potential, Inc. related to the grant of BHCIP Funds, as the same may be amended, supplemented restated from time to time.

1.44 “Project” means the design, development, construction, installation, equipping and furnishing of the Facilities, including, but not limited to, the design, permitting and construction of all such elements of the Facilities, all design and other professional services, and all labor, materials and equipment used or incorporated in such design, development, construction, installation, equipping and furnishing of the Facilities, installation and construction of any utility facilities and services to provide water, telecommunications conduit, electric power, natural gas

and sewer necessary to serve the Facilities, and any real property rights granted associated with the design, development, construction, installation, equipping and furnishing of the Facilities, including but not limited to the Ground Lease and the Facilities Lease.

1.45 “Projected Completion Date” means, with respect to the Facilities, [_____, 202__][**NTD: Projected Completion Date to be 32 months**].

1.46 “Project Contingency” means the contingency or reserve line item in the Final Project Budget to fund certain Project Costs in accordance with this Work Letter.

1.47 “Project Contingency Account” shall have the meaning set forth in the Indenture.

1.48 “Project Costs” means all costs paid or incurred, prior to or after the Effective Date, for the completion of the feasibility analysis, development, design, permitting, financing and construction of the Facilities, as provided in the Final Project Budget and approved by Tenant pursuant to Section 5 below, including, without limitation, (a) construction costs, (b) all architectural and engineering fees and all other design and engineering fees, including fees of the Design-Builder, (c) all feasibility studies, testing costs, zoning costs, surveys, and title insurance premiums and endorsements, (d) all professional fees, attorneys’ fees, consulting fees, permitting fees, plan review fees, (e) all site and construction testing, construction monitoring and geotechnical reports, (f) all financing costs, including any fees payable to any broker, consultant or firm that secured financing for the Project, (g) all costs associated with acquisition of the site, including escrow fees and the like, (h) construction management fees payable to Developer, (i) Project-related reimbursements to Landlord for advancing certain Project Costs, (j) Project-related reimbursements to Developer for advancing certain Project Costs, (k) furniture, fixtures, and equipment as provided in the Final Project Budget, (l) reasonable travel costs incurred by Landlord and Developer in connection with the performance of their respective services under this Work Letter or the Development Agreement, including, but not limited to reasonable mileage charges, meals and lodging; (m) Landlord’s overhead allowance, (n) Landlord’s and Developer’s fees (including Developer’s development fees and any performance fee, if any), (o) insurance costs including insurance premiums and deductibles, and (p) applicable state and local retail sales taxes, financing fees, costs and interest.

1.49 “Project Requirements” means the Preliminary Plans, Applicable Laws and any other requirements for the Project specifically agreed to by Tenant and Landlord, but expressly excluding Licensing and Accreditation Requirements.

1.50 “Property” has the meaning set forth in the Facilities Lease.

1.51 “Punch List” means a list of items required to be completed prior to Final Acceptance that are minor details of construction, installation, decoration, mechanical adjustments, and items which do not materially interfere with Tenant’s intended use of the Facilities.

1.52 “Schematic Drawings” means drawings establishing the general scope, conceptual design, design intent and scale and relationship among the components of the Facilities, attached hereto as **EXHIBIT E-** as the same have been mutually approved by Landlord and Tenant prior to the date hereof.

1.53 “Substantial Completion” or “substantially complete” shall mean that each of the following events shall have occurred with respect to the Facilities:

1.53.1 Landlord shall have notified Tenant in writing when the Facilities are Substantially Complete in substantial accordance with the Contract Documents, subject only to the completion of normal Punch List items and activities required for Silver LEED certification (or as otherwise agreed by Tenant);

1.53.2 Design-Builder shall have issued its “Certificate of Substantial Completion” in the form of AIA Document G744 – 2014;

1.53.3 The County of Riverside has issued a final or temporary certificate of occupancy or other approval (such as final sign-off by the applicable building inspector(s)) sufficient for occupancy of the Leased Premises;

1.53.4 Landlord has obtained the Fire and Life Safety permit(s) from the County of Riverside Fire Department, which has also issued its approval for occupancy such that Tenant is permitted and could pursuant to such issued Fire and Life Safety permit(s) and certificate of occupancy or comparable approval, physically occupy the Leased Premises;

1.53.5 The State of California shall have issued to Landlord a right to use elevator permit(s), as applicable;

1.53.6 Access to the Leased Premises has undergone inspection by a “Certified Access Specialist” and has been determined pursuant to such inspection to meet all applicable construction-related accessibility standards under California Civil Code Section 55.53;

1.53.7 Landlord shall have caused a Notice of Completion under California Civil Code Section 9204 to be recorded; and

1.53.8 Tenant shall have accepted the Facilities as Substantially Complete (which acceptance shall not be unreasonably withheld, conditioned or delayed and will presumptively be granted if items 1.41.1 through 1.41.7 have been satisfied), subject to completion of the Punch List items agreed upon by Tenant.

1.54 “Tenant-Caused Delays” means any period of delay in the overall progress of design, construction, and completion of the Facilities that is caused by (a) Tenant-initiated change orders to the Design-Build Agreement, (b) Tenant-initiated changes to the Construction Documents, (c) Tenant’s failure to timely approve, disapprove, decide, or otherwise respond to, Landlord, Developer or Design-Builder with respect to a particular item for which Tenant’s response is required hereunder or under the Design-Build Agreement within the time frames provided in Section 22 of this Work Letter, (d) Tenant’s failure to deliver plans, specifications, or other information in response to written requests for such plans, specifications and other information within the time frames provided in Section 22 of this Work Letter, (e) any interference or other acts or omissions of Tenant or Tenant’s members, officers, employees or agents, (f) failure of the Construction Documents to adequately reflect specifications required for Tenant’s use, occupancy and/or operation of the Facilities solely as a result of Tenant’s failure to provide such specifications to Landlord or Developer (but excluding for purposes of this subsection,

specifications determinable by Applicable Laws), (g) Tenant's failure to comply with the terms and conditions of the Program Funding Agreement or failure to timely request or process payment applications related to the Program Funding Agreement if, and only if, any such failure results in a delay in the payment of Project Costs pursuant to the terms of the Construction Contracts (provided such failure is not caused by Landlord's breach of its obligations hereunder, Developer's breach of its obligations under the Development Agreement or Design-Builder's breach of its obligations under the Design-Build Agreement), and (h) changes in Applicable Laws after the issuance of Permits necessitating modifications to the Construction Documents and the construction of the Facilities. The Final Project Schedule and the Project Costs may be increased on account of Tenant-Caused Delays as provided in this Work Letter. However, a Tenant Caused Delay shall not include: (i) delay to the extent caused by Landlord's, Developer'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 (ii) delay to the extent caused by the existence of reasonable cause to suspect that construction of the Facilities or any other services provided by Landlord, Developer or Design-Builder have not been performed in accordance with Construction Documents and other requirements hereunder, in which case, Tenant-Caused Delays shall not include the amount of additional time reasonably needed by Tenant to determine whether such construction or other services conform to all requirements hereunder.

1.55 "Tenant Contingency" means the contingency or reserve line item in the Final Project Budget funded from the proceeds of the Bonds the use of which is subject to the sole discretion of Tenant.

1.56 "Tenant Contingency Account" shall have the meaning set forth in the Indenture.

1.57 "Title Policies" shall mean any leasehold policy of title insurance issued to Landlord upon its acquisition of a leasehold interest in the Property pursuant to the Ground Lease or closing of the financing for the Project, and any lender's policy of title insurance issued to Trustee upon the recording of the leasehold mortgage or deed of trust upon the Property in favor of Trustee.

1.58 "Warranty Period" is defined in Section 11.1 of the Facilities Lease.

1.59 "Work" is defined in Section 7 of this Work Letter.

2. Duty to Construct. Beginning with Commencement of Construction, Landlord, at its sole expense, shall, solely from and limited to the proceeds of the Bonds and, to the extent available, the BHCIP Funds, construct, or cause to be constructed, upon the Property, the Facilities, including all buildings, parking facilities, roadways, landscaping, walkways, and utility improvements in accordance with all the terms and conditions of the Facilities Lease, Applicable Laws and the parties' agreed upon design, plans and specifications of the Facilities. Construction of the Facilities shall commence at such time as (a) the Design-Build Agreement, the Development Agreement, Landlord financing for the Facilities, the Final Project Schedule, Base Rent Schedule and the Final Project Budget are finalized and complete, (b) Tenant approves the Final Project

Budget as provided in Section 5 below and authorizes Landlord to commence with construction (thereby waiving Tenant's right to terminate the Facilities Lease prior to the Commencement of Construction), (c) Tenant approves the Final Project Schedule and the Base Rent Schedule, and (d) except for approvals or Permits related to Off-Site Improvements, which Landlord will secure prior to commencement of construction of Off-Site Improvements, Landlord has obtained or caused to be obtained the required approvals from all governmental and regulatory agencies with jurisdiction over the Facilities, including the required Permits to commence construction. In order to assure timely communications between Landlord and Tenant during the construction process, any notice from Landlord to Tenant requiring or permitting a consent or approval by Tenant, shall comply with the Tenant approval requirements set forth in Section 22 of this Work Letter. Landlord shall use commercially diligent efforts to achieve, or cause the achievement of, Substantial Completion of the Facilities by the date set forth in the Final Project Schedule, subject to Force Majeure Delays and Tenant-Caused Delays.

No less than twenty (20) days before Commencement of Construction of the Facilities, Landlord shall give Tenant written notice thereof so that Tenant can post a "Notice of Non-Responsibility" pursuant to California Civil Code Section 8444. The Parties shall work cooperatively to define and establish the Building Ceremonial Event to commemorate the progress of the Facilities.

The Parties hereby covenant and agree that (a) Landlord shall only be responsible for compliance with Applicable Laws in effect as of the date of the issuance of the Permits, (b) subject to Section 18.5 of this Work Letter, Tenant shall be solely responsible for compliance with Applicable Laws following the issuance of Permits, (c) Tenant shall be solely responsible for compliance with Applicable Laws following the Substantial Completion of the Facilities, and (d) Tenant shall be solely responsible for Licensing and Accreditation Requirements.

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 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 Developer, Design-Builder, all other Contractors, all other engineers, design consultants, managers and other persons retained in connection with the design, development, permitting, construction and equipping of the Facilities (or cause such parties to be managed and overseen by Developer) so as to cause Substantial Completion of the Facilities in accordance with the Facilities Lease, this Work Letter and the Contract Documents on or before the Outside Completion Date, free and clear of all liens, but excluding those liens resulting from or arising out of Tenant's failure to perform under this Work Letter.

4. BHCIP Disbursements. In connection with any Applications for Payment to be paid or reimbursed from BHCIP Funds, Landlord shall cause Developer to prepare the application for disbursement in accordance with the requirements set forth in the Program Funding Agreement, and Tenant shall cooperate with Developer or its designee as needed to satisfy all conditions of disbursement within Tenant's control. Tenant shall promptly submit and diligently process each completed BHCIP application for disbursement in accordance with the Program Funding Agreement. Landlord and Tenant shall notify Developer and Trustee to the extent the payment of BHCIP Funds is delayed beyond the time frame in the Program Funding Agreement.

5. Final Project Budget. Except for Tenant-Caused Delays or as otherwise approved in writing by Tenant, the total Project Costs set forth in the Final Project Budget established by Landlord and Tenant shall not increase. The Final Project Budget sets forth a detailed itemization and category of all estimated Project Costs. The Final Project Budget shall include the Project Contingency and the Tenant Contingency.

5.1 Project Contingency. Landlord shall cause to be established under the Indenture a Project Contingency Account within the Project Fund into which shall be deposited an amount equal to the Project Contingency as set forth in the Final Project Budget.

5.2 Use of Project Contingency. The amounts set forth in the various line items of the Final Project Budget are estimates only of Project Costs to be incurred. To the extent the actual Project Costs in any line item of the Final Project Budget exceed the amount shown for such line item and such increase is not attributable to a Tenant-Caused Delay, Landlord shall first allocate cost saving amounts in other line items, in which the known actual Project Costs shall have been less than the amount in the Final Project Budget, to the line item in which the excess actual Project Cost(s) has occurred. If, following the allocation by Landlord as set forth in the preceding sentence with respect to all line items, the actual Project Costs in any line item of the Final Project Budget exceed the amount shown for such line item, the amount of such increase in costs shall be paid (a) from amounts on deposit in the Project Contingency Account; provided, however, in the event the amount to be applied from the Project Contingency Account for any Project Costs is in excess of \$1,000,000, Tenant's prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed) shall be required to use amounts in the Project Contingency Account, (b) to the extent the Project Contingency Account has been fully depleted, from amounts then on deposit in the Developer Fee Reserve Account, and (c) to the extent the Project Contingency Fund and the Developer Fee Reserve Account have been fully depleted, with the written consent of Tenant, from amounts on deposit in the Tenant Contingency Account or from proceeds of Additional Bonds issued pursuant to the Indenture, as determined by Tenant in its sole discretion. For the avoidance of doubt, with respect to a Material Site Defect, Tenant acknowledges and agrees that Landlord will request a Change Order and Tenant shall reasonably approve the same, upon which such Change Order will be considered a Change Order initiated by Tenant and treated in accordance with Section 18.2.

5.3 Tenant Contingency. Landlord shall cause to be established under the Indenture a Tenant Contingency Account within the Project Fund into which shall be deposited an amount equal to the Tenant Contingency line item as set forth in the Final Project Budget.

5.4 Use of Tenant Contingency. The amounts in the Tenant Contingency Account may only be applied to the payment of Project Costs with the written approval of Tenant or for an increase in total Project Costs caused by a Tenant-Caused Delay. Amounts remaining in the Tenant Contingency Account following Final Acceptance shall be applied in accordance with the provisions of the Indenture.

5.5 Increase in Project Costs Due to Force Majeure Delay. Landlord shall notify Tenant or shall cause Developer or Design-Builder to notify Tenant of any Force Majeure Delays within five (5) days after Landlord, Developer or Design-Builder has actual knowledge of the event that Landlord believes will result in a Force Majeure Delay. The Final Project Schedule and the Project

Costs may be increased on account of Force Majeure Delays to the extent there is delivered to Tenant by or on behalf of Landlord evidence of an actual, reasonable and substantiated line item increase in Project Costs caused by such Force Majeure Delay. Any increase in a line item of the Final Project Budget attributable to a Force Majeure Delay shall be offset by cost saving amounts in other line items of the Final Project Budget as determined at the time of the Force Majeure Delay. Any increase in a line item of the Final Project Budget attributable to a Force Majeure Delay that cannot be offset by cost saving amounts in other line items of the Final Project Budget shall be paid from the Developer Fee Reserve Account.

6. Final Acceptance; Project Cost Savings. Upon Final Acceptance, Landlord shall provide to Tenant, or cause to be provided by Developer, an accounting of the actual final Project Costs. If the actual final Project Costs are less than the Final Project Budget (“Project Cost Savings”), then ten percent (10.0%) of such Project Cost Savings shall be disbursed to Developer as a performance fee pursuant to the terms of the Development Agreement, and the remaining ninety percent (90.0%) shall be applied pursuant to Section 5.9 of the Facilities Lease. The calculation of Project Cost Savings shall not include amounts representing the Tenant Contingency.

7. Tenant’s Access. Landlord agrees that Tenant, its employees, project managers, consultants and representatives (collectively, “Tenant Representatives”), shall have access to the Property at all reasonable times during the construction of the Facilities for the purpose of inspecting, monitoring and evaluating the construction of the Facilities (collectively, the “Work”) and attending meetings with Landlord, Developer, Design-Builder, Architect, and Tenant Representatives shall have the right to inspect the Work and ascertain that the Work is being performed in accordance with the approved Construction Drawings. Tenant agrees to exercise reasonable care during such inspections and comply with all safety protocols and requirements of Contractors. Landlord shall cause any Work reasonably ascertained by Tenant and verified by Architect as not in conformance with the approved Construction Drawings to be corrected to conform to such approved drawings to the reasonable satisfaction of Tenant, at no additional cost to Tenant. Tenant shall provide Landlord with written notification upon commencement of the construction of its designated project manager (who may be an employee or officer of Tenant or an independent third party retained as a project manager by Tenant) who shall be Tenant’s primary contact for the Work. Landlord further agrees that, upon commencement of the Work, it will notify the Tenant in writing of the identity, place of business, and business telephone number of the person(s) who shall be Developer’s representative(s), Design-Builder’s representative(s) and Architect’s representative(s) during the progress of the Work.

8. Contracts. Landlord, Developer or Design-Builder shall enter into Contract Documents with Contractors as needed for the Project.

9. Predevelopment Obligations. Landlord shall be responsible for causing Developer to take all actions reasonably necessary to cause the development of the Facilities in accordance with the Contract Documents including, but not limited to:

9.1 Design Services. Landlord shall cause design services to be performed by Design-Builder or other qualified architects or design-builders, contractors, engineers and other professionals and paid as part of the Final Project Budget. In accordance with the Development

Agreement, Landlord shall cause Developer to contract directly with all Contractors used to satisfy Landlord's obligations under this Work Letter.

9.2 Construction Documents. Landlord shall prepare or cause to be prepared the Schematic Drawings, the Design Development Drawings and the Construction Drawings for the Facilities for Tenant's review and approval. The intention of the Parties is to cooperate in good faith to provide a completed design which meets the mutual objectives of the Parties, Applicable Laws and is consistent with all Project Requirements. Notwithstanding Landlord's responsibility to prepare or cause to be prepared the Construction Documents, Tenant assumes responsibility for determining and communicating to Landlord and Developer all details of the Construction Drawings and Detailed Specifications that Tenant requires for the use, occupancy and/or operation of the Facilities for Tenant's intended purpose. Tenant's approval of Construction Documents shall be deemed a conclusive determination by Tenant that the Construction Documents meet or exceed all requirements for Tenant's use, occupancy and/or operation of the Facilities for Tenant's intended purpose. If it is later determined that the Construction Documents do not meet any such requirements and the Construction Documents must be modified as a result, then any resulting delays or changes shall be deemed Tenant-Caused Delays and/or Tenant-initiated changes to the Construction Documents.

9.3 ADA Compliance. The Design-Build Agreement 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 Facilities as designed or engineered shall comply with the requirements of Title III of the ADA in effect as of the date of issuance of the Permits.

9.4 Tenant's Design Review. Tenant may participate in any and all design meetings with Landlord, Developer, Design-Builder, and other design professionals as appropriate in the course of the development of the final drawings and specifications, which include the Schematic Drawings, the Design Development Drawings 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, or cause to be submitted, to Tenant, and Tenant shall review within thirty (30) days following its receipt of the Construction Drawings, and provide Landlord written notice of its approval or disapproval thereof, specifying in the case of its disapproval, its reason therefor. Tenant's disapproval of the Construction Drawings shall be limited to elements that (i) do not meet the Project Requirements, (ii) do not comply with Applicable Laws, (iii) are not consistent with Design Development 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 Facilities.

9.4.1 If Tenant's objections or comments are submitted in writing within the timeframe and in accordance with the requirements set forth in the preceding subsection, Landlord shall cause Developer to cause the Design-Builder to make changes in the Construction Drawings consistent with the 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 the Parties. Thereafter, there shall be no material change in the Construction Documents except as set forth in Section 18 below.

9.5 Permit and Construction Documents. Landlord shall cause Developer to cause the Design-Builder and other design professionals to prepare Construction Documents as required for submittal of Permits required for construction of the Facilities by the Contractors.

9.6 Permits. Landlord shall obtain, or cause to be obtained by Developer, all Permits necessary to construct the Facilities through the County of Riverside and the Department of Environmental Health, and all other agencies and quasi-governmental agencies and utility providers from which approvals and permits are required to commence and complete construction of the Facilities in accordance with **EXHIBIT E-__** attached hereto. Tenant shall be solely responsible for obtaining all approvals and licenses required for the use, occupancy and/or operation of the Facilities for Tenant's intended purpose in accordance with **EXHIBIT E-__** attached hereto. 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 Permits associated with the construction of Off-Site Improvements, shall be included in the Final Project Budget and as part of Project Costs unless mutually agreed upon in writing by the Parties.

9.7 Design-Builder. Landlord shall oversee, or cause to be overseen by Developer, all design work done by Design-Builder and design and other professionals for the design and development of the Facilities. Landlord, Developer and Tenant shall expeditiously review design documents during their development and Landlord or Developer shall advise Tenant on proposed site use and improvements, selection of materials, building systems and equipment and methods of project delivery. Design-Builder, with Developer's and Landlord's input, shall be responsible for feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation, construction and factors related to construction costs including, but not limited to, costs of alternative designs or materials, and budgets, in connection with the Work. Landlord shall consult with Developer, Tenant and Design-Builder regarding the Construction Documents and provide input. Notwithstanding the foregoing, means and methods of construction shall be the responsibility of Design-Builder in accordance with the Design-Build Agreement.

10. LEED Certification. Landlord shall use commercially reasonable efforts to obtain, or cause to be obtained by Developer, a Leadership in Energy and Environmental Design – NC 2009 (“LEED”) Silver certification from the U.S. Green Building Council (“USGBC”) for the Facilities. Tenant acknowledges that the design decisions made by it will have an impact on the LEED certifications received and will work in good faith with Landlord when making those decisions to consider their potential impact on LEED certifications. Landlord and Developer shall keep Tenant apprised throughout the design process of any design decisions that may affect the LEED certifications for the Facilities 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 Facilities will not occur until after Final Acceptance. Landlord shall use commercially reasonable, good faith and diligent efforts to obtain, or cause to be obtained by Developer, LEED certification no later than one hundred eighty (180) days after Final Acceptance.

11. Construction Management Services. Landlord shall provide, or cause to be provided, all construction administration and construction management services necessary or desirable to cause Substantial Completion of the Facilities on or before the Outside Completion Date, in accordance with industry standards, Applicable Laws, and in accordance with and subject to the Contract Documents (except for those Tenant responsibilities identified in Section 9.2 hereof), including, without limitation, the following:

11.1 Notifying Tenant of any Project schedule issues that may impair Landlord's ability to substantially complete the Facilities prior to the Outside Completion Date.

11.2 Coordinating and integrating Design-Builder's services with Landlord's and Tenant's responsibilities with anticipated construction schedules, highlighting critical and long lead time items.

11.3 Consulting with Tenant and Design-Builder regarding the Construction Documents and making recommendations whenever design details may adversely affect constructability, cost or schedules.

11.4 Causing Design-Builder to establish the assignment of responsibilities for temporary utility facilities and equipment, materials and services for common use of the Contractors.

11.5 Reviewing 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; and (3) proper coordination has been provided for sequenced construction.

11.6 Preparing a Final Project Schedule for the Project, which shall be set forth in **EXHIBIT F** of the Facilities Lease, providing for the general components of the Work and shall consult with the Developer and Design-Builder in connection with the preparation and updating of the Final Project Schedule, including times of commencement and completion required, ordering and delivery of products requiring long lead time, and the occupancy requirements of Tenant. Landlord shall provide, or cause to be provided, the Final Project Schedule to Design-Builder.

11.7 Coordinating the ordering and delivery of materials requiring long lead times.

11.8 Coordinating the professional services of surveyors, special consultants and testing laboratories required for the Project.

11.9 Providing an analysis of the types and quantities of labor required for the Project, the availability of appropriate categories of labor required for critical phases and making recommendations for actions designed to minimize adverse effects of labor shortages.

11.10 Developing bidders' interest in the Project, establishing bidding procedures, issuing bidding documents to bidders, conducting pre-bid conferences with prospective bidders, causing Design-Builder to submit a list of prospective bidders and assisting Design-Builder with respect to questions from bidders and the issuance of addenda.

11.11 Assisting Design-Building in receiving bids, preparing bid analyses and awarding contracts or rejecting bids.

11.12 Scheduling and coordinating the sequence of construction so as to cause Substantial Completion of the Facilities to occur on or before the Outside Completion Date, as set forth in the Final Project Schedule. Notwithstanding the preceding sentence of this Section 11.11, Landlord and Tenant hereby agree that Substantial Completion of the Facilities prior to the Outside Completion Date would provide significant benefits to Tenant in terms of the ability of Tenant to provide services to the residents of Riverside County. To that end, to the extent Design-Builder achieves Substantial Completion of the Facilities prior to the Outside Completion Date, Developer shall be permitted to include in the Design-Build Agreement and Design-Builder shall be entitled to receive additional compensation equal in amount to \$ _____ for each complete day following the Projected Completion Date and prior to the Outside Completion Date that the Facilities are substantially complete.

11.13 Administering and enforcing the Development Agreement and the Design-Build Agreement. Upon obtaining actual knowledge thereof, Landlord shall notify and consult with Tenant promptly upon becoming aware of any material breaches or defaults by any party to a Construction Contract relating to the Project that remain uncured after any applicable notice and cure period. 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 Facilities by the Outside Completion Date to be set forth in the Final Project Schedule.

11.14 Assuring that the Design-Builder is responsible for the purchase, delivery and storage, protection and security of such materials, systems and equipment that are part of the Facilities until such items are incorporated into the Facilities.

11.15 Developing and implementing procedures for the review and processing of applications by Contractors for progress and final payments.

11.16 Subject to Tenant's obligations pursuant to Section 4 with respect to BHCIP Funds, preparing requests for disbursement of BHCIP Funds based on Design-Builder's Applications for Payment. Based on Landlord's observations and evaluations of each Design-Builder's Application for Payment, Landlord shall require Developer to review and certify to Landlord the amounts due to the Design-Builder and the other Contractors.

11.17 Supervising the final testing and start-up of utilities, operational systems and equipment, in the presence of Tenant's maintenance personnel if so requested by Tenant.

11.18 Conducting inspections of the Facilities to determine whether the Facilities are Substantially Complete.

11.19 Following a determination that the Facilities are Substantially Complete, preparing a Punch List and a schedule for the completion of all items on such Punch List.

11.20 Coordinating and evaluating the correction and completion of the Work, including all Punch List items.

11.21 Maintaining and providing to Tenant a database of all Punch List items or otherwise unsatisfactory items observed and recording the resolution of all such items.

11.22 Conducting a final inspection of the Work to ensure all Work has been completed in accordance with the Contract Documents.

11.23 Transmitting to Developer and Design-Builder requests for interpretations of the meaning and intent of Construction Drawings and assisting in the resolution of questions that arise.

11.24 Expediting the processing and approval of shop drawings, product data, samples and other submittals.

11.25 Submitting written monthly progress reports to Tenant including, without limitation, updated information relative to Permit approvals, status of construction, percentages of completion of the Work, and photographs of the Work.

11.26 Maintaining a daily log, containing a record of the weather, each Contractor's work relative to the Project, number of workers, identification of equipment, work accomplished, problems encountered and such other information as Tenant may require.

11.27 Maintaining at the construction site, 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.

11.28 Maintaining 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 Tenant and Developer upon request and, upon completion of the Facilities, duplicate originals shall be delivered to Tenant.

11.29 Causing all Work to be performed in compliance with Applicable Laws.

12. Delays. The Outside Completion Date set forth in the Final Project Schedule shall, pursuant to the definition thereof, be extended to the extent of Force Majeure Delays and Tenant-Caused Delays. The existence of Force Majeure Delays and/or Tenant-Caused Delays shall excuse Landlord for resulting delays and changes in the Final Project Schedule.

13. Remedies.

13.1 Failure to Achieve Substantial Completion. In the event Landlord fails to achieve Substantial Completion of the Facilities by the Outside Completion Date, Tenant's sole remedy shall be as provided in this Section 13.

13.1.1 LIQUIDATED DAMAGES. ALL TIME LIMITS STATED IN THE FACILITIES LEASE AND THIS WORK LETTER ARE OF THE ESSENCE OF THE

FACILITIES LEASE AND THEREFORE SHOULD LANDLORD FAIL TO PROVIDE SUBSTANTIAL COMPLETION OF THE FACILITIES ON OR BEFORE THE OUTSIDE COMPLETION DATE, IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN TENANT AND LANDLORD THAT THE USE BY TENANT OF THE FACILITIES WILL BE CORRESPONDINGLY DELAYED, AND THAT BY REASON THEREOF, TENANT AND THE PUBLIC WILL NECESSARILY SUFFER GREAT DAMAGES. ACCORDINGLY, IF LANDLORD FAILS TO ACHIEVE SUBSTANTIAL COMPLETION OF THE FACILITIES BY THE OUTSIDE COMPLETION DATE, THEN, AS TENANT'S SOLE AND EXCLUSIVE REMEDY FOR DAMAGES FOR SUCH DELAY AND INSTEAD OF ANY ACTUAL DAMAGES, LANDLORD SHALL PAY OR CAUSE TO BE PAID TO TENANT PROMPTLY ON DEMAND BY TENANT, AS COMPENSATION TO TENANT FOR THE LOSS OF THE BENEFICIAL USE OF THE FACILITIES DURING THE PERIOD OF THE DELAY, BUT NOT AS A PENALTY, LIQUIDATED DAMAGES IN THE AMOUNTS SPECIFIED IN EXHIBIT E-__ ATTACHED HERETO. THE PARTIES HERETO HEREBY AGREE THAT THE FOREGOING LIQUIDATED DAMAGES ARE FAIR AND REASONABLE AND COMPRISE THE SUM OF TENANT'S DAMAGES IN THE EVENT OF A DELAY IN SUBSTANTIAL COMPLETION OF THE FACILITIES. THE PARTIES HERETO FURTHER AGREE THAT THE PAYMENT OF THE AMOUNTS DESCRIBED IN THIS SECTION 13.1.1 AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO TENANT PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THE PARTIES HERETO FURTHER AGREE THAT LANDLORD IS A SPECIAL PURPOSE ENTITY, LACKS SUFFICIENT RESOURCES TO MAKE PAYMENT OF THE LIQUIDATED DAMAGES AGREED TO HEREIN AND THAT LANDLORD HAS AGREED TO MAKE AVAILABLE FROM THE PROCEEDS OF THE BONDS SUMS TO ADDRESS LANDLORD'S OBLIGATION TO MAKE PAYMENT OF LIQUIDATED DAMAGES AS AGREED TO HEREIN. UPON WRITTEN NOTICE FROM TENANT OF LANDLORD'S OBLIGATION TO MAKE PAYMENT OF LIQUIDATED DAMAGES AS AGREED TO HEREIN, THE AMOUNTS SPECIFIED IN EXHIBIT E-__ ATTACHED SHALL BE PAID, ON A MONTHLY BASIS, FROM THE FOLLOWING ACCOUNTS, IN THE FOLLOWING ORDER OF PRIORITY (A) FIRST FROM THE DESIGN-BUILDER FEE RESERVE ACCOUNT OF THE PROJECT FUND TO THE TENANT CONTINGENCY ACCOUNT OF THE PROJECT FUND UNTIL THE AMOUNTS IN SUCH DESIGN-BUILDER FEE RESERVE ACCOUNT ARE OR HAVE BEEN FULLY DEPLETED, (B) SECOND, FROM THE DESIGN-BUILDER LIQUIDATED DAMAGES ACCOUNT OF THE PROJECT FUND TO THE TENANT CONTINGENCY ACCOUNT OF THE PROJECT FUND UNTIL THE AMOUNTS IN SUCH DESIGN-BUILDER LIQUIDATED DAMAGES ACCOUNT ARE OR HAVE BEEN FULLY DEPLETED; AND (C) THIRD, FROM THE DEVELOPER FEE RESERVE ACCOUNT OF THE PROJECT FUND TO THE TENANT CONTINGENCY ACCOUNT OF THE PROJECT FUND UNTIL THE AMOUNTS IN SUCH DEVELOPER FEE RESERVE ACCOUNT ARE OR HAVE BEEN FULLY DEPLETED. THE PARTIES AGREE THAT (A) THE FUNDS IN SUCH DESIGN-BUILDER FEE RESERVE ACCOUNT, DESIGN-BUILDER LIQUIDATED DAMAGES ACCOUNT AND DEVELOPER FEE RESERVE ACCOUNT ARE ALSO AVAILABLE FOR OTHER PURPOSES UNDER THE BOND DOCUMENTS, AND (B)

LANDLORD'S OBLIGATION TO PAY LIQUIDATED DAMAGES UNDER THIS SECTION ARE LIMITED TO AND CAPPED BY THE AVAILABLE FUNDS IN SUCH ACCOUNTS.

LANDLORD'S
INITIALS

TENANT'S
INITIALS

13.2 Design-Builder Liquidated Damages. Without limiting any other obligation of Landlord under this Work Letter, Landlord shall cause Developer to enforce the provisions of the Design-Build Agreement relating to the payment by Design-Builder Liquidated Damages in the event Design-Builder fails to achieve Substantial Completion of the Facilities by the Outside Completion Date. All Design-Builder Liquidated Damages paid by Design-Builder shall be transferred to Trustee and deposited by Trustee pursuant to the Indenture.

13.3 Tenant's Right to Cure. Landlord shall promptly provide Tenant and Trustee with a copy of any notice of default ("Notice of Default") received from the Design-Builder. Provided that Tenant has not received, prior to Tenant's delivery to Landlord of a Cure Election Notice (as defined hereinbelow), written notice from Landlord stating that Landlord has cured or has commenced to cure the default specified in the applicable Notice of Default, Tenant shall have the right, but not the obligation, by written notice to Landlord delivered prior to the expiration of the applicable cure period ("Cure Election Notice"), to cure the default specified in the applicable Notice of Default within ten (10) days after the end of the applicable cure period. Landlord, upon written notice from Tenant accompanied by reasonable supporting documentation evidencing such amounts incurred, shall promptly (but in any event within ten (10) days) reimburse Tenant for all such amounts. If Landlord fails to reimburse Tenant within said ten (10) day period, Tenant shall have the right to have Trustee withhold from payments due under the Design-Build Agreement all such amounts due, and to have such amounts paid to Tenant.

14. Construction Contracts. Landlord shall be responsible for compliance with the following requirements, and shall cause Developer and Design-Builder to cause all Construction Contracts to include the following:

14.1 Provisions requiring all Contractors and subcontractors employed in connection with the Project to be responsible to pay the prevailing rate of wages as required by California Labor Code Sections 1700 et seq., 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 and Landlord for claims arising out of failure to pay the prevailing rate of wages. Copies of the currently applicable current per diem prevailing wages are available from the Department of Industrial Relations website, www.dir.ca.gov. Landlord shall cause Developer to require Contractors to furnish all subcontractors a copy of the Department of Industrial Relations applicable prevailing wage rates of per diem wages and to post the applicable prevailing rates of per diem wages at the construction site in compliance with Title 8 California Code of Regulations 16451(d) or as otherwise required by the Department of Industrial Relations. Failure of Contractors and subcontractors to pay the prevailing rate of wages as required by California Labor Code Sections 1700 et seq. shall subject Contractors and subcontractors to restrictions and penalties in accordance with Section 1770 of the California Labor Code. Landlord shall cause the

Project to be registered as required by Labor Code Section 1773.3 as set forth in the Department of Industrial Relations' online form PWC-100 and provide evidence of such registration to Tenant upon request. Landlord shall require all Contractors and subcontractors to comply with the payroll record keeping and availability requirements of Section 1776 of the California Labor Code. In addition, Landlord shall require that all Contractors and subcontractors make travel and subsistence payments to workers needed for performance of work in accordance with Section 1773.8 of the California Labor Code. Prior to commencement of the 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 California Labor Code and applicable regulations.

14.2 Provisions for initiating, maintaining and providing supervision of safety precautions and programs in connection with the construction of the Facilities.

14.3 Provisions for indemnifying Tenant and Landlord for:

14.3.1 acts or omissions of such Contractors and subcontractors and their respective members, officers, employees and agents;

14.3.2 claims resulting from performance of the Work by Contractors and subcontractors caused by the negligent acts or omissions of such Contractors and subcontractors and their respective members, officers, employees and agents; and

14.3.3 failing to comply with the provisions relating to the payment of the prevailing rate of wages as required by California Labor Code Sections 1700 et seq., as more particularly described in Section 14.1 above.

14.4 Provisions required or necessary to be included in Construction Contracts by, or to ensure compliance with, the Program Funding Agreement.

14.5 Tenant shall have the right to review and approve these provisions before the Construction Contracts are executed.

15. Warranties. Landlord shall secure or cause to be secured for the benefit of Tenant all available warranties and guarantees of the Work by Contractors, suppliers and manufacturers of components of the Facilities in conformance with Section 11 of the Facilities Lease.

16. As-Built Drawings. Within sixty (60) days following the final completion of the Facilities and any other improvements, Landlord shall submit, or cause to be submitted, to Tenant a complete set of "As-Built" drawings together with CD copies, showing every detail of the Facilities, of such improvements and fixtures, including, but not limited to, electrical circuitry and plumbing.

17. Off-Site Improvements.

17.1 It is understood by the Parties that sewer, water, telephone, fiber, gas, electrical and other utilities are available near the Property but may not reach the Property. Therefore, as a component of the Facilities, Landlord shall, at its expense as part of the Project, extend and/or connect or cause to be extended and/or connected in the name of the County of Riverside, to the Property, sewer, water, telephone, fiber, gas, electrical and other utilities that may be required by

Tenant in the use, operation and maintenance of the Facilities. Landlord shall also construct at its expense as part of the Project all other improvements that are not on the Property but are required for Landlord to obtain Permits for the construction of the Facilities, including, without limitation, curbs, gutters, sidewalks and roadway improvements. Prior to the Substantial Completion of the Facilities, Landlord shall be responsible for payment of the cost for the use of such utility services and improvements as part of the Final Project Budget. Following the Substantial Completion of the Facilities, Tenant shall be responsible for the payment of the cost of such utilities and improvements under the Facilities Lease. While the Off-Site Improvements will be completed as part of the Facilities, they will be dedicated to a governmental entity and will not be part of the Leased Premises.

17.2 The Off-Site Improvements referred to in Section 17.1 and in 17.2 shall be completed in accordance with the Final Project Schedule.

18. Changes to Work.

18.1 No Changes without Tenant Approval. Following approval of the Construction Documents and the Design-Build Agreement by Tenant there shall be no changes in the Construction Documents, the Design-Build Agreement or the Work, except for Minor Deviations or except as permitted in accordance with this Section 18.

18.2 Change in the Work Initiated by Tenant. Tenant may request changes to the Construction Documents, the Design-Build Agreement and the Work in accordance with this Section 18, provided that Landlord shall not be required to accommodate any changes, additions, or deletions to the Construction Documents, the Design-Build Agreement and the Work if it would (i) increase the Project Costs beyond those which are set forth on the Final Project Budget, unless funds are available in accordance with Section 18.3 below to pay for such increase in Project Costs, (ii) violate Applicable Laws, (iii) violate sound engineering practices, or (iv) delay the Substantial Completion of the Facilities beyond the Projected Completion Date or the Outside Completion Date, unless such dates are extended to account for such delay by Tenant in accordance with Section 18.3 below.

18.3 Procedures for Change in the Work. Within fifteen (15) Business Days after such request for a change pursuant to Section 18.2 above or a change required by Section 18.5 below, Landlord shall provide or cause to be provided to Tenant a fixed bid setting forth the required net increases or decreases in the applicable line items of the Final Project Budget on account of any Change Order being considered (after giving effect to any savings realized or to be realized in other line items of the Final Project Budget), and the delay, if any, in Projected Completion Date or Outside Completion Date that will result therefrom. The applicable line items of the Final Project Budget shall be adjusted only to the extent required to reflect the actual, reasonable and substantiated increase or decrease in the Project Costs caused thereby. In the event Tenant accepts any such fixed bid, in writing, the same shall be binding and conclusively establish the net increase or decrease in the applicable line items of the Final Project Budget. Tenant shall either accept or reject such proposal within ten (10) Business Days after the receipt of the same. In addition, if any Change Order requested by Tenant delays Substantial Completion of the Facilities, then the Projected Completion Date and Outside Completion Date shall be extended by the period of such delay. Landlord shall cause to be prepared all plans, specifications and other materials requested

by Tenant in connection with any Change Order being requested. Any increased cost associated with a Change Order pursuant to this Section 18.3 may be paid from the Tenant Contingency Account of the Project Fund or, if consented to by Developer, which consent shall not be unreasonably withheld, delayed or conditioned, the Project Contingency Account of the Project Fund. At its option, Tenant may elect to amend the Facilities Lease and fund the costs of such Change Order with the proceeds of Additional Bonds issued and delivered pursuant to the Indenture.

18.4 Field Change Orders in the Work. It is anticipated that there will be field change orders (“Field Change Orders”) which shall result in changes to the scope of Work. Landlord shall use its reasonable efforts to apprise Tenant of proposed Field Change Orders and its recommendations regarding such Field Change Orders prior to any action being taken. It is anticipated that it may not always be possible to receive Tenant’s prior approval to Field Change Orders in a timely manner. Therefore, Field Change Orders may be approved by Landlord, without prior Tenant approval, but only if the Field Change Order authorized by Landlord shall not have the effect of delaying the Substantial Completion of the Facilities beyond the Outside Completion Date, materially altering the Work or increasing the Project Costs in excess of the Final Project Budget (including with respect to any line item thereof). As soon as practical, Landlord shall provide, or cause to be provided, Tenant with all Field Change Orders approved by Landlord. For the purposes of this Section, the effect of a Field Change Order shall be deemed to be “material” if it would reduce the intended quality of the Facilities or any component thereof, result in an increase to Tenant’s operational costs over time, or result in an unequal substitution of any of the systems in the Facilities (including but not limited to HVAC, plumbing, electrical, elevators, roofing, fire and life safety, security systems, and infrastructure components).

18.5 Change in the Work Initiated by Landlord. If Landlord believes that a change in the Construction Documents is required to clarify a discrepancy or omission in the Construction Documents or it otherwise believes a change in the Construction Documents is in the best interest of Tenant or the Project, then it shall submit a request to Tenant to modify the Construction Documents, which request must contain a description and supporting documentation of the changes and set forth the effect on Project Costs (including with respect to any line item of the Final Project Budget) on account of any such change being considered and the delay, if any, in the Projected Completion Date or Outside Completion Date that will result therefrom. Tenant shall respond to such request within the time frames provided in Section 22 of this Work Letter.

18.6 Change in the Work Required by Applicable Laws. To the extent there is a change in Applicable Laws following the issuance of Permits requiring changes to the Contract Documents and the Work, such changes shall be deemed a change in the Work initiated by Tenant and subject to the provisions of Section 18.3 above.

18.7 Change in the Work Required by DHCS. To the extent any change to the Contract Documents or the Work requires the prior approval (written or otherwise) of AHP and/or DHCS pursuant to the Program Funding Agreement, Tenant shall cooperate fully with Landlord to secure such approval, which shall include the assembly and submission of all documents and information requested by AHP and/or DHCS necessary to substantiate and approve such change.

19. Project Completion.

19.1 Substantial Completion.

19.1.1 Substantial Completion of Facilities. Landlord shall exercise all due diligence and commercially reasonable, good faith and diligent efforts to achieve Substantial Completion of the Facilities prior to the Outside Completion Date.

19.1.2 Tenant's Occupancy of Facilities. Until Substantial Completion of the Facilities has occurred, Tenant shall not occupy any portion of the Facilities or any individual Building; provided, however, that limited use of the Facilities and any Building within the Facilities shall be permitted for storage, move-in or installation of personal property by Tenant, or as may be necessary to satisfy Licensing and Accreditation Requirements when such use is determined by Landlord and the Design-Builder to not likely result in any interference or delay in completing the Facilities.

19.1.3 Notice of Substantial Completion. Landlord shall give, or cause to be given, notice in writing to Tenant at least thirty (30) days prior to the date upon which Landlord anticipates that the Facilities shall be Substantially Complete. Within fifteen (15) days following the delivery of the estimated completion notice, Tenant, Landlord, Developer, and Design-Builder shall meet on one or more occasions, if necessary, and inspect and review the Facilities to determine whether the Facilities are Substantially Complete. Landlord 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 Facilities to be Substantially Complete.

19.1.4 Completion of Punch List Items. Following Substantial Completion of the Facilities, 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 interference with Tenant's use and occupancy of the Facilities.

19.2 Final Acceptance. Landlord shall give, or cause to be given, notice in writing to Tenant at least thirty (30) days prior to the date upon which the Facilities shall be ready for Final Acceptance. On or before Final Acceptance of the Facilities, Landlord shall obtain and submit, or cause to be obtained and submitted, to Tenant, the following:

19.2.1 As-Built Plans. A complete set of final as-built plans and specifications prepared by the Design-Builder for the Facilities.

19.2.2 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 Facilities by Landlord or Design-Builder.

19.2.3 Delivery of CDs and Warranties. Within sixty (60) days after Final Acceptance, Landlord shall deliver or cause to be delivered and assigned to Tenant all owner's manuals, record drawings, operations and maintenance manuals, a CD containing all as-built drawings and specifications and, on a non-exclusive basis, all warranties provided by all Contractors (including the Design-Builder) or supplier relative to any elements of the Facilities (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, roof membranes, if any, that serve the Facilities and all

other such elements in the Facilities other than those elements installed or constructed by Tenant (the “Warranties”). All Warranties shall be in the name of 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 all such Third-Party Warranties. At the request of Tenant, Landlord agrees to enforce all Warranties for the Tenant’s benefit.

19.2.4 Permits and Licenses. The originals (if not posted at the Facilities) of all Permits, Construction Inspection Cards, Certificate of Occupancy, licenses and other approvals necessary for the occupation of the Facilities.

19.2.5 As-Built Survey. An as-built Survey of the Property showing the location of all improvements constructed thereon.

19.2.6 Lien Waivers. Copies of all lien waivers and releases from all Contractors.

20. Protection of Persons and Property.

20.1 Landlord shall take or cause to be taken all necessary actions to initiate, maintain and provide supervision of safety precautions and programs in connection with the construction of the Facilities.

20.2 Landlord shall take or cause to be taken reasonable precautions for safety of, and shall provide or cause to be provided reasonable protection to prevent or minimize threatened damage, injury or loss to: (1) all persons working on the Property and all other persons who may be affected thereby; (2) the Facilities and materials and equipment to be incorporated therein; and (3) other property at or adjacent to the Property. In the event of Landlord’s failure to comply with this Section (including failures attributable to Developer or any Contractor), without limiting Tenant’s other rights and remedies, Tenant shall have the authority to order Developer to stop the Work or portion thereof affected by such emergency until such failure is remedied.

20.3 Landlord shall give or cause to be given all required notices and comply with Applicable Laws 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, Developer, Design-Builder and Contractors in accordance with the provisions of the Ground Lease, Facilities Lease, Development Agreement and/or the Design-Build Agreement.

22. Tenant Approval. Where Tenant’s approval or consent is required hereunder, Landlord shall submit such request in writing to Tenant, which written request may be delivered by electronic mail to Tenant’s representative and confirmed by telephone. Tenant’s approval or consent shall be provided within the time period for response set forth in the written request; provided, however, Tenant shall have no fewer than five (5) Business Days to provide such approval or consent, or if no time period is provided in the written request, within ten (10) Business Days. In the event Tenant has not provided the required approval or consent within the time frame required, Landlord or Developer shall deliver a second request for approval or consent to Tenant requesting that Tenant provide its approval or consent within ten (10) Business Days of the delivery of such second written request. If Tenant fails to respond to the second request and

provide its approval or consent within ten (10) Business Days of the delivery of the second written request, Tenant shall be deemed to have approved or consented to such written request from Landlord or Developer for such approval or consent. It shall be a condition precedent to the time frames stated in this Section 22 that any request or approval of Tenant by Landlord, Developer or Design-Builder in connection with the Project be accompanied by all supporting documentation for Tenant to properly evaluate such request for approval or consent.

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022		2023				2024				2025				2026				2027					
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		
RUHS Wellness Village (03/08/24 UPDT REV 04/08)		1229	03/01/22	12/31/26	03/01/22 A	01/15/27	718		0	-10		RUHS																							
SUMMARY & MILESTONES		1209	03/29/22	12/31/26	03/29/22 A	01/15/27	718		0	-10		SUMM																							
OVERALL		1209	03/29/22	12/31/26	03/29/22 A	01/15/27	718		0	-10		OVER																							
S1000	Preconstruction / Design / Plan Check (SUMMARY)	420	03/29/22	05/24/24	03/29/22 A	06/06/24	63	85%	655	-8	D2000: SS	Preconstruction / Design / Plan Check (SUMMARY)																							
S1090	Written Notice to Proceed / Evidence of Financing Closed	0				06/06/24	0	0%	655		D4580: FS	Written Notice to Proceed / Evidence of Financing Closed																							
S1100	Start Construction / Date of Commencement	0	06/03/24			06/17/24	0	0%	-10	-10	D4040: FS, D5150: FS, D	Start Construction / Date of Commencement																							
S1105	Ground-Breaking Ceremony	0				06/21/24	0	0%	-9		S1100: FS 4	Ground-Breaking Ceremony																							
S1110	Overall Construction (SUMMARY)	627	06/03/24	11/30/26	06/17/24	12/14/26	627	0%	-10	-10	S1100: SS	Overall C																							
S1112	Mobilization/Earthwork (SUMMARY)	40	06/03/24	07/30/24	06/17/24	08/13/24	40	0%	-10	-10	1-10000: SS	Mobilization/Earthwork (SUMMARY)																							
S1115	Site Wet/Dry Utilities (SUMMARY)	86	06/24/24	10/23/24	07/09/24	11/06/24	86	0%	-10	-10	1-12100: SS	Site Wet/Dry Utilities (SUMMARY)																							
S1120	5 STH Supportive Transitional Housing (SUMMARY)	551	09/20/24	11/30/26	10/04/24	12/14/26	551	0%	-10	-10	5-10110: SS	5 STH S																							
S1140	6 ERC Extended Residential Care (SUMMARY)	403	12/12/24	09/29/26	10/04/24	05/11/26	403	0%	138	97	6-09900: SS	6 ERC Extended Re																							
S1150	3 CYS Children & Youth Services (SUMMARY)	488	01/09/25	06/25/26	10/28/24	10/05/26	488	0%	37	-70	3-09900: SS	3 CYS Child																							
S1160	2 CWEC Community Wellness & Education (SUMMARY)	521	02/04/25	11/25/26	10/04/24	10/28/26	521	0%	20	19	2-09900: SS	2 CWEC C																							
S1130	4 UC Urgent Care Services (SUMMARY)	521	02/28/25	11/30/26	11/05/24	12/02/26	521	0%	-2	-2	4-09900: SS	4 UC Urg																							
S1170	1 Utilities Structure (SUMMARY)	175	05/29/25	02/09/26	02/12/25	10/20/25	175	0%	278	75	1-20000: SS	1 Utilities Structure (SUMMARY)																							
S1180	Sitework (SUMMARY)	357	12/10/24	08/25/26	12/24/24	05/21/26	357	0%	58	65	8-40000: SS	Sitework (SUMMAR																							
S1210	Substantial Completion (FNL 11/30/26)	0		11/30/26		12/14/26*	0	0%	-10	-10	5-90020: FS, 4-90020: FS	Substan																							
S1220	Punchlist / Closeout (SUMMARY)	22	12/01/26	12/31/26	12/15/26	01/15/27	22	0%	-10	-10	5-90100: SS	Punch																							
S1230	Final Completion (FNL 12/31/26)	0		12/31/26		01/15/27*	0	0%	-10	-10	S1220: FF, 5-90110: FS, 4	Final C																							
MILESTONES (BY OTHERS)		640	06/10/24	08/27/24	07/01/24	01/15/27	640		-472	-600		MILES																							
OFFSITE (BY OTHERS)		640	06/10/24	08/27/24	07/01/24	01/15/27	640		-472	-600		OFFSI																							
S2100	Complete Flood Control Storm Drain Main (Harvill & Water) (by t	0		06/10/24		01/15/27*	0	0%	-614	-654		Compl																							
S2110	Complete Water Street New Road Construction (by Others)	0		08/27/24		02/04/25*	0	0%	0	-110		Complete Water Street New Road Constructio																							
S2120	Complete Harvill & Water Street Traffic Signal (by Others)	0				03/01/25*	0	0%	0			Complete Harvill & Water Street Traffic Signa																							
S2130	RUHS Vendor RFP Complete / Start CWEC Food Market Desigr	0				07/01/24	0	0%	95			RUHS Vendor RFP Complete / Start CWEC Food Market D																							
MILESTONES (SL)		153			09/04/24	04/14/25	153		431			MILESTONES (SL)																							
S2200	Complete Offsite Storm Drain Tie-in on Harvill	0				09/04/24	0	0%	431			Complete Offsite Storm Drain Tie-in on Harvill																							
S2210	Complete Offsite Water Tie-ins on Harvill	0				09/23/24	0	0%	431			Complete Offsite Water Tie-ins on Harvill																							
S2220	Complete Offsite Water on Placentia	0				10/16/24	0	0%	474			Complete Offsite Water on Placentia																							
S2230	Complete Harvill Street Widening	0				12/12/24	0	0%	431			Complete Harvill Street Widening																							
S2240	Complete Placentia Street Widening	0				04/14/25	0	0%	431			Complete Placentia Street Widening																							
RFP		20	03/01/22	03/28/22	03/01/22 A	03/28/22 A	0			0		RFP																							
D1000	Prepare Proposal	10	03/01/22	03/14/22	03/01/22 A	03/14/22 A	0	100%		0		Prepare Proposal																							
D1010	Submit Proposal	0		03/14/22		03/14/22 A	0	100%		0	D1000: FS	Submit Proposal																							
D1020	FM-RE Review Proposal / Interview	10	03/15/22	03/28/22	03/15/22 A	03/28/22 A	0	100%		0	D1010: FS	FM-RE Review Proposal / Interview																							
D1030	FM-RE Select Developer	0		03/28/22		03/28/22 A	0	100%		0	D1020: FS	FM-RE Select Developer																							
FEASIBILITY / DUE DILIGENCE		50	03/29/22	06/07/22	03/29/22 A	06/07/22 A	0			0		FEASIBILITY / DUE DILIGENCE																							
D2000	Feasibility Study	40	03/29/22	05/23/22	03/29/22 A	05/23/22 A	0	100%		0	D1030: FS	Feasibility Study																							
D2010	Site Programming	40	03/29/22	05/23/22	03/29/22 A	05/23/22 A	0	100%		0	D1030: FS	Site Programming																							
D2020	Fit Study	40	03/29/22	05/23/22	03/29/22 A	05/23/22 A	0	100%		0	D1030: FS	Fit Study																							
D2030	Stakeholder Support	40	03/29/22	05/23/22	03/29/22 A	05/23/22 A	0	100%		0	D1030: FS	Stakeholder Support																							
D2040	Business Plan	40	03/29/22	05/23/22	03/29/22 A	05/23/22 A	0	100%		0	D1030: FS	Business Plan																							
D2050	Site Investigation Report	40	03/29/22	05/23/22	03/29/22 A	05/23/22 A	0	100%		0	D1030: FS	Site Investigation Report																							

Project Start	03/01/22
Project Finish	01/15/27
Data Date	03/11/24
Run Date	04/08/24

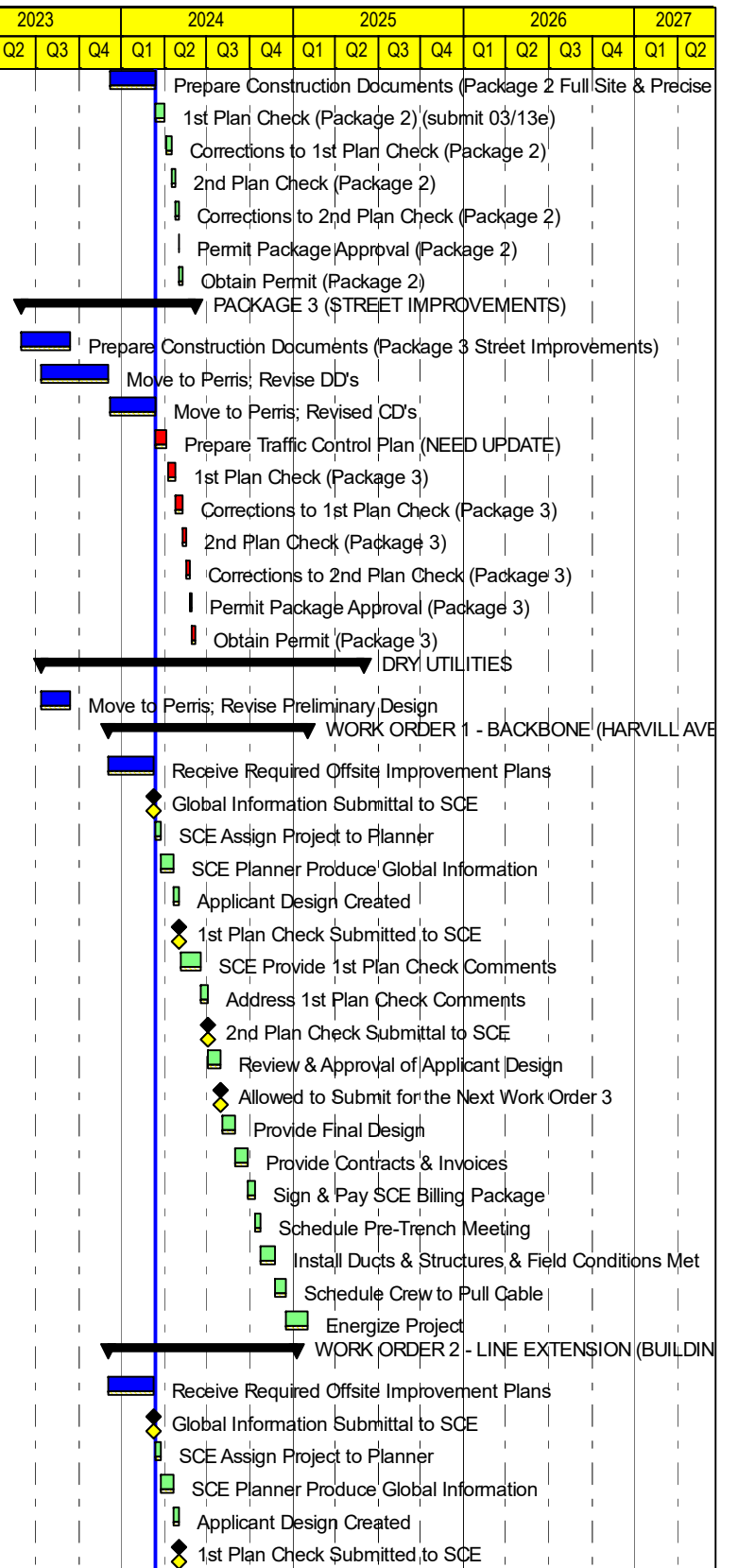
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TASK filter: All Activities
Baseline:
12/18/23 UPDT REV 01/29/
24

RUHS Wellness Village
Preconstruction Schedule - Update: 03/08/2024 (REV 04/08)
Snyder Langston



- Remaining Level of Effort
- Actual Level of Effort
- Remaining Work
- Critical Remaining Work
- Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
D10200	Prepare Construction Documents (Package 2 Full Site & Precise	69	12/05/23	03/12/24	12/05/23 A	03/13/24	3	35.65%	674	-1	D10100: FS, D10120: FS,																						
D10300	1st Plan Check (Package 2) (submit 03/13e)	14	03/13/24	04/01/24	03/14/24	04/02/24	14	0%	674	-1	D10200: FS																						
D10310	Corrections to 1st Plan Check (Package 2)	10	04/02/24	04/15/24	04/03/24	04/16/24	10	0%	674	-1	D10300: FS																						
D10320	2nd Plan Check (Package 2)	5	04/16/24	04/22/24	04/17/24	04/23/24	5	0%	674	-1	D10310: FS																						
D10330	Corrections to 2nd Plan Check (Package 2)	5	04/23/24	04/29/24	04/24/24	04/30/24	5	0%	674	-1	D10320: FS																						
D10340	Permit Package Approval (Package 2)	2	04/30/24	05/01/24	05/01/24	05/02/24	2	0%	674	-1	D10330: FS																						
D10350	Obtain Permit (Package 2)	5	05/02/24	05/08/24	05/03/24	05/09/24	5	0%	674	-1	D10340: FS, S1000: FF																						
PACKAGE 3 (STREET IMPROVEMENTS)		246	06/01/23	05/08/24	06/01/23 A	06/04/24	61		-2	-18																							
D10130	Prepare Construction Documents (Package 3 Street Improvem	35	06/01/23	09/11/23	06/01/23 A	09/11/23 A	0	100%		0																							
D10130.10	Move to Perris; Revise DD's	86	07/11/23	12/04/23	07/11/23 A	12/04/23 A	0	100%		0	D09200: SS																						
D10130.20	Move to Perris; Revised CD's	69	12/05/23	03/12/24	12/05/23 A	03/12/24	2	97.1%	3	0	D10130.10: FS, D10192:																						
D10131	Prepare Traffic Control Plan (NEED UPDATE)	20	02/14/24	03/12/24	03/11/24	04/05/24	20	0%	-2	-18	D10130: FS, D10130.20:																						
D10140	1st Plan Check (Package 3)	14	03/13/24	04/01/24	04/08/24	04/25/24	14	0%	-2	-18	D10130: FS, D10131: FS																						
D10141	Corrections to 1st Plan Check (Package 3)	10	04/02/24	04/15/24	04/26/24	05/09/24	10	0%	-2	-18	D10140: FS																						
D10142	2nd Plan Check (Package 3)	5	04/16/24	04/22/24	05/10/24	05/16/24	5	0%	-2	-18	D10141: FS																						
D10143	Corrections to 2nd Plan Check (Package 3)	5	04/23/24	04/29/24	05/17/24	05/23/24	5	0%	-2	-18	D10142: FS																						
D10148	Permit Package Approval (Package 3)	2	04/30/24	05/01/24	05/24/24	05/28/24	2	0%	-2	-18	D10143: FS																						
D10149	Obtain Permit (Package 3)	5	05/02/24	05/08/24	05/29/24	06/04/24	5	0%	-2	-18	D10148: FS																						
DRY UTILITIES		474	07/11/23	05/22/25	07/11/23 A	05/30/25	310		408	-5																							
D10400.10	Move to Perris; Revise Preliminary Design	86	07/11/23	09/11/23	07/11/23 A	09/11/23 A	0	100%		0	D09200: SS																						
WORK ORDER 1 - BACKBONE (HARVILL AVE)		282	12/01/23	01/23/25	12/01/23 A	01/30/25	225		493	-5																							
D12000	Receive Required Offsite Improvement Plans	64	12/01/23	03/01/24	12/01/23 A	03/07/24 A	0	100%		-4																							
D12010	Global Information Submittal to SCE	0		03/01/24		03/08/24 A	0	100%		-5	D12000: FS																						
D12020	SCE Assign Project to Planner	10	03/04/24	03/15/24	03/11/24	03/22/24	10	0%	408	-5	D12010: FS																						
D12030	SCE Planner Produce Global Information	20	03/18/24	04/12/24	03/25/24	04/19/24	20	0%	408	-5	D12020: FS																						
D12040	Applicant Design Created	10	04/15/24	04/26/24	04/22/24	05/03/24	10	0%	408	-5	D12030: FS																						
D12050	1st Plan Check Submitted to SCE	0		04/26/24		05/03/24	0	0%	408	-5	D12040: FS																						
D12060	SCE Provide 1st Plan Check Comments	30	04/29/24	06/10/24	05/06/24	06/17/24	30	0%	408	-5	D12050: FS																						
D12070	Address 1st Plan Check Comments	10	06/11/24	06/25/24	06/18/24	07/02/24	10	0%	408	-5	D12060: FS																						
D12080	2nd Plan Check Submittal to SCE	0		06/25/24		07/02/24	0	0%	408	-5	D12070: FS																						
D12090	Review & Approval of Applicant Design	20	06/26/24	07/24/24	07/03/24	07/31/24	20	0%	408	-5	D12080: FS																						
D12100	Allowed to Submit for the Next Work Order 3	0		07/24/24		07/31/24	0	0%	408	-5	D12090: FS																						
D12110	Provide Final Design	20	07/25/24	08/21/24	08/01/24	08/28/24	20	0%	493	-5	D12100: FS																						
D12120	Provide Contracts & Invoices	20	08/22/24	09/19/24	08/29/24	09/26/24	20	0%	493	-5	D12110: FS																						
D12130	Sign & Pay SCE Billing Package	10	09/20/24	10/03/24	09/27/24	10/10/24	10	0%	493	-5	D12120: FS																						
D12140	Schedule Pre-Trench Meeting	10	10/04/24	10/17/24	10/11/24	10/24/24	10	0%	493	-5	D12130: FS																						
D12150	Install Ducts & Structures & Field Conditions Met	20	10/18/24	11/15/24	10/25/24	11/22/24	20	0%	493	-5	D12140: FS																						
D12160	Schedule Crew to Pull Cable	15	11/18/24	12/10/24	11/25/24	12/17/24	15	0%	493	-5	D12150: FS																						
D12170	Energize Project	30	12/11/24	01/23/25	12/18/24	01/30/25	30	0%	493	-5	D12160: FS																						
WORK ORDER 2 - LINE EXTENSION (BUILDINGS 4 & 5)		267	12/01/23	01/02/25	12/01/23 A	01/09/25	210		508	-5																							
D12200	Receive Required Offsite Improvement Plans	64	12/01/23	03/01/24	12/01/23 A	03/07/24 A	0	100%		-4																							
D12210	Global Information Submittal to SCE	0		03/01/24		03/08/24 A	0	100%		-5	D12200: FS																						
D12220	SCE Assign Project to Planner	10	03/04/24	03/15/24	03/11/24	03/22/24	10	0%	508	-5	D12210: FS																						
D12230	SCE Planner Produce Global Information	20	03/18/24	04/12/24	03/25/24	04/19/24	20	0%	508	-5	D12220: FS																						
D12240	Applicant Design Created	10	04/15/24	04/26/24	04/22/24	05/03/24	10	0%	508	-5	D12230: FS																						
D12250	1st Plan Check Submitted to SCE	0		04/26/24		05/03/24	0	0%	508	-5	D12240: FS																						



Project Start	03/01/22
Project Finish	01/15/27
Data Date	03/11/24
Run Date	04/08/24

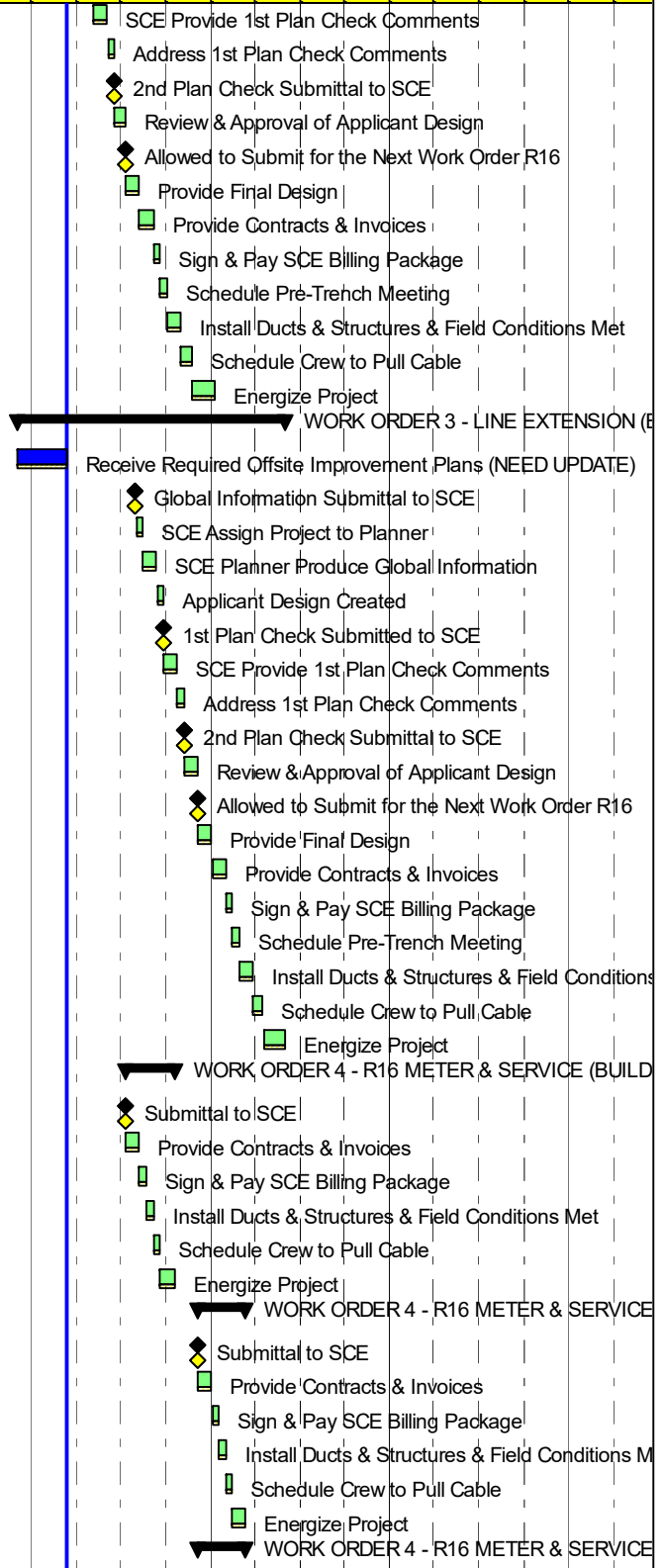
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TASK filter: All Activities
Baseline:
12/18/23 UPDT REV 01/29/
24

RUHS Wellness Village
Preconstruction Schedule - Update: 03/08/2024 (REV 04/08)
Snyder Langston

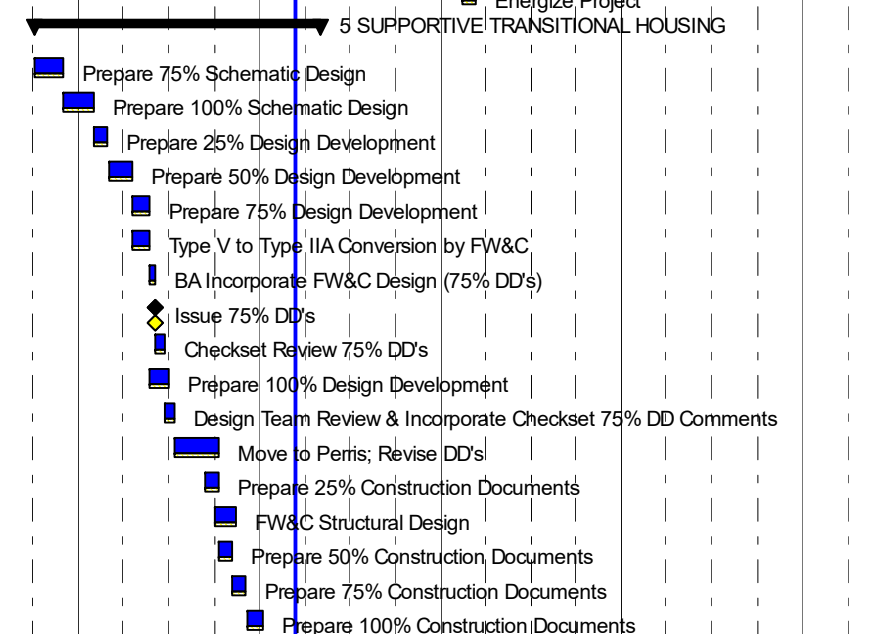


- █ Remaining Level of Effort
- █ Actual Level of Effort
- █ Remaining Work
- █ Critical Remaining Work
- █ Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026		2027									
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2						
D12260	SCE Provide 1st Plan Check Comments	20	04/29/24	05/24/24	05/06/24	06/03/24	20	0%	508	-5	D12250: FS																												
D12270	Address 1st Plan Check Comments	10	05/28/24	06/10/24	06/04/24	06/17/24	10	0%	508	-5	D12260: FS																												
D12280	2nd Plan Check Submittal to SCE	0		06/10/24		06/17/24	0	0%	508	-5	D12270: FS																												
D12290	Review & Approval of Applicant Design	15	06/11/24	07/02/24	06/18/24	07/10/24	15	0%	508	-5	D12280: FS																												
D12300	Allowed to Submit for the Next Work Order R16	0		07/02/24		07/10/24	0	0%	508	-5	D12290: FS																												
D12310	Provide Final Design	20	07/03/24	07/31/24	07/11/24	08/07/24	20	0%	508	-5	D12300: FS																												
D12320	Provide Contracts & Invoices	20	08/01/24	08/28/24	08/08/24	09/05/24	20	0%	508	-5	D12310: FS																												
D12330	Sign & Pay SCE Billing Package	10	08/29/24	09/12/24	09/06/24	09/19/24	10	0%	508	-5	D12320: FS																												
D12340	Schedule Pre-Trench Meeting	10	09/13/24	09/26/24	09/20/24	10/03/24	10	0%	508	-5	D12330: FS																												
D12350	Install Ducts & Structures & Field Conditions Met	20	09/27/24	10/24/24	10/04/24	10/31/24	20	0%	508	-5	D12340: FS																												
D12360	Schedule Crew to Pull Cable	15	10/25/24	11/15/24	11/01/24	11/22/24	15	0%	508	-5	D12350: FS																												
D12370	Energize Project	30	11/18/24	01/02/25	11/25/24	01/09/25	30	0%	508	-5	D12360: FS																												
WORK ORDER 3 - LINE EXTENSION (BUILDINGS 2, 3, 6 & FUTURE 1)		367	12/01/23	05/22/25	12/01/23 A	05/30/25	310		408	-5																													
D12400	Receive Required Offsite Improvement Plans (NEED UPDATE)	64	12/01/23	03/01/24	12/01/23 A	03/11/24	1	38.44%	507	-6																													
D12410	Global Information Submittal to SCE	0		07/24/24		07/31/24	0	0%	408	-5	D12400: FS, D12100: FS																												
D12420	SCE Assign Project to Planner	10	07/25/24	08/07/24	08/01/24	08/14/24	10	0%	408	-5	D12410: FS																												
D12430	SCE Planner Produce Global Information	20	08/08/24	09/05/24	08/15/24	09/12/24	20	0%	408	-5	D12420: FS																												
D12440	Applicant Design Created	10	09/06/24	09/19/24	09/13/24	09/26/24	10	0%	408	-5	D12430: FS																												
D12450	1st Plan Check Submitted to SCE	0		09/19/24		09/26/24	0	0%	408	-5	D12440: FS																												
D12460	SCE Provide 1st Plan Check Comments	20	09/20/24	10/17/24	09/27/24	10/24/24	20	0%	408	-5	D12450: FS																												
D12470	Address 1st Plan Check Comments	10	10/18/24	10/31/24	10/25/24	11/07/24	10	0%	408	-5	D12460: FS																												
D12480	2nd Plan Check Submittal to SCE	0		10/31/24		11/07/24	0	0%	408	-5	D12470: FS																												
D12490	Review & Approval of Applicant Design	15	11/01/24	11/22/24	11/08/24	12/03/24	15	0%	408	-5	D12480: FS																												
D12500	Allowed to Submit for the Next Work Order R16	0		11/22/24		12/03/24	0	0%	408	-5	D12490: FS																												
D12510	Provide Final Design	20	11/25/24	12/24/24	12/04/24	01/02/25	20	0%	408	-5	D12500: FS																												
D12520	Provide Contracts & Invoices	20	12/26/24	01/23/25	01/03/25	01/30/25	20	0%	408	-5	D12510: FS																												
D12530	Sign & Pay SCE Billing Package	10	01/24/25	02/06/25	01/31/25	02/13/25	10	0%	408	-5	D12520: FS																												
D12540	Schedule Pre-Trench Meeting	10	02/07/25	02/20/25	02/14/25	02/27/25	10	0%	408	-5	D12530: FS																												
D12550	Install Ducts & Structures & Field Conditions Met	20	02/21/25	03/20/25	02/28/25	03/27/25	20	0%	408	-5	D12540: FS																												
D12560	Schedule Crew to Pull Cable	15	03/21/25	04/10/25	03/28/25	04/17/25	15	0%	408	-5	D12550: FS																												
D12570	Energize Project	30	04/11/25	05/22/25	04/18/25	05/30/25	30	0%	408	-5	D12560: FS																												
WORK ORDER 4 - R16 METER & SERVICE (BUILDING 5)		70	07/02/24	10/10/24	07/10/24	10/17/24	70		563	-5																													
D12600	Submittal to SCE	0		07/02/24		07/10/24	0	0%	563	-5	D12300: FS																												
D12610	Provide Contracts & Invoices	20	07/03/24	07/31/24	07/11/24	08/07/24	20	0%	563	-5	D12600: FS																												
D12620	Sign & Pay SCE Billing Package	10	08/01/24	08/14/24	08/08/24	08/21/24	10	0%	563	-5	D12610: FS																												
D12630	Install Ducts & Structures & Field Conditions Met	10	08/15/24	08/28/24	08/22/24	09/05/24	10	0%	563	-5	D12620: FS																												
D12640	Schedule Crew to Pull Cable	10	08/29/24	09/12/24	09/06/24	09/19/24	10	0%	563	-5	D12630: FS																												
D12645	Energize Project	20	09/13/24	10/10/24	09/20/24	10/17/24	20	0%	563	-5	D12640: FS																												
WORK ORDER 4 - R16 METER & SERVICE (BUILDING 6)		70	11/22/24	03/06/25	12/03/24	03/13/25	70		463	-5																													
D12650	Submittal to SCE	0		11/22/24		12/03/24	0	0%	463	-5	D12500: FS																												
D12660	Provide Contracts & Invoices	20	11/25/24	12/24/24	12/04/24	01/02/25	20	0%	463	-5	D12650: FS																												
D12670	Sign & Pay SCE Billing Package	10	12/26/24	01/09/25	01/03/25	01/16/25	10	0%	463	-5	D12660: FS																												
D12680	Install Ducts & Structures & Field Conditions Met	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	463	-5	D12670: FS																												
D12690	Schedule Crew to Pull Cable	10	01/24/25	02/06/25	01/31/25	02/13/25	10	0%	463	-5	D12680: FS																												
D12695	Energize Project	20	02/07/25	03/06/25	02/14/25	03/13/25	20	0%	463	-5	D12690: FS																												
WORK ORDER 4 - R16 METER & SERVICE (BUILDING 3)		70	11/22/24	03/06/25	12/03/24	03/13/25	70		463	-5																													



Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
D12700	Submittal to SCE	0		11/22/24		12/03/24	0	0%	463	-5	D12500: FS																						
D12710	Provide Contracts & Invoices	20	11/25/24	12/24/24	12/04/24	01/02/25	20	0%	463	-5	D12700: FS																						
D12720	Sign & Pay SCE Billing Package	10	12/26/24	01/09/25	01/03/25	01/16/25	10	0%	463	-5	D12710: FS																						
D12730	Install Ducts & Structures & Field Conditions Met	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	463	-5	D12720: FS																						
D12740	Schedule Crew to Pull Cable	10	01/24/25	02/06/25	01/31/25	02/13/25	10	0%	463	-5	D12730: FS																						
D12745	Energize Project	20	02/07/25	03/06/25	02/14/25	03/13/25	20	0%	463	-5	D12740: FS																						
WORK ORDER 4 - R16 METER & SERVICE (BUILDING 2)		70	11/22/24	03/06/25	12/03/24	03/13/25	70		463	-5																							
D12750	Submittal to SCE	0		11/22/24		12/03/24	0	0%	463	-5	D12500: FS																						
D12760	Provide Contracts & Invoices	20	11/25/24	12/24/24	12/04/24	01/02/25	20	0%	463	-5	D12750: FS																						
D12770	Sign & Pay SCE Billing Package	10	12/26/24	01/09/25	01/03/25	01/16/25	10	0%	463	-5	D12760: FS																						
D12780	Install Ducts & Structures & Field Conditions Met	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	463	-5	D12770: FS																						
D12790	Schedule Crew to Pull Cable	10	01/24/25	02/06/25	01/31/25	02/13/25	10	0%	463	-5	D12780: FS																						
D12795	Energize Project	20	02/07/25	03/06/25	02/14/25	03/13/25	20	0%	463	-5	D12790: FS																						
WORK ORDER 4 - R16 METER & SERVICE (BUILDING 4)		70	11/22/24	03/06/25	12/03/24	03/13/25	70		463	-5																							
D12800	Submittal to SCE	0		11/22/24		12/03/24	0	0%	463	-5	D12500: FS																						
D12810	Provide Contracts & Invoices	20	11/25/24	12/24/24	12/04/24	01/02/25	20	0%	463	-5	D12800: FS																						
D12820	Sign & Pay SCE Billing Package	10	12/26/24	01/09/25	01/03/25	01/16/25	10	0%	463	-5	D12810: FS																						
D12830	Install Ducts & Structures & Field Conditions Met	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	463	-5	D12820: FS																						
D12840	Schedule Crew to Pull Cable	10	01/24/25	02/06/25	01/31/25	02/13/25	10	0%	463	-5	D12830: FS																						
D12845	Energize Project	20	02/07/25	03/06/25	02/14/25	03/13/25	20	0%	463	-5	D12840: FS																						
WORK ORDER 4 - R16 METER & SERVICE (BUILDING 1)		70	11/22/24	03/06/25	12/03/24	03/13/25	70		463	-5																							
D12850	Submittal to SCE	0		11/22/24		12/03/24	0	0%	463	-5	D12500: FS																						
D12860	Provide Contracts & Invoices	20	11/25/24	12/24/24	12/04/24	01/02/25	20	0%	463	-5	D12850: FS																						
D12870	Sign & Pay SCE Billing Package	10	12/26/24	01/09/25	01/03/25	01/16/25	10	0%	463	-5	D12860: FS																						
D12880	Install Ducts & Structures & Field Conditions Met	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	463	-5	D12870: FS																						
D12890	Schedule Crew to Pull Cable	10	01/24/25	02/06/25	01/31/25	02/13/25	10	0%	463	-5	D12880: FS																						
D12895	Energize Project	20	02/07/25	03/06/25	02/14/25	03/13/25	20	0%	463	-5	D12890: FS																						
5 SUPPORTIVE TRANSITIONAL HOUSING		323	10/04/22	03/22/24	10/04/22 A	04/30/24	37		98	-27																							
D14000	Prepare 75% Schematic Design	38	10/04/22	11/29/22	10/04/22 A	11/29/22 A	0	100%		0	D3110: FS																						
D14010	Prepare 100% Schematic Design	42	11/30/22	01/30/23	11/30/22 A	01/30/23 A	0	100%		0	D14000: FS																						
D14100	Prepare 25% Design Development	21	01/31/23	02/28/23	01/31/23 A	02/28/23 A	0	100%		0	D14010: FS																						
D14110	Prepare 50% Design Development	20	03/01/23	04/18/23	03/01/23 A	04/18/23 A	0	100%		0	D14100: FS																						
D14120	Prepare 75% Design Development	20	04/19/23	05/23/23	04/19/23 A	05/23/23 A	0	100%		0	D14110: FS																						
D14121	Type V to Type IIA Conversion by FW&C	25	04/19/23	05/23/23	04/19/23 A	05/23/23 A	0	100%		0	D14110: FS																						
D14122	BA Incorporate FW&C Design (75% DD's)	7	05/24/23	06/02/23	05/24/23 A	06/02/23 A	0	100%		0	D14121: FS																						
D14123	Issue 75% DD's	0		06/02/23		06/02/23 A	0	100%		0	D14122: FS																						
D14125	Checkset Review 75% DD's	13	06/05/23	06/22/23	06/05/23 A	06/22/23 A	0	100%		0	D14120: FS, D14121: FS,																						
D14130	Prepare 100% Design Development	25	05/24/23	06/29/23	05/24/23 A	06/29/23 A	0	100%		0	D14120: FS																						
D14135	Design Team Review & Incorporate Checkset 75% DD Commer	15	06/23/23	07/14/23	06/23/23 A	07/14/23 A	0	100%		0	D14125: FS																						
D14135.10	Move to Perris; Revise DD's	86	07/11/23	10/11/23	07/11/23 A	10/11/23 A	0	100%		0	D09200: SS																						
D14200	Prepare 25% Construction Documents	20	09/12/23	10/09/23	09/12/23 A	10/09/23 A	0	100%		0	D14130: FS, D14135: FS,																						
D14205	FW&C Structural Design	30	10/02/23	11/13/23	10/02/23 A	11/13/23 A	0	100%		0	D14200: SS 14																						
D14210	Prepare 50% Construction Documents	20	10/10/23	11/06/23	10/10/23 A	11/06/23 A	0	100%		0	D14200: FS																						
D14220	Prepare 75% Construction Documents	18	11/07/23	12/04/23	11/07/23 A	12/04/23 A	0	100%		0	D14210: FS																						
D14230	Prepare 100% Construction Documents	22	12/05/23	01/05/24	12/05/23 A	01/05/24 A	0	100%		0	D14220: FS, D14205: FS																						



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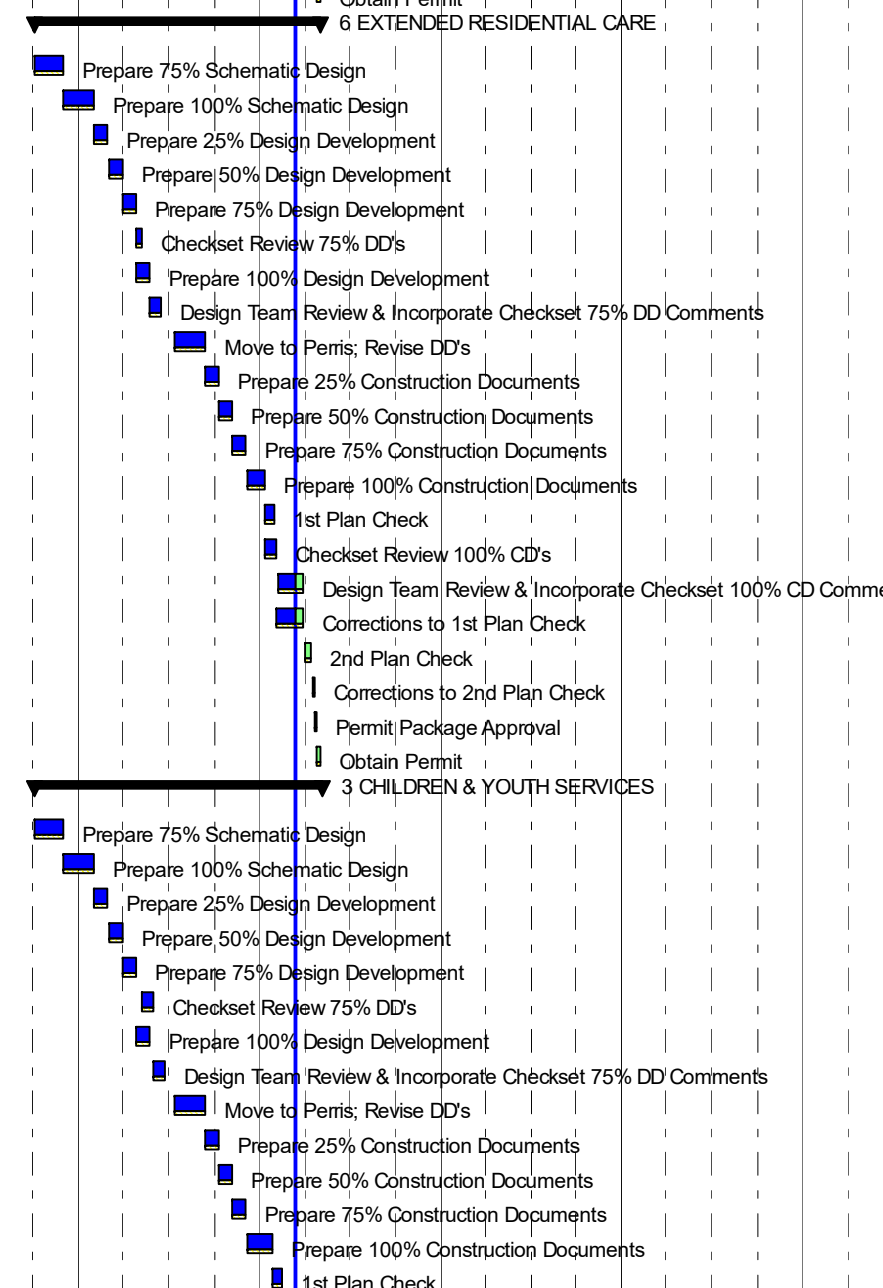
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- Remaining Level of Effort
- Actual Level of Effort
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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022		2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
D14300	1st Plan Check	14	01/08/24	01/25/24	01/08/24 A	01/25/24 A	0	100%		0	D14230: FS																				
D14301	Checkset Review 100% CD's	15	01/08/24	01/25/24	01/08/24 A	01/26/24 A	0	100%		-1	D14230: FS																				
D14305	Design Team Review & Incorporate Checkset 100% CD Comm	40	01/26/24	02/08/24	01/29/24 A	03/29/24	15	62.5%	98	-36	D14300: FS, D14301: FS																				
D14310	Corrections to 1st Plan Check	41	01/26/24	02/08/24	01/26/24 A	03/29/24	15	33.41%	98	-36	D14300: FS, D14305: FF																				
D14320	2nd Plan Check	10	02/09/24	02/28/24	04/01/24	04/12/24	10	0%	98	-32	D14310: FS																				
D14330	Corrections to 2nd Plan Check	5	02/29/24	03/13/24	04/15/24	04/19/24	5	0%	98	-27	D14320: FS																				
D14340	Permit Package Approval	2	03/14/24	03/15/24	04/22/24	04/23/24	2	0%	98	-27	D14330: FS																				
D14350	Obtain Permit	5	03/18/24	03/22/24	04/24/24	04/30/24	5	0%	98	-27	D14340: FS, S1000: FF																				
6 EXTENDED RESIDENTIAL CARE		328	10/04/22	03/28/24	10/04/22 A	04/30/24	37		100	-23																					
D11000	Prepare 75% Schematic Design	38	10/04/22	11/29/22	10/04/22 A	11/29/22 A	0	100%		0	D3110: FS																				
D11010	Prepare 100% Schematic Design	42	11/30/22	01/30/23	11/30/22 A	01/30/23 A	0	100%		0	D11000: FS																				
D11100	Prepare 25% Design Development	21	01/31/23	02/28/23	01/31/23 A	02/28/23 A	0	100%		0	D11010: FS																				
D11110	Prepare 50% Design Development	20	03/01/23	03/28/23	03/01/23 A	03/28/23 A	0	100%		0	D11100: FS																				
D11120	Prepare 75% Design Development	20	03/29/23	04/25/23	03/29/23 A	04/25/23 A	0	100%		0	D11110: FS																				
D11125	Checkset Review 75% DD's	25	04/25/23	05/09/23	04/25/23 A	05/09/23 A	0	100%		0	D11120: FS																				
D11130	Prepare 100% Design Development	20	04/26/23	05/23/23	04/26/23 A	05/23/23 A	0	100%		0	D11120: FS																				
D11135	Design Team Review & Incorporate Checkset 75% DD Commer	15	05/24/23	06/14/23	05/24/23 A	06/14/23 A	0	100%		0	D11125: FS, D11130: FS																				
D11135.10	Move to Perris; Revise DD's	86	07/11/23	09/11/23	07/11/23 A	09/11/23 A	0	100%		0	D09200: SS																				
D11200	Prepare 25% Construction Documents	20	09/12/23	10/09/23	09/12/23 A	10/09/23 A	0	100%		0	D11130: FS, D11135: FS,																				
D11210	Prepare 50% Construction Documents	20	10/10/23	11/06/23	10/10/23 A	11/06/23 A	0	100%		0	D11200: FS																				
D11220	Prepare 75% Construction Documents	18	11/07/23	12/04/23	11/07/23 A	12/04/23 A	0	100%		0	D11210: FS																				
D11230	Prepare 100% Construction Documents	27	12/05/23	01/12/24	12/05/23 A	01/12/24 A	0	100%		0	D11220: FS																				
D11300	1st Plan Check	14	01/12/24	01/31/24	01/12/24 A	01/31/24 A	0	100%		0	D11230: FS -1, D14300: S																				
D11301	Checkset Review 100% CD's	16	01/12/24	01/31/24	01/12/24 A	02/02/24 A	0	100%		-2	D11230: FS -1																				
D11305	Design Team Review & Incorporate Checkset 100% CD Comm	40	02/01/24	02/14/24	02/05/24 A	03/29/24	15	62.5%	100	-32	D11300: FS, D11301: FS																				
D11310	Corrections to 1st Plan Check	42	02/01/24	02/14/24	02/01/24 A	03/29/24	15	34.29%	100	-32	D11300: FS, D11305: FF																				
D11320	2nd Plan Check	10	02/15/24	03/05/24	04/01/24	04/12/24	10	0%	100	-28	D11310: FS																				
D11330	Corrections to 2nd Plan Check	5	03/06/24	03/19/24	04/15/24	04/19/24	5	0%	100	-23	D11320: FS																				
D11340	Permit Package Approval	2	03/20/24	03/21/24	04/22/24	04/23/24	2	0%	100	-23	D11330: FS																				
D11350	Obtain Permit	5	03/22/24	03/28/24	04/24/24	04/30/24	5	0%	100	-23	D11340: FS, S1000: FF																				
3 CHILDREN & YOUTH SERVICES		333	10/04/22	03/15/24	10/04/22 A	05/07/24	42		113	-37																					
D15000	Prepare 75% Schematic Design	38	10/04/22	11/29/22	10/04/22 A	11/29/22 A	0	100%		0	D3110: FS																				
D15010	Prepare 100% Schematic Design	42	11/30/22	01/30/23	11/30/22 A	01/30/23 A	0	100%		0	D15000: FS																				
D15100	Prepare 25% Design Development	21	01/31/23	02/28/23	01/31/23 A	02/28/23 A	0	100%		0	D15010: FS																				
D15110	Prepare 50% Design Development	20	03/01/23	03/28/23	03/01/23 A	03/28/23 A	0	100%		0	D15100: FS																				
D15120	Prepare 75% Design Development	20	03/29/23	04/25/23	03/29/23 A	04/25/23 A	0	100%		0	D15110: FS																				
D15125	Checkset Review 75% DD's	25	05/09/23	05/30/23	05/09/23 A	05/30/23 A	0	100%		0	D15120: FS																				
D15130	Prepare 100% Design Development	20	04/26/23	05/23/23	04/26/23 A	05/23/23 A	0	100%		0	D15120: FS																				
D15135	Design Team Review & Incorporate Checkset 75% DD Commer	15	05/31/23	06/21/23	05/31/23 A	06/21/23 A	0	100%		0	D15125: FS																				
D15135.10	Move to Perris; Revise DD's	86	07/11/23	09/11/23	07/11/23 A	09/11/23 A	0	100%		0	D09200: SS																				
D15200	Prepare 25% Construction Documents	20	09/12/23	10/09/23	09/12/23 A	10/09/23 A	0	100%		0	D15130: FS, D15135: FS,																				
D15210	Prepare 50% Construction Documents	20	10/10/23	11/06/23	10/10/23 A	11/06/23 A	0	100%		0	D15200: FS																				
D15220	Prepare 75% Construction Documents	18	11/07/23	12/04/23	11/07/23 A	12/04/23 A	0	100%		0	D15210: FS																				
D15230	Prepare 100% Construction Documents	32	12/05/23	01/19/24	12/05/23 A	01/25/24 A	0	100%		-4	D15220: FS																				
D15300	1st Plan Check	14	01/19/24	02/07/24	01/26/24 A	02/14/24 A	0	100%		-5	D15230: FS, D11300: SS																				



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- Remaining Level of Effort
- Actual Level of Effort
- Remaining Work
- Critical Remaining Work
- Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
D19005.60	Receive 100% CD's (Early Site Pkg) (due 02/08e)	0		02/08/24		02/09/24 A	0	100%		0	D10150: FS																						
D19005.70	Receive 100% CD's (Full Site Pkg) (due 03/12e) (not tied to GM	0		03/12/24		03/13/24	0	0%	715	-1	D10200: FS																						
D19006	Continue Prepare GMP (100% CD's)	19	01/08/24	02/01/24	01/08/24 A	02/01/24 A	0	100%		0	D19004: FS, D19005.50:																						
D19006.10	Issue GMP to PMB (1st Issuance)	0		02/01/24		02/01/24 A	0	100%		0	D19006: FS																						
D19007	Team Review / Finalize GMP (ties to D4060)	9	02/02/24	02/14/24	02/02/24 A	02/16/24 A	0	100%		-2	D19006: FS, D19006.10:																						
D19010	Finalize Contract Exhibits	9	02/02/24	02/14/24	02/02/24 A	03/19/24	7	22.22%	369	-24	D19000: FS, D19007: SS																						
D19020	Execute GMAX (PMB & SL)	0		02/14/24		03/19/24	0	0%	369	-24	D19010: FS																						
0 CIVIL		55	06/01/23	08/02/23	06/01/23 A	08/02/23 A	0			0																							
D20000	Subcontractor Bid 100% DD Set	28	06/01/23	07/12/23	06/01/23 A	07/12/23 A	0	100%		0	D10100: FS, D10115: FS																						
D20010	SL Bid Leveling / Prepare 100% DD Budget	15	07/13/23	08/02/23	07/13/23 A	08/02/23 A	0	100%		0	D20000: FS																						
D20020	SL & BA Pricing Locked	0		08/02/23		08/02/23 A	0	100%		0	D20010: FS																						
5 SUPPORTIVE TRANSITIONAL HOUSING		34	06/01/23	08/02/23	06/01/23 A	08/02/23 A	0			0																							
D24000	Subcontractor Bid 100% DD Set (incl 75% checkset addendum)	33	06/01/23	07/19/23	06/01/23 A	07/19/23 A	0	100%		0	D14130: FF 13, D14125: I																						
D24010	SL Bid Leveling / Prepare 100% DD Budget	10	07/20/23	08/02/23	07/20/23 A	08/02/23 A	0	100%		0	D24000: FS																						
D24020	SL & BA Pricing Locked	0		08/02/23		08/02/23 A	0	100%		0	D24010: FS																						
6 EXTENDED RESIDENTIAL CARE		55	05/24/23	08/02/23	05/24/23 A	08/02/23 A	0			0																							
D21000	Subcontractor Bid 100% DD Set (incl 75% checkset addendum)	33	05/24/23	07/12/23	05/24/23 A	07/12/23 A	0	100%		0	D11130: FS, D11125: FF																						
D21010	SL Bid Leveling / Prepare 100% DD Budget	15	07/13/23	08/02/23	07/13/23 A	08/02/23 A	0	100%		0	D21000: FS																						
D21020	SL & BA Pricing Locked	0		08/02/23		08/02/23 A	0	100%		0	D21010: FS																						
3 CHILDREN & YOUTH SERVICES		55	05/24/23	08/02/23	05/24/23 A	08/02/23 A	0			0																							
D25000	Subcontractor Bid 100% DD Set (incl 75% checkset addendum)	33	05/24/23	07/12/23	05/24/23 A	07/12/23 A	0	100%		0	D15130: FS, D15125: FF																						
D25010	SL Bid Leveling / Prepare 100% DD Budget	15	07/13/23	08/02/23	07/13/23 A	08/02/23 A	0	100%		0	D25000: FS																						
D25020	SL & BA Pricing Locked	0		08/02/23		08/02/23 A	0	100%		0	D25010: FS																						
2 COMMUNITY WELLNESS & EDUCATION CENTER		55	05/24/23	08/02/23	05/24/23 A	08/02/23 A	0			0																							
D23000	Subcontractor Bid 100% DD Set (incl 75% checkset addendum)	33	05/24/23	07/12/23	05/24/23 A	07/12/23 A	0	100%		0	D13130: FS, D13125: FF																						
D23010	SL Bid Leveling / Prepare 100% DD Budget	15	07/13/23	08/02/23	07/13/23 A	08/02/23 A	0	100%		0	D23000: FS																						
D23020	SL & BA Pricing Locked	0		08/02/23		08/02/23 A	0	100%		0	D23010: FS																						
4 URGENT CARE SERVICES		55	05/24/23	08/02/23	05/24/23 A	08/02/23 A	0			0																							
D26000	Subcontractor Bid 100% DD Set (incl 75% checkset addendum)	33	05/24/23	07/12/23	05/24/23 A	07/12/23 A	0	100%		0	D16130: FS, D16125: FF																						
D26010	SL Bid Leveling / Prepare 100% DD Budget	15	07/13/23	08/02/23	07/13/23 A	08/02/23 A	0	100%		0	D26000: FS																						
D26020	SL & BA Pricing Locked	0		08/02/23		08/02/23 A	0	100%		0	D26010: FS																						
BIM		264	02/15/24	07/29/24	03/06/24 A	03/26/25	264		454	-166																							
5 SUPPORTIVE TRANSITIONAL HOUSING		112	02/15/24	06/06/24	05/15/24	10/23/24	112		162	-96																							
D34100	BIM 100% Model Population (U/Gmd)	9	02/15/24	02/21/24	05/15/24*	05/28/24	9	0%	59	-68	D14230: FS																						
D34110	BIM Coordination (U/Gmd)	19	02/22/24	03/20/24	05/29/24	06/25/24	19	0%	59	-67	D34100: FS																						
D34120	BIM Sign-off (U/Gmd)	1	03/21/24	03/27/24	06/26/24	06/26/24	1	0%	59	-63	D34110: FS																						
D34130	BIM 100% Model Population (Risers/Penetrations)	9			05/22/24	06/04/24	9	0%	86		D34100: SS 5																						
D34140	BIM Coordination (Risers/Penetrations)	9			06/05/24	06/17/24	9	0%	249		D34130: FS																						
D34150	BIM Sign-off (Risers/Penetrations)	1			06/18/24	06/18/24	1	0%	249		D34140: FS																						
D34200	BIM 100% Model Population (Level 1)	9	02/22/24	03/06/24	06/05/24	06/17/24	9	0%	86	-72	D34130: FS																						
D34210	BIM Coordination (Level 1)	44	03/07/24	04/10/24	06/18/24	08/20/24	44	0%	86	-91	D34200: FS																						
D34220	BIM Sign-off (Level 1)	1	04/11/24	04/17/24	08/21/24	08/21/24	1	0%	86	-87	D34210: FS, D34120: FS																						
D34300	BIM 100% Model Population (Level 2)	9	03/07/24	03/20/24	07/03/24	07/16/24	9	0%	107	-81	D34200: FS 10																						
D34310	BIM Coordination (Level 2)	34	03/21/24	04/24/24	07/17/24	09/03/24	34	0%	107	-90	D34300: FS																						



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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
2 COMMUNITY WELLNESS & EDUCATION CENTER												2 COMMUNITY WELLNESS & EDUCATION CENTER																					
D33100	BIM 100% Model Population (U/Gmd)	10	03/07/24	03/13/24	04/10/24	04/23/24	10	0%	149	-29	D13230: FS, D31400: FS																						
D33110	BIM Coordination (U/Gmd)	20	03/14/24	04/10/24	04/24/24	05/21/24	20	0%	189	-29	D33100: FS																						
D33120	BIM Sign-off (U/Gmd)	1	04/11/24	04/17/24	05/22/24	05/22/24	1	0%	189	-25	D33110: FS																						
D33130	BIM 100% Model Population (Risers/Penetrations)	10			04/17/24	04/30/24	10	0%	149		D33100: SS 5																						
D33140	BIM Coordination (Risers/Penetrations)	10			05/01/24	05/14/24	10	0%	287		D33130: FS																						
D33150	BIM Sign-off (Risers/Penetrations)	1			05/15/24	05/15/24	1	0%	287		D33140: FS																						
D33600	BIM 100% Model Population (Roof)	10	06/07/24	06/21/24	05/01/24	05/14/24	10	0%	149	26	D33130: FS																						
D33610	BIM Coordination (Roof)	19	06/24/24	07/22/24	05/15/24	06/11/24	19	0%	269	27	D33600: FS																						
D33620	BIM Sign-off (Roof)	1	07/23/24	07/29/24	06/12/24	06/12/24	1	0%	269	31	D33610: FS, D33150: FS																						
D33200	BIM 100% Model Population (Level 1)	9	03/14/24	03/27/24	08/28/24	09/10/24	9	0%	149	-115	D33600: FS 72																						
D33210	BIM Coordination (Level 1)	44	03/28/24	05/15/24	09/11/24	11/12/24	44	0%	164	-124	D33200: FS																						
D33220	BIM Sign-off (Level 1)	1	05/16/24	05/22/24	11/13/24	11/13/24	1	0%	164	-120	D33210: FS, D33120: FS,																						
D33300	BIM 100% Model Population (Level 2)	10	03/28/24	04/10/24	09/25/24	10/08/24	10	0%	149	-125	D33200: FS 10																						
D33310	BIM Coordination (Level 2)	34	04/11/24	05/30/24	10/09/24	11/26/24	34	0%	155	-124	D33300: FS																						
D33320	BIM Sign-off (Level 2)	1	05/31/24	06/06/24	11/27/24	11/27/24	1	0%	155	-120	D33310: FS, D33220: FS																						
D33400	BIM 100% Model Population (Level 3)	10	04/25/24	05/08/24	10/23/24	11/05/24	10	0%	149	-125	D33300: FS 10																						
D33410	BIM Coordination (Level 3)	40	05/09/24	06/28/24	11/06/24	01/07/25	40	0%	149	-130	D33400: FS																						
D33420	BIM Sign-off (Level 3)	1	07/01/24	07/08/24	01/08/25	01/08/25	1	0%	149	-126	D33410: FS, D33320: FS																						
D33500	BIM 100% Model Population (Level 4)	8	05/09/24	05/22/24	11/20/24	12/03/24	8	0%	149	-132	D33400: FS 9																						
D33510	BIM Coordination (Level 4)	43	05/23/24	07/15/24	12/04/24	02/04/25	43	0%	149	-140	D33500: FS																						
D33520	BIM Sign-off (Level 4)	1	07/16/24	07/22/24	02/05/25	02/05/25	1	0%	149	-136	D33510: FS, D33420: FS																						
D33700	BIM Coordination (Kitchen) (added by Jake) (NEED ADD TO BIM)	20			05/22/24	06/20/24	20	0%	645		D33110: FS																						
D33710	BIM Sign-off (Kitchen)	1			06/21/24	06/21/24	1	0%	645		D33700: FS																						
D33800	BIM Coordination (Market) (added by Jake)	20			05/22/24	06/20/24	20	0%	645		D33110: FS																						
D33810	BIM Sign-off (Market)	1			06/21/24	06/21/24	1	0%	645		D33800: FS																						
4 URGENT CARE SERVICES												4 URGENT CARE SERVICES																					
D36100	BIM 100% Model Population (U/Gmd)	9	03/14/24	03/20/24	05/15/24	05/28/24	9	0%	154	-48	D16230: FS, D33600: FS																						
D36110	BIM Coordination (U/Gmd)	19	03/21/24	04/17/24	05/29/24	06/25/24	19	0%	262	-47	D36100: FS																						
D36120	BIM Sign-off (U/Gmd)	1	04/18/24	04/24/24	06/26/24	06/26/24	1	0%	262	-43	D36110: FS																						
D36130	BIM 100% Model Population (Risers/Penetrations)	9			05/22/24	06/04/24	9	0%	154		D36100: SS 5																						
D36140	BIM Coordination (Risers/Penetrations)	10			06/05/24	06/18/24	10	0%	343		D36130: FS																						
D36150	BIM Sign-off (Risers/Penetrations)	1			06/20/24	06/20/24	1	0%	343		D36140: FS																						
D36400	BIM 100% Model Population (Roof)	9	05/02/24	05/15/24	06/05/24	06/17/24	9	0%	154	-22	D36130: FS																						
D36410	BIM Coordination (Roof)	19	05/16/24	06/13/24	06/18/24	07/16/24	19	0%	326	-21	D36400: FS																						
D36420	BIM Sign-off (Roof)	1	06/14/24	06/21/24	07/17/24	07/17/24	1	0%	326	-17	D36410: FS, D36150: FS																						
D36200	BIM 100% Model Population (Level 1)	10	03/21/24	04/03/24	01/08/25	01/21/25	10	0%	154	-200	D36400: FS 138																						
D36210	BIM Coordination (Level 1)	35	04/04/24	05/22/24	01/22/25	03/11/25	35	0%	163	-200	D36200: FS																						
D36220	BIM Sign-off (Level 1)	1	05/23/24	05/30/24	03/12/25	03/12/25	1	0%	163	-196	D36210: FS, D36120: FS,																						
D36300	BIM 100% Model Population (Level 2)	10	04/04/24	04/17/24	01/22/25	02/04/25	10	0%	154	-200	D36200: FS																						
D36310	BIM Coordination (Level 2)	35	04/18/24	06/06/24	02/05/25	03/25/25	35	0%	154	-200	D36300: FS																						
D36320	BIM Sign-off (Level 2)	1	06/07/24	06/13/24	03/26/25	03/26/25	1	0%	154	-196	D36310: FS, D36220: FS																						
BUYOUT												BUYOUT																					
BID PACKAGE 1 (DESIGN ASSIST TRADES)												BID PACKAGE 1 (DESIGN ASSIST TRADES)																					
D50070	Buyout Fire Sprinklers (D/A only)	20	10/19/23	10/20/23	10/19/23 A	10/20/23 A	0	100%		0	D19002: FS																						

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- Remaining Level of Effort
- Actual Level of Effort
- Remaining Work
- Critical Remaining Work
- Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026		2027					
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		
SUBMITTALS & PROCUREMENT (BLDGS 2, 4 & 6)												SUBMITTALS & PROCUREMENT (BLDGS 2, 4 & 6)																							
DIVISION 10 - SPECIALTIES												DIVISION 10 - SPECIALTIES																							
P102200.10	Buyout Operable Partitions	20	02/15/24	03/13/24	03/20/24	04/16/24	20	0%	521	-24	D19020: FS	Buyout Operable Partitions																							
P102200.20	Prepare Submittal Operable Partitions	10	03/14/24	03/27/24	04/17/24	04/30/24	10	0%	521	-24	P102200.10: FS	Prepare Submittal Operable Partitions																							
P102200.30	Review/Approve Submittal Operable Partitions	10	03/28/24	04/10/24	05/01/24	05/14/24	10	0%	521	-24	P102200.20: FS	Review/Approve Submittal Operable Partitions																							
P102200.40	Procure Operable Partition Tracks (Bldg 2 & 6)	20	04/11/24	05/08/24	05/15/24	06/12/24	20	0%	651	-24	P102200.30: FS	Procure Operable Partition Tracks (Bldg 2 & 6)																							
P102200.50	Procure Operable Partitions Panels (Bldg 2 & 6) (29-30 weeks)	150	04/11/24	11/13/24	05/15/24	12/19/24	150	0%	521	-24	P102200.30: FS	Procure Operable Partitions Panels (Bldg 2 & 6)																							
SUBMITTALS & PROCUREMENT (SITE)												SUBMITTALS & PROCUREMENT (SITE)																							
DIVISION 33 - UTILITIES												DIVISION 33 - UTILITIES																							
P330000.10	Buyout Offsite Wet Utilities	20	02/15/24	03/13/24	03/20/24	04/16/24	20	0%	431	-24	D19020: FS	Buyout Offsite Wet Utilities																							
P330000.20	Prepare Submittal Offsite Wet Utilities	10	03/14/24	03/27/24	04/17/24	04/30/24	10	0%	431	-24	P330000.10: FS	Prepare Submittal Offsite Wet Utilities																							
P330000.21	Review/Approve Submittal Offsite Wet Utilities	10	03/28/24	04/10/24	05/01/24	05/14/24	10	0%	431	-24	P330000.20: FS	Review/Approve Submittal Offsite Wet Utilities																							
P330000.29	Procure Materials Offsite Wet Utilities(verify lead time)	40	04/11/24	06/06/24	05/15/24	07/12/24	40	0%	431	-24	P330000.21: FS	Procure Materials Offsite Wet Utilities(verify lead time)																							
CONSTRUCTION												CONSTRUCTION																							
MOBILIZATION / SITE PREP												MOBILIZATION / SITE PREP																							
MOBILIZATION / EARTHWORK												MOBILIZATION / EARTHWORK																							
1-09000	Biologist Survey for Burrowing Owls & Nesting Birds	0				06/14/24	0	0%	-10			Biologist Survey for Burrowing Owls & Nesting Birds																							
1-10000	Mobilization	5	06/03/24	06/07/24	06/17/24	06/24/24	5	0%	-10	-10	S1100: FS, S1105: FF, 1-	Mobilization																							
1-11000	Earthwork / Building Pads	35	06/10/24	07/30/24	06/25/24	08/13/24	35	0%	-10	-10	1-10000: FS, S1112: FF	Earthwork / Building Pads																							
OFFSITE WET UTILITIES (BY SL)												OFFSITE WET UTILITIES (BY SL)																							
1-11500	Offsite Wet Utilities (SUMMARY)	67	06/10/24	10/30/24	07/15/24	10/16/24	67	0%	474	10	1-11600: SS	Offsite Wet Utilities (SUMMARY)																							
SEWER (BY SL)												SEWER (BY SL)																							
1-11600	Setup Traffic Control	1	08/27/24	08/27/24	07/15/24	07/15/24	1	0%	431	31	P330000.29: FS, 1-10000	Setup Traffic Control																							
1-11605	8in SDR Placentia POC to 1st Manhole (315LF)	4	08/27/24	08/30/24	07/15/24	07/18/24	4	0%	431	31	1-11600: SS	8in SDR Placentia POC to 1st Manhole (315LF)																							
1-11610	Backfill Trench (315LF)	3	09/03/24	09/05/24	07/19/24	07/23/24	3	0%	431	31	1-11605: FS	Backfill Trench (315LF)																							
1-11615	Move Traffic Control	1	09/06/24	09/06/24	07/24/24	07/24/24	1	0%	431	31	1-11610: FS	Move Traffic Control																							
1-11620	8in SDR Harvill to 2nd New Manhole (362LF)	5	09/06/24	09/12/24	07/24/24	07/30/24	5	0%	431	31	1-11615: SS	8in SDR Harvill to 2nd New Manhole (362LF)																							
1-11625	Backfill Trench (362LF)	3	09/13/24	09/17/24	07/31/24	08/02/24	3	0%	431	31	1-11620: FS	Backfill Trench (362LF)																							
1-11630	8in SDR Harvill to 2nd New Manhole (343LF)	5	09/18/24	09/24/24	08/05/24	08/09/24	5	0%	431	31	1-11625: FS	8in SDR Harvill to 2nd New Manhole (343LF)																							
1-11635	Backfill Trench (343LF)	3	09/25/24	09/27/24	08/12/24	08/14/24	3	0%	431	31	1-11630: FS	Backfill Trench (343LF)																							
1-11640	Build 3 Manholes	6	09/25/24	10/02/24	08/12/24	08/19/24	6	0%	431	31	1-11635: SS	Build 3 Manholes																							
1-11645	Backfill Manholes	3	10/02/24	10/04/24	08/19/24	08/21/24	3	0%	433	31	1-11640: FS -1	Backfill Manholes																							
1-11650	Move Traffic Control	1	10/03/24	10/03/24	08/20/24	08/20/24	1	0%	431	31	1-11645: FS	Move Traffic Control																							
1-11655	Extend 8in Sewer to Project Site (60LF)	4	10/03/24	10/08/24	08/20/24	08/23/24	4	0%	431	31	1-11650: SS	Extend 8in Sewer to Project Site (60LF)																							
1-11660	Pave Back Trenches	1	10/09/24	10/09/24	08/26/24	08/26/24	1	0%	431	31	1-11655: FS, 1-11645: FS	Pave Back Trenches																							
STORM DRAIN TIE-IN ON HARVILL (-11' INV) (BY SL)												STORM DRAIN TIE-IN ON HARVILL (-11' INV) (BY SL)																							
1-11700	Setup Traffic Control	1	10/10/24	10/10/24	08/27/24	08/27/24	1	0%	431	31	1-11660: FS	Setup Traffic Control																							
1-11710	8in Storm Drain POC Extend to PL	5	10/10/24	10/10/24	08/27/24	09/03/24	5	0%	431	27	1-11700: SS	8in Storm Drain POC Extend to PL																							
1-11720	Pave Back Trenches	1	10/11/24	10/11/24	09/04/24	09/04/24	1	0%	431	27	1-11710: FS, S2200: FF	Pave Back Trenches																							
2 WATER TIE-INS ON HARVILL (12IN) (BY SL)												2 WATER TIE-INS ON HARVILL (12IN) (BY SL)																							
1-11800	Setup Traffic Control	1	10/14/24	10/14/24	09/05/24	09/05/24	1	0%	431	27	1-11720: FS	Setup Traffic Control																							
1-11810	Install & Tap Southerly 12in Water to Hydrant/DCDA/Backflow/In	6	10/14/24	10/21/24	09/05/24	09/12/24	6	0%	431	27	1-11800: SS	Install & Tap Southerly 12in Water to Hydrant/DCDA/Backflow/In																							
1-11820	Install & Tap Southerly 12in Water to Hydrant/DCDA/Backflow/In	6	10/22/24	10/29/24	09/13/24	09/20/24	6	0%	431	27	1-11810: FS	Install & Tap Southerly 12in Water to Hydrant/DCDA/Backflow/In																							
1-11830	Pave Back Trenches	1	10/30/24	10/30/24	09/23/24	09/23/24	1	0%	431	27	1-11820: FS, S2210: FF	Pave Back Trenches																							

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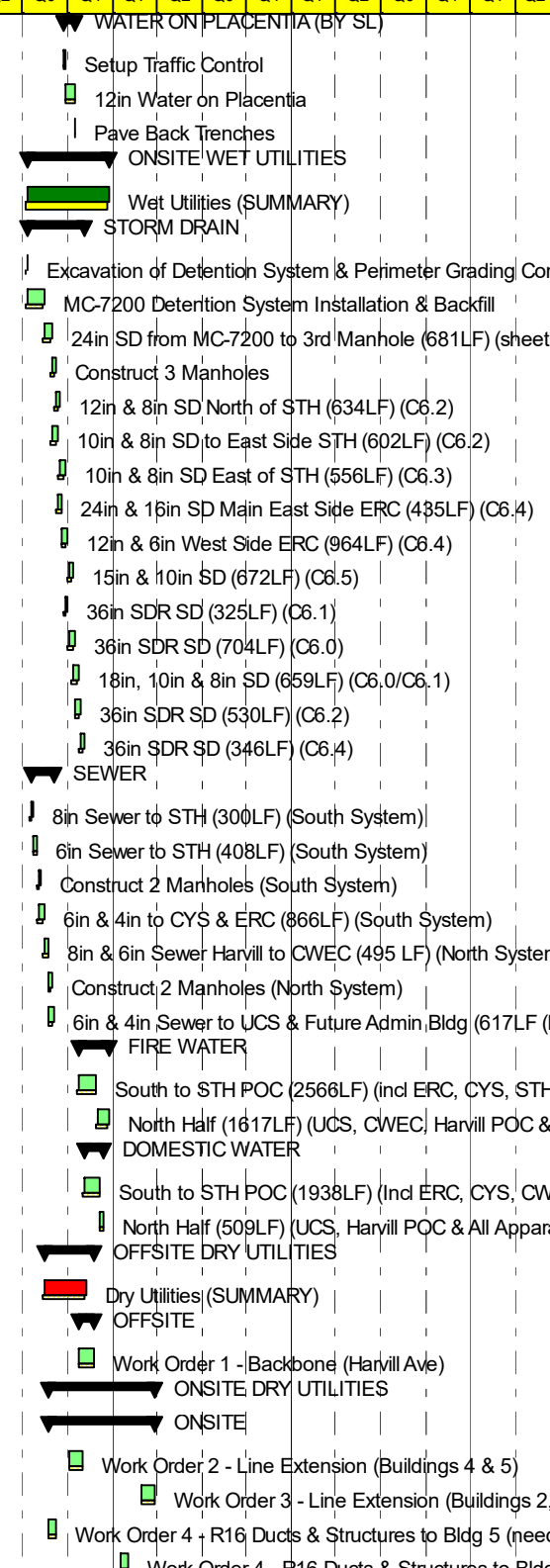
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- Remaining Level of Effort
- Actual Level of Effort
- Remaining Work
- Critical Remaining Work
- Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026		2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WATER ON PLACENTIA (BY SL)																															
1-11900	Setup Traffic Control	1			09/24/24	09/24/24	1	0%	474		1-11830: FS																				
1-11910	12in Water on Placentia	15			09/25/24	10/15/24	15	0%	474		1-11900: FS																				
1-11920	Pave Back Trenches	1			10/16/24	10/16/24	1	0%	474		1-11910: FS, 1-11500: FF,																				
ONSITE WET UTILITIES																															
1-12000	Wet Utilities (SUMMARY)	116	06/24/24	12/09/24	07/09/24	12/23/24	116	0%	244	-10	1-12100: SS																				
STORM DRAIN																															
1-12100	Excavation of Detention System & Perimeter Grading Complete	1	06/24/24	06/24/24	07/09/24	07/09/24	1	0%	-10	-10	1-11000: SS 9																				
1-12110	MC-7200 Detention System Installation & Backfill	25	06/25/24	07/30/24	07/10/24	08/13/24	25	0%	244	-10	1-12100: FS																				
1-12120	24in SD from MC-7200 to 3rd Manhole (681LF) (sheets C6.0/C	11	07/31/24	08/14/24	08/14/24	08/28/24	11	0%	244	-10	1-12110: FS																				
1-12130	Construct 3 Manholes	6	08/15/24	08/22/24	08/29/24	09/06/24	6	0%	244	-10	1-12120: FS																				
1-12200	12in & 8in SD North of STH (634LF) (C6.2)	7	08/21/24	08/29/24	09/05/24	09/13/24	7	0%	250	-10	1-12560: FS																				
1-12210	10in & 8in SD to East Side STH (602LF) (C6.2)	7	08/15/24	08/23/24	08/29/24	09/09/24	7	0%	244	-10	1-12130: SS																				
1-12220	10in & 8in SD East of STH (556LF) (C6.3)	7	08/30/24	09/10/24	09/16/24	09/24/24	7	0%	250	-10	1-12200: FS																				
1-12230	24in & 16in SD Main East Side ERC (435LF) (C6.4)	7	08/26/24	09/04/24	09/10/24	09/18/24	7	0%	244	-10	1-12210: FS																				
1-12240	12in & 6in West Side ERC (964LF) (C6.4)	9	09/05/24	09/17/24	09/19/24	10/01/24	9	0%	244	-10	1-12230: FS																				
1-12300	15in & 10in SD (672LF) (C6.5)	7	09/18/24	09/26/24	10/02/24	10/10/24	7	0%	244	-10	1-12240: FS																				
1-12310	36in SDR SD (325LF) (C6.1)	5	09/11/24	09/17/24	09/25/24	10/01/24	5	0%	250	-10	1-12220: FS																				
1-12320	36in SDR SD (704LF) (C6.0)	10	09/18/24	10/01/24	10/02/24	10/15/24	10	0%	250	-10	1-12310: FS																				
1-12330	18in, 10in & 8in SD (659LF) (C6.0/C6.1)	8	09/27/24	10/08/24	10/11/24	10/22/24	8	0%	244	-10	1-12300: FS																				
1-12400	36in SDR SD (530LF) (C6.2)	8	10/02/24	10/11/24	10/16/24	10/25/24	8	0%	250	-10	1-12320: FS																				
1-12410	36in SDR SD (346LF) (C6.4)	6	10/14/24	10/21/24	10/28/24	11/04/24	6	0%	250	-10	1-12400: FS																				
SEWER																															
1-12500	8in Sewer to STH (300LF) (South System)	5	07/02/24	07/09/24	07/17/24	07/23/24	5	0%	250	-10	1-12100: FS 5																				
1-12510	6in Sewer to STH (408LF) (South System)	6	07/10/24	07/17/24	07/24/24	07/31/24	6	0%	250	-10	1-12500: FS																				
1-12520	Construct 2 Manholes (South System)	4	07/18/24	07/23/24	08/01/24	08/06/24	4	0%	250	-10	1-12510: FS																				
1-12530	6in & 4in to CYS & ERC (866LF) (South System)	9	07/18/24	07/30/24	08/01/24	08/13/24	9	0%	250	-10	1-12520: SS																				
1-12540	8in & 6in Sewer Harvill to CWEC (495 LF) (North System)	7	07/31/24	08/08/24	08/14/24	08/22/24	7	0%	250	-10	1-12530: FS																				
1-12550	Construct 2 Manholes (North System)	4	08/09/24	08/14/24	08/23/24	08/28/24	4	0%	250	-10	1-12540: FS																				
1-12560	6in & 4in Sewer to UCS & Future Admin Bldg (617LF (North Sys	8	08/09/24	08/20/24	08/23/24	09/04/24	8	0%	250	-10	1-12550: SS																				
FIRE WATER																															
1-12600	South to STH POC (2566LF) (incl ERC, CYS, STH & All Appar	25	10/09/24	11/13/24	10/23/24	11/27/24	25	0%	244	-10	1-12330: FS																				
1-12610	North Half (1617LF) (UCS, CWEC, Harvill POC & All Apparatus	16	11/14/24	12/09/24	12/02/24	12/23/24	16	0%	244	-10	1-12600: FS, 1-12600: FF																				
DOMESTIC WATER																															
1-12700	South to STH POC (1938LF) (Incl ERC, CYS, CWES, STH & All	20	10/22/24	11/19/24	11/05/24	12/05/24	20	0%	250	-10	1-12410: FS																				
1-12710	North Half (509LF) (UCS, Harvill POC & All Apparatuses)	6	11/20/24	11/27/24	12/06/24	12/13/24	6	0%	250	-10	1-12700: FS, 1-12000: FF																				
OFFSITE DRY UTILITIES																															
1-13000	Dry Utilities (SUMMARY)	60	07/31/24	10/23/24	08/14/24	11/06/24	60	0%	-10	-10	S1115: FF, 1-12100: SS 2																				
OFFSITE																															
1-13100	Work Order 1 - Backbone (Harvill Ave)	20	10/18/24	11/15/24	10/25/24	11/22/24	20	0%	538	-5	D12140: FS																				
ONSITE DRY UTILITIES																															
ONSITE																															
1-13200	Work Order 2 - Line Extension (Buildings 4 & 5)	20	09/27/24	10/24/24	10/04/24	10/31/24	20	0%	553	-5	D12340: FS																				
1-13300	Work Order 3 - Line Extension (Buildings 2, 3, 6 & Future 1)	20	02/21/25	03/20/25	02/28/25	03/27/25	20	0%	453	-5	D12540: FS																				
1-13400	Work Order 4 - R16 Ducts & Structures to Bldg 5 (need pred fro	10	08/15/24	08/28/24	08/22/24	09/05/24	10	0%	593	-5	D12620: FS																				
1-13500	Work Order 4 - R16 Ducts & Structures to Bldg 6	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	493	-5	D12670: FS																				



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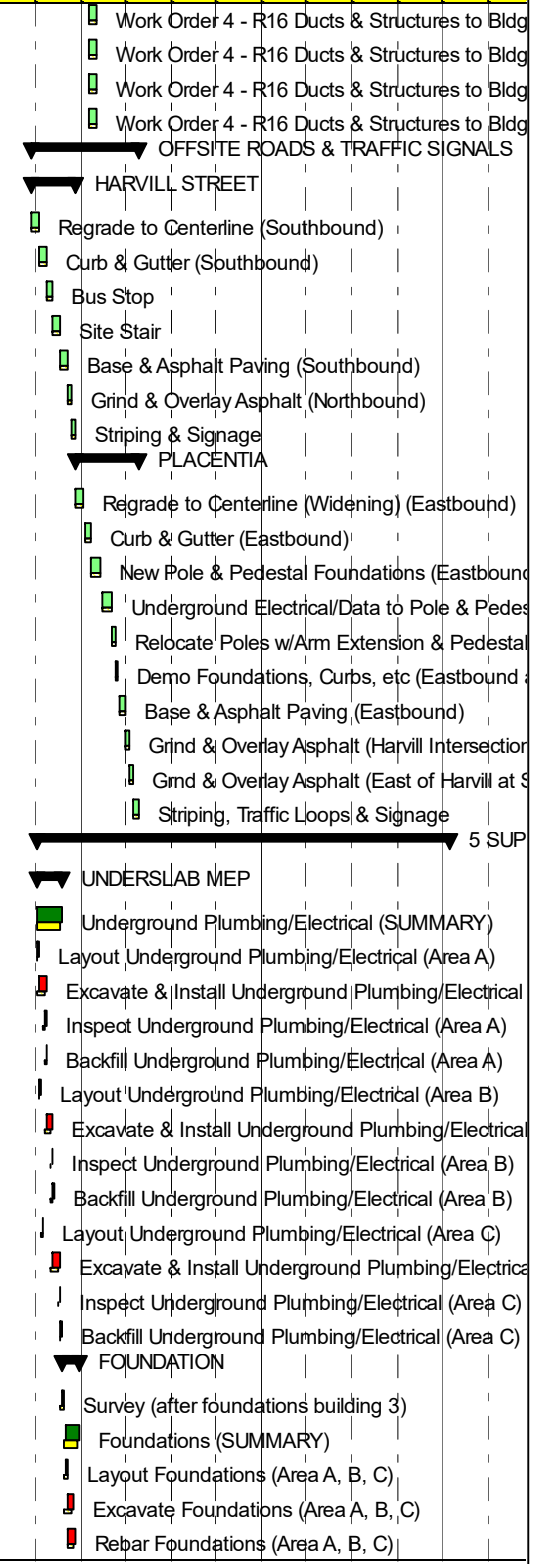
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- Remaining Level of Effort
- Actual Level of Effort
- Remaining Work
- Critical Remaining Work
- Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027						
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2					
1-13600	Work Order 4 - R16 Ducts & Structures to Bldg 3	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	493	-5	D12720: FS																											
1-13700	Work Order 4 - R16 Ducts & Structures to Bldg 2	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	493	-5	D12770: FS																											
1-13800	Work Order 4 - R16 Ducts & Structures to Bldg 4	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	493	-5	D12820: FS																											
1-13900	Work Order 4 - R16 Ducts & Structures to Bldg 1	10	01/10/25	01/23/25	01/17/25	01/30/25	10	0%	493	-5	D12870: FS																											
OFFSITE ROADS & TRAFFIC SIGNALS		150	10/31/24	06/05/25	09/24/24	04/28/25	150		431	27																												
HARVILL STREET		60	10/31/24	01/29/25	09/24/24	12/19/24	60		431	27																												
1-15000	Regrade to Centerline (Southbound)	10	10/31/24	11/14/24	09/24/24	10/07/24	10	0%	431	27	1-11830: FS																											
1-15010	Curb & Gutter (Southbound)	10	11/15/24	12/02/24	10/08/24	10/21/24	10	0%	431	27	1-15000: FS																											
1-15020	Bus Stop	10	12/03/24	12/16/24	10/22/24	11/04/24	10	0%	431	27	1-15010: FS																											
1-15030	Site Stair	10	12/17/24	12/31/24	11/05/24	11/19/24	10	0%	431	27	1-15020: FS																											
1-15050	Base & Asphalt Paving (Southbound)	10	01/02/25	01/15/25	11/20/24	12/05/24	10	0%	431	27	1-15030: FS																											
1-15100	Grind & Overlay Asphalt (Northbound)	5	01/16/25	01/22/25	12/06/24	12/12/24	5	0%	431	27	1-15050: FS																											
1-15200	Striping & Signage	5	01/23/25	01/29/25	12/13/24	12/19/24	5	0%	431	27	1-15100: FS, S2230: FS																											
PLACENTIA		90	01/30/25	06/05/25	12/20/24	04/28/25	90		431	27																												
1-16000	Regrade to Centerline (Widening) (Eastbound)	10	01/30/25	02/12/25	12/20/24	01/06/25	10	0%	431	27	1-15200: FS, 1-11920: FS																											
1-16010	Curb & Gutter (Eastbound)	10	02/13/25	02/26/25	01/07/25	01/20/25	10	0%	431	27	1-16000: FS																											
1-16020	New Pole & Pedestal Foundations (Eastbound at Harvill)	15	02/27/25	03/19/25	01/21/25	02/10/25	15	0%	431	27	1-16010: FS																											
1-16030	Underground Electrical/Data to Pole & Pedestals (Eastbound at Harvill)	15	03/20/25	04/09/25	02/11/25	03/03/25	15	0%	431	27	1-16020: FS																											
1-16040	Relocate Poles w/Arm Extension & Pedestal Cabinets (Eastbound at Harvill)	5	04/10/25	04/16/25	03/04/25	03/10/25	5	0%	431	27	1-16030: FS																											
1-16050	Demo Foundations, Curbs, etc (Eastbound at Harvill)	5	04/17/25	04/23/25	03/11/25	03/17/25	5	0%	431	27	1-16040: FS																											
1-16060	Base & Asphalt Paving (Eastbound)	10	04/24/25	05/07/25	03/18/25	03/31/25	10	0%	431	27	1-16050: FS																											
1-16070	Grind & Overlay Asphalt (Harvill Intersection)	5	05/08/25	05/14/25	04/01/25	04/07/25	5	0%	431	27	1-16060: FS																											
1-16080	Grind & Overlay Asphalt (East of Harvill at Sewer Work)	5	05/15/25	05/21/25	04/08/25	04/14/25	5	0%	431	27	1-16070: FS																											
1-16090	Striping, Traffic Loops & Signage	10	05/22/25	06/05/25	04/15/25	04/28/25	10	0%	431	27	1-16080: FS, S2240: FS																											
5 SUPPORTIVE TRANSITIONAL HOUSING (4-STORY)		573	09/20/24	12/29/26	10/04/24	01/15/27	573		-10	-12																												
UNDERSLAB MEP		35	09/20/24	11/07/24	10/04/24	11/22/24	35		-10	-10																												
5-10100	Underground Plumbing/Electrical (SUMMARY)	35	09/20/24	11/07/24	10/04/24	11/22/24	35	0%	-10	-10	5-10110: SS																											
5-10110	Layout Underground Plumbing/Electrical (Area A)	3	09/20/24	09/24/24	10/04/24	10/08/24	3	0%	-10	-10	D34120: FS, 1-11000: FS																											
5-10112	Excavate & Install Underground Plumbing/Electrical (Area A)	10	09/24/24	10/07/24	10/08/24	10/21/24	10	0%	-10	-10	5-10110: SS 2, 5-10110: F																											
5-10114	Inspect Underground Plumbing/Electrical (Area A)	1	10/07/24	10/07/24	10/21/24	10/21/24	1	0%	4	-10	5-10112: FF																											
5-10116	Backfill Underground Plumbing/Electrical (Area A)	3	10/08/24	10/10/24	10/22/24	10/24/24	3	0%	4	-10	5-10114: FS																											
5-10120	Layout Underground Plumbing/Electrical (Area B)	3	09/25/24	09/27/24	10/09/24	10/11/24	3	0%	-3	-10	5-10110: FS																											
5-10122	Excavate & Install Underground Plumbing/Electrical (Area B)	10	10/08/24	10/21/24	10/22/24	11/04/24	10	0%	-10	-10	5-10120: SS 2, 5-10120: I																											
5-10124	Inspect Underground Plumbing/Electrical (Area B)	1	10/21/24	10/21/24	11/04/24	11/04/24	1	0%	-3	-10	5-10122: FF																											
5-10126	Backfill Underground Plumbing/Electrical (Area B)	3	10/22/24	10/24/24	11/05/24	11/07/24	3	0%	-3	-10	5-10124: FS, 5-10116: FS																											
5-10130	Layout Underground Plumbing/Electrical (Area C)	3	09/30/24	10/02/24	10/14/24	10/16/24	3	0%	4	-10	5-10120: FS																											
5-10132	Excavate & Install Underground Plumbing/Electrical (Area C)	10	10/22/24	11/04/24	11/05/24	11/19/24	10	0%	-10	-10	5-10130: SS 2, 5-10130: I																											
5-10134	Inspect Underground Plumbing/Electrical (Area C)	1	11/04/24	11/04/24	11/19/24	11/19/24	1	0%	-10	-10	5-10132: FF																											
5-10136	Backfill Underground Plumbing/Electrical (Area C)	3	11/05/24	11/07/24	11/20/24	11/22/24	3	0%	-10	-10	5-10134: FS, 5-10100: FF																											
FOUNDATION		21	11/08/24	12/11/24	11/25/24	12/26/24	21		-10	-10																												
5-09900	Survey (after foundations building 3)	3	11/08/24	11/13/24	11/25/24	11/27/24	3	0%	-10	-10	5-10136: FS, 3-10022: FS																											
5-10000	Foundations (SUMMARY)	18	11/14/24	12/11/24	12/02/24	12/26/24	18	0%	-10	-10	5-10010: SS																											
5-10010	Layout Foundations (Area A, B, C)	5	11/14/24	11/20/24	12/02/24	12/06/24	5	0%	-10	-10	5-09900: FS																											
5-10012	Excavate Foundations (Area A, B, C)	10	11/15/24	12/02/24	12/03/24	12/16/24	10	0%	-10	-10	5-10010: SS 1, 5-10010: I																											
5-10014	Rebar Foundations (Area A, B, C)	10	11/19/24	12/04/24	12/05/24	12/18/24	10	0%	-10	-10	5-10012: SS 2, 5-10012: I																											



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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
5-32900	Cleanup & Prepunch Roof	10			11/19/25	12/04/25	10	0%	165		5-32400: FS																						
EXTERIOR		170	07/10/25	05/07/26	07/24/25	03/26/26	170		87	30																							
EXTERIOR - NORTH ELEVATION		130	07/10/25	05/07/26	07/24/25	01/29/26	130		127	70																							
5-40000	Exterior Scaffold	10	07/10/25	09/04/25	07/24/25	08/06/25	10	0%	41	20	5-20050: FS																						
5-40010	Exterior Clips, Stickers	5	07/24/25	11/14/25	08/07/25	08/13/25	5	0%	47	65	5-40000: FS																						
5-40020	Exterior Framing	10			08/14/25	08/27/25	10	0%	47		5-40010: FS																						
5-40030	Exterior MEP Rough-in & Inspections	10			08/14/25	08/27/25	10	0%	127		5-40020: SS, 5-40020: FF																						
5-40040	Exterior Sheathing & Inspection	5			08/28/25	09/04/25	5	0%	127		5-40030: FS																						
5-40050	Liquid Applied Weather Barrier	5			09/05/25	09/11/25	5	0%	127		5-40040: FS																						
5-40060	Waterproof Openings	5			09/12/25	09/18/25	5	0%	127		5-40050: FS																						
5-40070	Windows	8			09/19/25	09/30/25	8	0%	127		5-40060: FS																						
5-40100	EIFS Foam	8	08/21/25	02/12/26	10/01/25	10/10/25	8	0%	127	84	5-40070: FS																						
5-40110	EIFS Mesh/Base Coat	7			10/13/25	10/21/25	7	0%	127		5-40100: FS																						
5-40120	EIFS Finish Coat	7			10/22/25	10/30/25	7	0%	127		5-40110: FS																						
5-40200	Exterior Paint	5	11/17/25	03/12/26	10/31/25	11/06/25	5	0%	127	85	5-40120: FS																						
5-40210	Stone Veneer Tile	10			10/31/25	11/14/25	10	0%	132		5-40120: FS																						
5-40230	Wood Plank Metal Panel System	10			11/07/25	11/21/25	10	0%	127		5-40200: FS																						
5-40240	Prefinished Metal Fascia	10			11/07/25	11/21/25	10	0%	127		5-40200: FS																						
5-40250	Curtainwall/Spandrel System	10			11/07/25	11/21/25	10	0%	127		5-40200: FS																						
5-40260	Exterior MEP Trim	5			11/24/25	12/02/25	5	0%	127		5-40210: FS, 5-40230: FS																						
5-40290	Cleanup & Remove Scaffold	10			12/03/25	12/16/25	10	0%	127		5-40260: FS																						
5-40300	Exterior Entries	20	01/16/26	05/07/26	12/17/25	01/15/26	20	0%	127	80	5-40290: FS																						
5-40900	Cleanup & Prepunch Exterior	10			01/16/26	01/29/26	10	0%	127		5-40300: FS																						
EXTERIOR - WEST ELEVATION		130			08/07/25	02/12/26	130		117																								
5-41000	Exterior Scaffold	10			08/07/25	08/20/25	10	0%	41		5-40000: FS																						
5-41010	Exterior Clips, Stickers	5			08/21/25	08/27/25	5	0%	47		5-41000: FS																						
5-41020	Exterior Framing	10			08/28/25	09/11/25	10	0%	47		5-41010: FS, 5-40020: FS																						
5-41030	Exterior MEP Rough-in & Inspections	10			08/28/25	09/11/25	10	0%	117		5-41020: SS, 5-41020: FF																						
5-41040	Exterior Sheathing & Inspection	5			09/12/25	09/18/25	5	0%	117		5-41030: FS																						
5-41050	Liquid Applied Weather Barrier	5			09/19/25	09/25/25	5	0%	117		5-41040: FS																						
5-41060	Waterproof Openings	5			09/26/25	10/02/25	5	0%	117		5-41050: FS																						
5-41070	Windows	8			10/03/25	10/14/25	8	0%	117		5-41060: FS																						
5-41100	EIFS Foam	8			10/15/25	10/24/25	8	0%	117		5-41070: FS																						
5-41110	EIFS Mesh/Base Coat	7			10/27/25	11/04/25	7	0%	117		5-41100: FS																						
5-41120	EIFS Finish Coat	7			11/05/25	11/14/25	7	0%	117		5-41110: FS																						
5-41200	Exterior Paint	5			11/17/25	11/21/25	5	0%	117		5-41120: FS																						
5-41210	Stone Veneer Tile	10			11/17/25	12/02/25	10	0%	122		5-41120: FS																						
5-41230	Wood Plank Metal Panel System	10			11/24/25	12/09/25	10	0%	117		5-41200: FS																						
5-41240	Prefinished Metal Fascia	10			11/24/25	12/09/25	10	0%	117		5-41200: FS																						
5-41250	Curtainwall/Spandrel System	10			11/24/25	12/09/25	10	0%	117		5-41200: FS																						
5-41260	Exterior MEP Trim	5			12/10/25	12/16/25	5	0%	117		5-41210: FS, 5-41230: FS																						
5-41290	Cleanup & Remove Scaffold	10			12/17/25	12/31/25	10	0%	117		5-41260: FS																						
5-41300	Exterior Entries	20			01/02/26	01/29/26	20	0%	117		5-41290: FS																						
5-41900	Cleanup & Prepunch Exterior	10			01/30/26	02/12/26	10	0%	117		5-41300: FS																						
EXTERIOR - A/B COURTYARD ELEVATIONS		130			08/21/25	02/26/26	130		107																								
5-42000	Exterior Scaffold	10			08/21/25	09/04/25	10	0%	41		5-41000: FS																						

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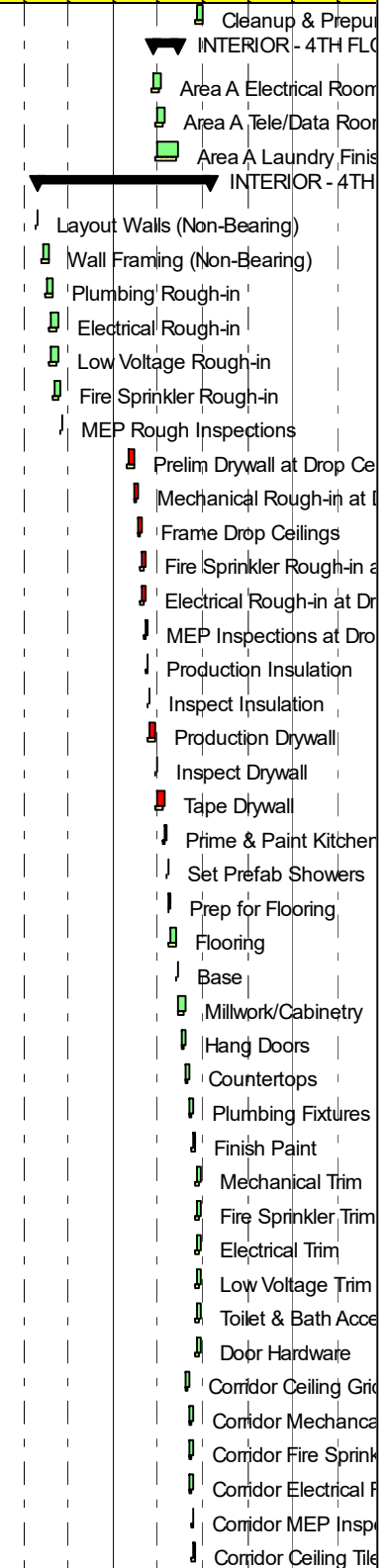
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- Remaining Level of Effort
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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
5-68900	Cleanup & Prepunch Interior	10			06/18/26	07/02/26	10	0%	19		5-68610: FS, 5-68620: FS																						
	INTERIOR - 4TH FLOOR - AREA A (NORTH) (ELEC, BOH)	35			03/24/26	05/11/26	35		45																								
5-69000	Area A Electrical Room B Equipment & Finishes	10			03/24/26	04/06/26	10	0%	10		5-68240: SS 5																						
5-69100	Area A Tele/Data Room Equipment & Finishes	10			03/31/26	04/13/26	10	0%	65		5-68240: FS																						
5-69200	Area A Laundry Finishes	30			03/31/26	05/11/26	30	0%	45		5-68240: FS																						
	INTERIOR - 4TH FLOOR - AREA B (MIDDLE) (RESIDENTIAL)	246			07/28/25	07/17/26	246		9																								
5-70000	Layout Walls (Non-Bearing)	2			07/28/25	07/29/25	2	0%	45		5-68000: FS																						
5-70010	Wall Framing (Non-Bearing)	10			08/11/25	08/22/25	10	0%	37		5-70000: FS, 5-68010: FS																						
5-70020	Plumbing Rough-in	10			08/18/25	08/29/25	10	0%	81		5-70010: SS 5, 5-70010: I																						
5-70030	Electrical Rough-in	10			08/25/25	09/08/25	10	0%	81		5-70020: SS 5																						
5-70040	Low Voltage Rough-in	10			08/25/25	09/08/25	10	0%	86		5-70020: SS 5																						
5-70050	Fire Sprinkler Rough-in	10			09/02/25	09/15/25	10	0%	81		5-70030: SS 5																						
5-70060	MEP Rough Inspections	2			09/16/25	09/17/25	2	0%	81		5-70020: FS, 5-70030: FS																						
5-70100	Prelim Drywall at Drop Ceilings	10			01/30/26	02/12/26	10	0%	-10		5-70060: FS, 5-68100: FS																						
5-70110	Mechanical Rough-in at Drop Ceilings	5			02/13/26	02/19/26	5	0%	0		5-70100: FS																						
5-70120	Frame Drop Ceilings	5			02/20/26	02/26/26	5	0%	0		5-70110: FS																						
5-70130	Fire Sprinkler Rough-in at Drop Ceilings	5			02/27/26	03/05/26	5	0%	0		5-70120: FS																						
5-70140	Electrical Rough-in at Drop Ceilings	5			02/27/26	03/05/26	5	0%	0		5-70120: FS																						
5-70150	MEP Inspections at Drop Ceilings	2			03/06/26	03/09/26	2	0%	0		5-70130: FS, 5-70140: FS																						
5-70200	Production Insulation	3			03/10/26	03/12/26	3	0%	0		5-70150: FS																						
5-70210	Inspect Insulation	1			03/13/26	03/13/26	1	0%	0		5-70200: FS																						
5-70220	Production Drywall	10			03/16/26	03/27/26	10	0%	0		5-70210: FS																						
5-70230	Inspect Drywall	1			03/30/26	03/30/26	1	0%	0		5-70220: FS																						
5-70240	Tape Drywall	10			03/31/26	04/13/26	10	0%	0		5-70230: FS																						
5-70300	Prime & Paint Kitchens & Bathrooms	5			04/14/26	04/20/26	5	0%	9		5-70240: FS																						
5-70310	Set Prefab Showers	2			04/21/26	04/22/26	2	0%	9		5-70300: FS																						
5-70400	Prep for Flooring	2			04/23/26	04/24/26	2	0%	9		5-70310: FS																						
5-70410	Flooring	10			04/27/26	05/08/26	10	0%	9		5-70400: FS																						
5-70420	Base	2			05/11/26	05/12/26	2	0%	9		5-70410: FS																						
5-70500	Millwork/Cabinetry	10			05/13/26	05/27/26	10	0%	9		5-70420: FS																						
5-70510	Hang Doors	5			05/20/26	05/27/26	5	0%	19		5-70500: SS 5																						
5-70520	Countertops	5			05/28/26	06/03/26	5	0%	9		5-70500: FS																						
5-70530	Plumbing Fixtures	5			06/04/26	06/10/26	5	0%	9		5-70520: FS																						
5-70600	Finish Paint	5			06/11/26	06/17/26	5	0%	9		5-70510: FS, 5-70530: FS																						
5-70610	Mechanical Trim	5			06/18/26	06/25/26	5	0%	14		5-70600: FS																						
5-70620	Fire Sprinkler Trim	5			06/18/26	06/25/26	5	0%	14		5-70600: FS																						
5-70630	Electrical Trim	5			06/18/26	06/25/26	5	0%	14		5-70600: FS																						
5-70640	Low Voltage Trim	5			06/18/26	06/25/26	5	0%	14		5-70600: FS																						
5-70650	Toilet & Bath Accessories	5			06/18/26	06/25/26	5	0%	14		5-70600: FS																						
5-70660	Door Hardware	5			06/18/26	06/25/26	5	0%	9		5-70600: FS																						
5-70700	Corridor Ceiling Grid	5			05/28/26	06/03/26	5	0%	9		5-70500: FS																						
5-70710	Corridor Mechanical Fixtures in Grid	5			06/04/26	06/10/26	5	0%	9		5-70700: FS																						
5-70720	Corridor Fire Sprinkler Drops in Grid	5			06/04/26	06/10/26	5	0%	9		5-70700: FS																						
5-70730	Corridor Electrical Fixtures in Grid	5			06/04/26	06/10/26	5	0%	9		5-70700: FS																						
5-70740	Corridor MEP Inspections in Grid	2			06/11/26	06/12/26	2	0%	12		5-70730: FS, 5-70720: FS																						
5-70750	Corridor Ceiling Tile	5			06/11/26	06/17/26	5	0%	9		5-70710: FS, 5-70720: FS																						



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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
6-20010	Metal Deck (SUMMARY)	22	04/09/25	05/08/25	02/11/25	03/12/25	22	0%	51	41	6-20020: SS																						
6-20020	Metal Deck (2nd Floor)	10	04/09/25	04/22/25	02/11/25	02/24/25	10	0%	46	41	6-20004: FS																						
6-20030	Metal Deck (Roof)	10	04/23/25	05/06/25	02/25/25	03/10/25	10	0%	46	41	6-20020: FS																						
6-20040	Metal Deck (High Roof)	2	05/07/25	05/08/25	03/11/25	03/12/25	2	0%	51	41	6-20030: FS, 6-20006: FS																						
CONCRETE ON METAL DECK		12	05/07/25	05/22/25	03/11/25	03/26/25	12		100	41																							
2ND FLOOR (CONCRETE ON METAL DECK)		12	05/07/25	05/22/25	03/11/25	03/26/25	12		100	41																							
6-20100	Concrete on Metal Deck 2nd Floor (SUMMARY) (33,386 SF)	12	05/07/25	05/22/25	03/11/25	03/26/25	12	0%	100	41	6-20110: SS																						
6-20110	Layout & Screed Deck 2nd Floor (Area A)	1	05/07/25	05/07/25	03/11/25	03/11/25	1	0%	46	41	6-20030: FS, 6-20020: FS																						
6-20120	Mechanical Layout Deck 2nd Floor (Area A)	1	05/08/25	05/08/25	03/12/25	03/12/25	1	0%	46	41	6-20110: FS																						
6-20121	Electrical Layout Deck 2nd Floor (Area A)	1	05/08/25	05/08/25	03/12/25	03/12/25	1	0%	46	41	6-20110: FS																						
6-20122	Plumbing Layout Deck 2nd Floor (Area A)	1	05/08/25	05/08/25	03/12/25	03/12/25	1	0%	46	41	6-20110: FS																						
6-20123	Fire Sprinkler Layout Deck 2nd Floor (Area A)	1	05/08/25	05/08/25	03/12/25	03/12/25	1	0%	46	41	6-20110: FS																						
6-20130	Rebar Deck 2nd Floor (Area A)	3	05/09/25	05/13/25	03/13/25	03/17/25	3	0%	46	41	6-20120: FS, 6-20121: FS																						
6-20140	Mechanical Rough-in Deck 2nd Floor (Area A)	2	05/14/25	05/15/25	03/18/25	03/19/25	2	0%	46	41	6-20130: FS																						
6-20141	Electrical Rough-in Deck 2nd Floor (Area A)	2	05/14/25	05/15/25	03/18/25	03/19/25	2	0%	46	41	6-20130: FS																						
6-20142	Plumbing Rough-in Deck 2nd Floor (Area A)	2	05/14/25	05/15/25	03/18/25	03/19/25	2	0%	46	41	6-20130: FS																						
6-20143	Fire Sprinkler Rough-in Deck 2nd Floor (Area A)	2	05/14/25	05/15/25	03/18/25	03/19/25	2	0%	46	41	6-20130: FS																						
6-20150	Inspect Deck 2nd Floor (Area A)	1	05/16/25	05/16/25	03/20/25	03/20/25	1	0%	46	41	6-20140: FS, 6-20141: FS																						
6-20160	Pour Deck 2nd Floor (Area A)	1	05/19/25	05/19/25	03/21/25	03/21/25	1	0%	46	41	6-20150: FS																						
6-20210	Layout & Screed Deck 2nd Floor (Area B)	1	05/12/25	05/12/25	03/14/25	03/14/25	1	0%	100	41	6-20110: SS 3																						
6-20220	Mechanical Layout Deck 2nd Floor (Area B)	1	05/13/25	05/13/25	03/17/25	03/17/25	1	0%	100	41	6-20210: FS																						
6-20221	Electrical Layout Deck 2nd Floor (Area B)	1	05/13/25	05/13/25	03/17/25	03/17/25	1	0%	100	41	6-20210: FS																						
6-20222	Plumbing Layout Deck 2nd Floor (Area B)	1	05/13/25	05/13/25	03/17/25	03/17/25	1	0%	100	41	6-20210: FS																						
6-20223	Fire Sprinkler Layout Deck 2nd Floor (Area B)	1	05/13/25	05/13/25	03/17/25	03/17/25	1	0%	100	41	6-20210: FS																						
6-20230	Rebar Deck 2nd Floor (Area B)	3	05/14/25	05/16/25	03/18/25	03/20/25	3	0%	100	41	6-20220: FS, 6-20130: FS																						
6-20240	Mechanical Rough-in Deck 2nd Floor (Area B)	2	05/19/25	05/20/25	03/21/25	03/24/25	2	0%	100	41	6-20230: FS																						
6-20241	Electrical Rough-in Deck 2nd Floor (Area B)	2	05/19/25	05/20/25	03/21/25	03/24/25	2	0%	100	41	6-20230: FS																						
6-20242	Plumbing Rough-in Deck 2nd Floor (Area B)	2	05/19/25	05/20/25	03/21/25	03/24/25	2	0%	100	41	6-20230: FS																						
6-20243	Fire Sprinkler Rough-in Deck 2nd Floor (Area B)	2	05/19/25	05/20/25	03/21/25	03/24/25	2	0%	100	41	6-20230: FS																						
6-20250	Inspect Deck 2nd Floor (Area B)	1	05/21/25	05/21/25	03/25/25	03/25/25	1	0%	100	41	6-20240: FS, 6-20241: FS																						
6-20260	Pour Deck 2nd Floor (Area B)	1	05/22/25	05/22/25	03/26/25	03/26/25	1	0%	100	41	6-20250: FS, 6-20100: FF																						
ROOF		117	05/23/25	09/17/25	03/11/25	08/25/25	117		217	16																							
ROOF - AREA A (EAST)		87	05/23/25	09/17/25	03/11/25	07/14/25	87		247	46																							
6-30000	MEP Penetrations & Roof Drains	10	05/23/25	06/23/25	03/11/25	03/24/25	10	0%	139	63	6-20030: FS, D31150: FS,																						
6-30010	Mechanical Curbs/Pads	10			03/11/25	03/24/25	10	0%	139		6-20030: FS																						
6-30020	Lifeline Anchors	5			03/11/25	03/17/25	5	0%	144		6-20030: FS																						
6-30030	Roof Screen Supports & Framing	10			03/11/25	03/24/25	10	0%	139		6-20030: FS																						
6-30040	Roof Hatch	5			03/11/25	03/17/25	5	0%	144		6-20030: FS																						
6-30050	Back of Parapet Sheathing	10			03/11/25	03/24/25	10	0%	139		6-20030: FS																						
6-30100	Prep for Roofing	5	06/24/25	07/22/25	03/25/25	03/31/25	5	0%	139	78	6-30000: FS, 6-30010: FS																						
6-30110	Densdeck, Rigid Insulation, Densdeck for Membrane Roofing	10			04/01/25	04/14/25	10	0%	139		6-30100: FS																						
6-30120	Membrane Roofing	10			04/08/25	04/21/25	10	0%	139		6-30110: SS 5																						
6-30130	Walk Pads	2			04/22/25	04/23/25	2	0%	247		6-30120: FS																						
6-30200	Set & Anchor Mechanical Equipment	5	07/23/25	09/17/25	04/24/25	04/30/25	5	0%	247	96	6-30100: FS, 6-30130: FS																						
6-30210	Mechanical Rough-in & Connections to Mech Eqpt	10			05/01/25	05/14/25	10	0%	247		6-30200: FS																						
6-30220	Plumbing Rough-in & Connections to Mech Eqpt	10			05/01/25	05/14/25	10	0%	247		6-30200: FS																						

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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026		2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
3-10018	Inspect Foundations	2	01/31/25	02/03/25	11/18/24	11/19/24	2	0%	-6	50	3-10014: FS, 3-10016: FS																				
3-10020	Pour Foundations	2	02/04/25	02/05/25	11/20/24	11/21/24	2	0%	-6	50	3-10018: FS																				
3-10022	Strip/Clean Foundations	2	02/05/25	02/06/25	11/21/24	11/22/24	2	0%	-6	50	3-10020: SS 1, 3-10020: I																				
UNDERSLAB MEP		15	02/07/25	02/27/25	11/25/24	12/17/24	15		64	50																					
3-10100	Underground Plumbing/Electrical (SUMMARY)	15	02/07/25	02/27/25	11/25/24	12/17/24	15	0%	64	50	3-10110: SS																				
3-10110	Layout Underground Plumbing/Electrical	3	02/07/25	02/11/25	11/25/24	11/27/24	3	0%	64	50	3-10022: FS, D35120: FS																				
3-10112	Excavate & Install Underground Plumbing/Electrical	10	02/11/25	02/24/25	11/27/24	12/12/24	10	0%	64	50	3-10110: SS 2, 3-10110: F																				
3-10114	Inspect Underground Plumbing/Electrical	1	02/24/25	02/24/25	12/12/24	12/12/24	1	0%	64	50	3-10112: FF																				
3-10116	Backfill Underground Plumbing/Electrical	3	02/25/25	02/27/25	12/13/24	12/17/24	3	0%	64	50	3-10114: FS, 3-10100: FF																				
SLAB ON GRADE		10	02/28/25	03/13/25	12/18/24	01/02/25	10		64	50																					
3-10200	Slab on Grade (SUMMARY)	10	02/28/25	03/13/25	12/18/24	01/02/25	10	0%	64	50	3-10210: SS																				
3-10210	Sand/Vapor Barrier SOG	3	02/28/25	03/04/25	12/18/24	12/20/24	3	0%	64	50	3-10116: FS																				
3-10212	Form/Rebar SOG	4	03/05/25	03/10/25	12/23/24	12/27/24	4	0%	64	50	3-10210: FS																				
3-10214	Inspect SOG	1	03/11/25	03/11/25	12/30/24	12/30/24	1	0%	64	50	3-10212: FS																				
3-10216	Pour SOG	1	03/12/25	03/12/25	12/31/24	12/31/24	1	0%	64	50	3-10214: FS																				
3-10218	Strip/Clean SOG	1	03/13/25	03/13/25	01/02/25	01/02/25	1	0%	64	50	3-10216: FS, 3-10200: FF																				
STRUCTURAL STEEL / METAL DECK		49	04/02/25	06/03/25	01/28/25	04/04/25	49		51	41																					
3-20000	Structural Steel (SUMMARY)	9	04/02/25	04/02/25	01/28/25	02/07/25	9	0%	52	37	3-20002: SS																				
3-20002	Erect Structural Steel Level 2 & Roof	8	04/02/25	04/15/25	01/28/25	02/06/25	8	0%	52	48	3-10218: FS 5, 6-20006: I																				
3-20004	Plumb, Bolt & Weld Structural Steel	19	04/07/25	04/25/25	01/31/25	02/26/25	19	0%	61	42	3-20002: SS 3, 3-20002: I																				
3-20006	Erect Steel High Roof & Screen	1	04/16/25	04/18/25	02/07/25	02/07/25	1	0%	52	50	3-20002: FS, 3-20000: FF																				
3-20010	Metal Deck (SUMMARY)	17	05/09/25	06/03/25	03/13/25	04/04/25	17	0%	51	41	3-20012: SS																				
3-20012	Metal Deck (2nd Floor) (after bldg 6)	5	05/09/25	05/15/25	03/13/25	03/19/25	5	0%	51	41	3-20004: FS, 6-20040: FS																				
3-20014	Metal Deck (3rd Floor)	5	05/16/25	05/22/25	03/20/25	03/26/25	5	0%	51	41	3-20012: FS																				
3-20016	Metal Deck (Roof)	5	05/23/25	05/30/25	03/27/25	04/02/25	5	0%	51	41	3-20014: FS																				
3-20018	Metal Deck (High Roof)	2	06/02/25	06/03/25	04/03/25	04/04/25	2	0%	51	41	3-20016: FS, 3-20010: FF																				
CONCRETE ON METAL DECK		14	05/23/25	06/12/25	03/27/25	04/15/25	14		141	41																					
2ND FLOOR (CONCRETE ON METAL DECK)		9	05/23/25	06/05/25	03/27/25	04/08/25	9		136	41																					
3-20020	Concrete on Metal Deck 2nd Floor (SUMMARY) (13,618 SF)	9	05/23/25	06/05/25	03/27/25	04/08/25	9	0%	136	41	3-20100: SS																				
3-20100	Layout & Screed Deck 2nd Floor	1	05/23/25	05/23/25	03/27/25	03/27/25	1	0%	136	41	3-20012: FS, 3-20014: FS																				
3-20110	Mechanical Layout Deck 2nd Floor	1	05/27/25	05/27/25	03/28/25	03/28/25	1	0%	136	41	3-20100: FS																				
3-20111	Electrical Layout Deck 2nd Floor	1	05/27/25	05/27/25	03/28/25	03/28/25	1	0%	136	41	3-20100: FS																				
3-20112	Plumbing Layout Deck 2nd Floor	1	05/27/25	05/27/25	03/28/25	03/28/25	1	0%	136	41	3-20100: FS																				
3-20113	Fire Sprinkler Layout Deck 2nd Floor	1	05/27/25	05/27/25	03/28/25	03/28/25	1	0%	136	41	3-20100: FS																				
3-20120	Rebar Deck 2nd Floor	3	05/28/25	05/30/25	03/31/25	04/02/25	3	0%	136	41	3-20110: FS, 3-20111: FS																				
3-20130	Mechanical Rough-in Deck 2nd Floor	2	06/02/25	06/03/25	04/03/25	04/04/25	2	0%	136	41	3-20120: FS																				
3-20131	Electrical Rough-in Deck 2nd Floor	2	06/02/25	06/03/25	04/03/25	04/04/25	2	0%	136	41	3-20120: FS																				
3-20132	Plumbing Rough-in Deck 2nd Floor	2	06/02/25	06/03/25	04/03/25	04/04/25	2	0%	136	41	3-20120: FS																				
3-20133	Fire Sprinkler Rough-in Deck 2nd Floor	2	06/02/25	06/03/25	04/03/25	04/04/25	2	0%	136	41	3-20120: FS																				
3-20140	Inspect Deck 2nd Floor	1	06/04/25	06/04/25	04/07/25	04/07/25	1	0%	136	41	3-20130: FS, 3-20131: FS																				
3-20150	Pour Deck 2nd Floor	1	06/05/25	06/05/25	04/08/25	04/08/25	1	0%	136	41	3-20140: FS, 3-20020: FF																				
3RD FLOOR (CONCRETE ON METAL DECK)		9	06/02/25	06/12/25	04/03/25	04/15/25	9		141	41																					
3-20030	Concrete on Metal Deck 3rd Floor (SUMMARY) (13,618 SF)	9	06/02/25	06/12/25	04/03/25	04/15/25	9	0%	141	41	3-20200: SS																				
3-20200	Layout & Screed Deck 3rd Floor	1	06/02/25	06/02/25	04/03/25	04/03/25	1	0%	141	41	D35420: FS, 3-20100: SS																				
3-20210	Mechanical Layout Deck 3rd Floor	1	06/03/25	06/03/25	04/04/25	04/04/25	1	0%	141	41	3-20200: FS																				
3-20211	Electrical Layout Deck 3rd Floor	1	06/03/25	06/03/25	04/04/25	04/04/25	1	0%	141	41	3-20200: FS																				

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												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
3-20212	Plumbing Layout Deck 3rd Floor	1	06/03/25	06/03/25	04/04/25	04/04/25	1	0%	141	41	3-20200: FS																						
3-20213	Fire Sprinkler Layout Deck 3rd Floor	1	06/03/25	06/03/25	04/04/25	04/04/25	1	0%	141	41	3-20200: FS																						
3-20220	Rebar Deck 3rd Floor	3	06/04/25	06/06/25	04/07/25	04/09/25	3	0%	141	41	3-20210: FS, 3-20211: FS																						
3-20230	Mechanical Rough-in Deck 3rd Floor	2	06/09/25	06/10/25	04/10/25	04/11/25	2	0%	141	41	3-20220: FS																						
3-20231	Electrical Rough-in Deck 3rd Floor	2	06/09/25	06/10/25	04/10/25	04/11/25	2	0%	141	41	3-20220: FS																						
3-20232	Plumbing Rough-in Deck 3rd Floor	2	06/09/25	06/10/25	04/10/25	04/11/25	2	0%	141	41	3-20220: FS																						
3-20233	Fire Sprinkler Rough-in Deck 3rd Floor	2	06/09/25	06/10/25	04/10/25	04/11/25	2	0%	141	41	3-20220: FS																						
3-20240	Inspect Deck 3rd Floor	1	06/11/25	06/11/25	04/14/25	04/14/25	1	0%	141	41	3-20230: FS, 3-20231: FS																						
3-20250	Pour Deck 3rd Floor	1	06/12/25	06/12/25	04/15/25	04/15/25	1	0%	141	41	3-20240: FS, 3-20030: FF																						
ROOF		87	06/13/25	08/11/25	04/03/25	08/06/25	87		230	3																							
3-30000	MEP Penetrations & Roof Drains	10	06/13/25	06/27/25	04/03/25	04/16/25	10	0%	164	50	3-20016: FS, D35150: FS																						
3-30010	Mechanical Curbs/Pads	10			04/03/25	04/16/25	10	0%	164		3-20016: FS																						
3-30020	Lifeline Anchors	5			04/03/25	04/09/25	5	0%	169		3-20016: FS																						
3-30030	Roof Screen Supports & Framing	10			04/03/25	04/16/25	10	0%	164		3-20016: FS																						
3-30040	Roof Hatch	5			04/03/25	04/09/25	5	0%	169		3-20016: FS																						
3-30050	Back of Parapet Sheathing	10			04/03/25	04/16/25	10	0%	164		3-20016: FS																						
3-30100	Prep for Roofing	5	06/30/25	07/14/25	04/17/25	04/23/25	5	0%	164	55	3-30000: FS, 3-30010: FS																						
3-30110	Densdeck, Rigid Insulation, Densdeck for Membrane Roofing	10			04/24/25	05/07/25	10	0%	164		3-30100: FS																						
3-30120	Membrane Roofing	10			05/01/25	05/14/25	10	0%	164		3-30110: SS 5																						
3-30130	Walk Pads	2			05/15/25	05/16/25	2	0%	230		3-30120: FS																						
3-30150	Densdeck, Rigid Insulation, Densdeck for Standing Seam Roofi	5			05/08/25	05/14/25	5	0%	164		3-30110: FS																						
3-30160	Standing Seam Roofing	5			05/15/25	05/21/25	5	0%	247		3-30150: FS																						
3-30170	Prefinished Metal Gutter & Trim at Standing Seam Roofing	5			05/22/25	05/29/25	5	0%	247		3-30160: FS																						
3-30200	Set & Anchor Mechanical Equipment	5	07/15/25	08/11/25	05/19/25	05/23/25	5	0%	230	53	3-30100: FS, 3-30130: FS																						
3-30210	Mechanical Rough-in & Connections to Mech Eqpt	10			05/27/25	06/09/25	10	0%	230		3-30200: FS																						
3-30220	Plumbing Rough-in & Connections to Mech Eqpt	10			05/27/25	06/09/25	10	0%	230		3-30200: FS																						
3-30230	Electrical Rough-in & Connections to Mech Eqpt	10			05/27/25	06/09/25	10	0%	230		3-30200: FS																						
3-30300	Roof Screen	10			06/10/25	06/24/25	10	0%	230		3-30210: FS, 3-30220: FS																						
3-30400	Sheetmetal Trim & Finishes	10			06/25/25	07/09/25	10	0%	230		3-30170: FS, 3-30300: FS																						
3-30500	Fabric Tensile Canopy System	10			06/25/25	07/09/25	10	0%	230		3-30400: SS																						
3-30510	Patio Paver System Low Roof	10			07/10/25	07/23/25	10	0%	230		3-30500: FS																						
3-30900	Cleanup & Prepunch Roof	10			07/24/25	08/06/25	10	0%	230		3-30400: FS, 3-30500: FS																						
EXTERIOR		109	06/13/25	11/19/25	10/03/25	03/11/26	109		81	-76																							
EXTERIOR - NORTH		94	06/13/25	11/19/25	10/03/25	02/18/26	94		96	-61																							
3-40000	Exterior Scaffold (after bldg 5)	5	06/13/25	06/27/25	10/03/25	10/09/25	5	0%	41	-72	3-20250: FS, 5-44000: FS																						
3-40010	Exterior Clips, Stickers	5	06/30/25	07/28/25	10/10/25	10/16/25	5	0%	41	-57	3-40000: FS																						
3-40020	Exterior Framing	5			10/17/25	10/23/25	5	0%	41		3-40010: FS																						
3-40030	Exterior MEP Rough-in & Inspections	5			10/17/25	10/23/25	5	0%	96		3-40020: SS, 3-40020: FF																						
3-40040	Exterior Sheathing & Inspection	3			10/24/25	10/28/25	3	0%	96		3-40030: FS																						
3-40050	Liquid Applied Weather Barrier	3			10/29/25	10/31/25	3	0%	96		3-40040: FS																						
3-40060	Waterproof Openings	3			11/03/25	11/05/25	3	0%	96		3-40050: FS																						
3-40070	Windows	3			11/06/25	11/10/25	3	0%	96		3-40060: FS																						
3-40100	EIFS Foam	3	07/29/25	09/23/25	11/12/25	11/14/25	3	0%	96	-37	3-40070: FS																						
3-40110	EIFS Mesh/Base Coat	4			11/17/25	11/20/25	4	0%	96		3-40100: FS																						
3-40120	EIFS Finish Coat	5			11/21/25	12/01/25	5	0%	96		3-40110: FS																						
3-40200	Exterior Paint	5	09/24/25	10/21/25	12/02/25	12/08/25	5	0%	96	-31	3-40120: FS																						

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- Remaining Level of Effort
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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027			
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		
2-10338	Strip/Clean SOG (Kitchen & Market) (NOT TIED TO STEEL ERE	1			03/10/25	03/10/25	1	0%	95		2-10336: FS																								
STRUCTURAL STEEL / METAL DECK		74	04/30/25	07/29/25	02/10/25	05/22/25	74		97	45																									
2-20000	Structural Steel (SUMMARY)	39	04/30/25	06/09/25	02/10/25	04/03/25	39	0%	103	46	2-20002: SS																								
2-20002	Erect Structural Steel Tier 1	10	04/30/25	05/12/25	02/10/25	02/21/25	10	0%	52	56	3-20006: FS, 2-10126: FS																								
2-20004	Plumb, Bolt & Weld Structural Steel Tier 1	16	05/05/25	05/20/25	02/13/25	03/06/25	16	0%	72	53	2-20002: SS 3, 2-20002: I																								
2-20006	Erect Structural Steel Tier 2	11	05/13/25	05/23/25	02/24/25	03/10/25	11	0%	52	54	2-20002: FS																								
2-20008	Plumb, Bolt & Weld Structural Steel Tier 2	26	05/16/25	06/09/25	02/27/25	04/03/25	26	0%	52	46	2-20000: FF, 2-20006: SS																								
2-20009	Erect Steel Roof Screen & Fin Framing	2	05/27/25	05/30/25	03/11/25	03/12/25	2	0%	119	56	2-20000: FF, 2-20006: FS																								
2-20010	Metal Deck (SUMMARY)	34	06/10/25	07/29/25	04/07/25	05/22/25	34	0%	97	45	2-20012: SS																								
2-20012	Metal Deck (2nd Floor) (after bldg 3)	8	06/10/25	06/20/25	04/07/25	04/16/25	8	0%	51	45	2-20004: FS, 2-20008: FS																								
2-20014	Metal Deck (3rd Floor)	8	06/23/25	07/02/25	04/17/25	04/28/25	8	0%	51	45	2-20012: FS																								
2-20016	Metal Deck (4th Floor)	8	07/03/25	07/15/25	04/29/25	05/08/25	8	0%	63	45	2-20014: FS																								
2-20018	Metal Deck (Roof)	8	07/16/25	07/25/25	05/09/25	05/20/25	8	0%	75	45	2-20016: FS																								
2-20019	Metal Deck (High Roof)	2	07/28/25	07/29/25	05/21/25	05/22/25	2	0%	97	45	2-20018: FS, 2-20006: FS																								
CONCRETE ON METAL DECK		28	07/03/25	08/12/25	04/29/25	06/06/25	28		82	45																									
2ND FLOOR (CONCRETE ON METAL DECK)		12	07/03/25	07/21/25	04/29/25	05/14/25	12		58	45																									
2-20020	Concrete on Metal Deck 2nd Floor (SUMMARY) (24,812 SF)	12	07/03/25	07/21/25	04/29/25	05/14/25	12	0%	58	45	2-20110: SS																								
2-20110	Layout & Screed Deck 2nd Floor (Area A)	1	07/03/25	07/03/25	04/29/25	04/29/25	1	0%	51	45	D33220: FS, D33320: FS,																								
2-20120	Mechanical Layout Deck 2nd Floor (Area A)	1	07/07/25	07/07/25	04/30/25	04/30/25	1	0%	51	45	2-20110: FS																								
2-20121	Electrical Layout Deck 2nd Floor (Area A)	1	07/07/25	07/07/25	04/30/25	04/30/25	1	0%	51	45	2-20110: FS																								
2-20122	Plumbing Layout Deck 2nd Floor (Area A)	1	07/07/25	07/07/25	04/30/25	04/30/25	1	0%	51	45	2-20110: FS																								
2-20123	Fire Sprinkler Layout Deck 2nd Floor (Area A)	1	07/07/25	07/07/25	04/30/25	04/30/25	1	0%	51	45	2-20110: FS																								
2-20130	Rebar Deck 2nd Floor (Area A)	3	07/08/25	07/10/25	05/01/25	05/05/25	3	0%	51	45	2-20120: FS, 2-20121: FS																								
2-20140	Mechanical Rough-in Deck 2nd Floor (Area A)	2	07/11/25	07/14/25	05/06/25	05/07/25	2	0%	51	45	2-20130: FS																								
2-20141	Electrical Rough-in Deck 2nd Floor (Area A)	2	07/11/25	07/14/25	05/06/25	05/07/25	2	0%	51	45	2-20130: FS																								
2-20142	Plumbing Rough-in Deck 2nd Floor (Area A)	2	07/11/25	07/14/25	05/06/25	05/07/25	2	0%	51	45	2-20130: FS																								
2-20143	Fire Sprinkler Rough-in Deck 2nd Floor (Area A)	2	07/11/25	07/14/25	05/06/25	05/07/25	2	0%	51	45	2-20130: FS																								
2-20150	Inspect Deck 2nd Floor (Area A)	1	07/15/25	07/15/25	05/08/25	05/08/25	1	0%	51	45	2-20140: FS, 2-20141: FS																								
2-20160	Pour Deck 2nd Floor (Area A)	1	07/16/25	07/16/25	05/09/25	05/09/25	1	0%	51	45	2-20150: FS																								
2-20210	Layout & Screed Deck 2nd Floor (Area B)	1	07/09/25	07/09/25	05/02/25	05/02/25	1	0%	58	45	2-20110: SS 3																								
2-20220	Mechanical Layout Deck 2nd Floor (Area B)	1	07/10/25	07/10/25	05/05/25	05/05/25	1	0%	58	45	2-20210: FS																								
2-20221	Electrical Layout Deck 2nd Floor (Area B)	1	07/10/25	07/10/25	05/05/25	05/05/25	1	0%	58	45	2-20210: FS																								
2-20222	Plumbing Layout Deck 2nd Floor (Area B)	1	07/10/25	07/10/25	05/05/25	05/05/25	1	0%	58	45	2-20210: FS																								
2-20223	Fire Sprinkler Layout Deck 2nd Floor (Area B)	1	07/10/25	07/10/25	05/05/25	05/05/25	1	0%	58	45	2-20210: FS																								
2-20230	Rebar Deck 2nd Floor (Area B)	3	07/11/25	07/15/25	05/06/25	05/08/25	3	0%	58	45	2-20220: FS, 2-20221: FS																								
2-20240	Mechanical Rough-in Deck 2nd Floor (Area B)	2	07/16/25	07/17/25	05/09/25	05/12/25	2	0%	58	45	2-20230: FS																								
2-20241	Electrical Rough-in Deck 2nd Floor (Area B)	2	07/16/25	07/17/25	05/09/25	05/12/25	2	0%	58	45	2-20230: FS																								
2-20242	Plumbing Rough-in Deck 2nd Floor (Area B)	2	07/16/25	07/17/25	05/09/25	05/12/25	2	0%	58	45	2-20230: FS																								
2-20243	Fire Sprinkler Rough-in Deck 2nd Floor (Area B)	2	07/16/25	07/17/25	05/09/25	05/12/25	2	0%	58	45	2-20230: FS																								
2-20250	Inspect Deck 2nd Floor (Area B)	1	07/18/25	07/18/25	05/13/25	05/13/25	1	0%	58	45	2-20240: FS, 2-20241: FS																								
2-20260	Pour Deck 2nd Floor (Area B)	1	07/21/25	07/21/25	05/14/25	05/14/25	1	0%	58	45	2-20250: FS, 2-20020: FF																								
3RD FLOOR (CONCRETE ON METAL DECK)		12	07/16/25	07/31/25	05/09/25	05/27/25	12		70	45																									
2-20030	Concrete on Metal Deck 3rd Floor (SUMMARY) (24,812 SF)	12	07/16/25	07/31/25	05/09/25	05/27/25	12	0%	70	45	2-20310: SS																								
2-20310	Layout & Screed Deck 3rd Floor (Area A)	1	07/16/25	07/16/25	05/09/25	05/09/25	1	0%	63	45	D33420: FS, 2-20014: FS																								
2-20320	Mechanical Layout Deck 3rd Floor (Area A)	1	07/17/25	07/17/25	05/12/25	05/12/25	1	0%	63	45	2-20310: FS																								
2-20321	Electrical Layout Deck 3rd Floor (Area A)	1	07/17/25	07/17/25	05/12/25	05/12/25	1	0%	63	45	2-20310: FS																								

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- Remaining Level of Effort
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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
2-20660	Pour Deck 4th Floor (Area B)	1	08/12/25	08/12/25	06/06/25	06/06/25	1	0%	82	45	2-20650: FS, 2-20040: FF																						
ROOF		97	08/13/25	12/22/25	05/21/25	10/08/25	97		206	50																							
ROOF - AREA A (EAST)		77	08/13/25	12/22/25	05/21/25	09/10/25	77		226	70																							
2-30000	MEP Penetrations & Roof Drains	10	08/13/25	09/10/25	05/21/25	06/04/25	10	0%	108	67	2-20018: FS, D33150: FS																						
2-30010	Mechanical Curbs/Pads	10			05/21/25	06/04/25	10	0%	108		2-20018: FS																						
2-30020	Lifeline Anchors	5			05/21/25	05/28/25	5	0%	113		2-20018: FS																						
2-30030	Roof Screen Supports & Framing	10			05/21/25	06/04/25	10	0%	108		2-20018: FS																						
2-30050	Back of Parapet Sheathing	10			05/21/25	06/04/25	10	0%	108		2-20018: FS																						
2-30100	Prep for Roofing	5	09/11/25	10/22/25	06/05/25	06/11/25	5	0%	108	92	2-30000: FS, 2-30010: FS																						
2-30110	Densdeck, Rigid Insulation, Densdeck for Membrane Roofing	10			06/12/25	06/26/25	10	0%	108		2-30100: FS																						
2-30120	Membrane Roofing	10			06/20/25	07/03/25	10	0%	108		2-30110: SS 5																						
2-30130	Walk Pads	2			07/07/25	07/08/25	2	0%	226		2-30120: FS																						
2-30200	Set & Anchor Mechanical Equipment	5	10/23/25	12/22/25	07/09/25	07/15/25	5	0%	226	110	2-30100: FS, 2-30130: FS																						
2-30210	Mechanical Rough-in & Connections to Mech Eqpt	10			07/16/25	07/29/25	10	0%	226		2-30200: FS																						
2-30220	Plumbing Rough-in & Connections to Mech Eqpt	10			07/16/25	07/29/25	10	0%	226		2-30200: FS																						
2-30230	Electrical Rough-in & Connections to Mech Eqpt	10			07/16/25	07/29/25	10	0%	226		2-30200: FS																						
2-30300	Roof Screen	10			07/30/25	08/12/25	10	0%	226		2-30210: FS, 2-30220: FS																						
2-30400	Sheetmetal Trim & Finishes	10			08/13/25	08/26/25	10	0%	226		2-30300: FS																						
2-30900	Cleanup & Prepunch Roof	10			08/27/25	09/10/25	10	0%	226		2-30400: FS																						
ROOF - AREA B (WEST)		97			05/21/25	10/08/25	97		206																								
2-31000	MEP Penetrations & Roof Drains	10			06/05/25	06/18/25	10	0%	108		2-30000: FS																						
2-31010	Mechanical Curbs/Pads	10			06/05/25	06/18/25	10	0%	108		2-30010: FS																						
2-31020	Lifeline Anchors	5			05/29/25	06/04/25	5	0%	118		2-30020: FS																						
2-31030	Roof Screen Supports & Framing	10			06/05/25	06/18/25	10	0%	108		2-30030: FS																						
2-31040	Roof Hatch	5			05/21/25	05/28/25	5	0%	123		2-20018: FS																						
2-31050	Back of Parapet Sheathing	10			06/05/25	06/18/25	10	0%	108		2-30050: FS																						
2-31100	Prep for Roofing	5			06/20/25	06/26/25	5	0%	108		2-31000: FS, 2-31010: FS																						
2-31110	Densdeck, Rigid Insulation, Densdeck for Membrane Roofing	10			06/27/25	07/11/25	10	0%	108		2-31100: FS, 2-30110: FS																						
2-31120	Membrane Roofing	10			07/07/25	07/18/25	10	0%	108		2-31110: SS 5, 2-30120: F																						
2-31130	Walk Pads	2			07/21/25	07/22/25	2	0%	206		2-31120: FS																						
2-31200	Set & Anchor Mechanical Equipment	5			07/23/25	07/29/25	5	0%	206		2-31100: FS, 2-31130: FS																						
2-31210	Mechanical Rough-in & Connections to Mech Eqpt	10			07/30/25	08/12/25	10	0%	206		2-31200: FS																						
2-31220	Plumbing Rough-in & Connections to Mech Eqpt	10			07/30/25	08/12/25	10	0%	206		2-31200: FS																						
2-31230	Electrical Rough-in & Connections to Mech Eqpt	10			07/30/25	08/12/25	10	0%	206		2-31200: FS																						
2-31300	Roof Screen	10			08/13/25	08/26/25	10	0%	206		2-31210: FS, 2-31220: FS																						
2-31400	Sheetmetal Trim & Finishes	10			08/27/25	09/10/25	10	0%	206		2-31300: FS																						
2-31500	Planters Low Roof	10			08/27/25	09/10/25	10	0%	206		2-31400: SS																						
2-31510	Patio Paver System Low Roof	10			09/11/25	09/24/25	10	0%	206		2-31500: FS																						
2-31900	Cleanup & Prepunch Roof	10			09/25/25	10/08/25	10	0%	206		2-31400: FS, 2-31510: FS																						
EXTERIOR		160	08/13/25	06/11/26	06/09/25	01/28/26	160		131	95																							
EXTERIOR - NORTH		135	08/13/25	06/11/26	06/09/25	12/22/25	135		156	120																							
2-40000	Exterior Scaffold (after bldg 6)	10	08/13/25	09/10/25	06/09/25	06/23/25	10	0%	84	55	2-20660: FS, 6-43000: FS																						
2-40010	Exterior Clips, Stickers	5	08/27/25	12/22/25	06/24/25	06/30/25	5	0%	84	120	2-40000: FS																						
2-40020	Exterior Framing (after bldg 6)	10			07/01/25	07/15/25	10	0%	84		2-40010: FS, 6-43020: FS																						
2-40030	Exterior MEP Rough-in & Inspections	10			07/01/25	07/15/25	10	0%	156		2-40020: SS, 2-40020: FF																						
2-40040	Exterior Sheathing & Inspection	5			07/16/25	07/22/25	5	0%	156		2-40030: FS																						

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Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
2-50730	Code Signage	5			12/12/25	12/18/25	5	0%	148		2-50660: FS																						
2-50800	Deliver Market Equipment	3			11/04/25	11/06/25	3	0%	160		2-50520: FS																						
2-50810	Install Market Equipment	10			11/07/25	11/21/25	10	0%	160		2-50800: FS																						
2-50820	Plumbing Connections to Market Equipment	5			11/24/25	12/02/25	5	0%	160		2-50810: FS																						
2-50830	Electrical Connections to Market Equipment	5			11/24/25	12/02/25	5	0%	160		2-50810: FS																						
2-50900	Cleanup & Prepunch Interior	10			12/19/25	01/05/26	10	0%	148		2-50730: FS, 2-50720: FS																						
INTERIOR - 1ST FLOOR - AREA A (EAST) (ELEC)		25			08/19/25	09/23/25	25		207																								
2-51000	Electrical Room Equipment & Finishes	10			08/19/25	09/02/25	10	0%	162		2-50270: SS 5																						
2-51100	Tele/Data Room Equipment & Finishes	10			08/26/25	09/09/25	10	0%	217		2-50270: FS																						
2-51200	Plumbing Room Equipment & Finishes	20			08/26/25	09/23/25	20	0%	207		2-50270: FS																						
INTERIOR - 1ST FLOOR - AREA B (WEST)		169			05/15/25	01/19/26	169		138																								
2-52000	Survey/Set Bench Marks	2			05/15/25	05/16/25	2	0%	58		2-50000: FS, 2-20260: FS																						
2-52005	Layout Walls	5			05/20/25	05/27/25	5	0%	56		2-52000: SS 1, 2-52000: I																						
2-52006	Coordination Walk (Kitchen)	1			05/28/25	05/28/25	1	0%	65		2-52005: FS																						
2-52010	Wall Framing (Priority Walls)	10			06/11/25	06/25/25	10	0%	46		2-52005: FS, 2-50010: FS																						
2-52015	Top Down Drywall (Priority Walls)	10			06/18/25	07/02/25	10	0%	105		2-52010: SS 5, 2-52010: I																						
2-52020	Overhead Mechanical Ductwork Rough-in	15			06/23/25	07/14/25	15	0%	105		2-52015: SS 2																						
2-52025	Overhead Mechanical Equipment & Piping Rough-in	10			07/08/25	07/21/25	10	0%	138		2-52020: SS 10																						
2-52030	Overhead Plumbing Rough-in	15			06/30/25	07/21/25	15	0%	105		2-52020: SS 5																						
2-52040	Overhead Fire Sprinkler Rough-in	15			06/30/25	07/21/25	15	0%	105		2-52020: SS 5																						
2-52050	Overhead Electrical Rough-in	15			06/30/25	07/21/25	15	0%	105		2-52020: SS 5																						
2-52060	Overhead Low Voltage Rough-in	15			06/30/25	07/21/25	15	0%	105		2-52020: SS 5																						
2-52070	Overhead MEP Inspections	2			07/22/25	07/23/25	2	0%	138		2-52060: FS, 2-52050: FS																						
2-52080	Overhead MEP Insulation	5			07/24/25	07/30/25	5	0%	138		2-52070: FS																						
2-52100	Wall Framing (Production Walls)	10			07/10/25	07/23/25	10	0%	105		2-52030: SS 7, 2-52040: I																						
2-52101	Coordination Walk (Kitchen)	1			07/24/25	07/24/25	1	0%	149		2-52100: FS																						
2-52110	Wall Plumbing Rough-in	10			07/17/25	07/30/25	10	0%	145		2-52100: SS 5, 2-52100: I																						
2-52120	Wall Electrical Rough-in	10			07/17/25	07/30/25	10	0%	145		2-52100: SS 5, 2-52100: I																						
2-52130	Wall Low Voltage Rough-in	10			07/17/25	07/30/25	10	0%	145		2-52100: SS 5, 2-52100: I																						
2-52140	Wall MEP & Framing Inspections	2			07/31/25	08/01/25	2	0%	145		2-52130: FS, 2-52120: FS																						
2-52150	1-Side Drywall Walls (after roofing B)	5			07/24/25	07/30/25	5	0%	105		2-52100: FS, 2-31120: FS																						
2-52151	Coordination Walk (Kitchen)	1			07/31/25	07/31/25	1	0%	149		2-52150: FS																						
2-52160	Wall Insulation	2			08/04/25	08/05/25	2	0%	145		2-52140: FS, 2-52150: FS																						
2-52165	Wall Insulation Inspection	1			08/06/25	08/06/25	1	0%	145		2-52160: FS																						
2-52170	2-Side Drywall Walls	5			08/07/25	08/13/25	5	0%	145		2-52165: FS, 2-52151: FS																						
2-52180	Drywall Wall Inspection	1			08/14/25	08/14/25	1	0%	145		2-52170: FS																						
2-52190	Tape Drywall Walls	10			08/15/25	08/28/25	10	0%	145		2-52180: FS																						
2-52200	Hard Ceiling Framing	5			07/31/25	08/06/25	5	0%	138		2-52080: FS																						
2-52210	Hard Ceiling Mechanical Rough-in	5			08/07/25	08/13/25	5	0%	138		2-52200: FS																						
2-52220	Hard Ceiling Fire Sprinkler Rough-in	5			08/07/25	08/13/25	5	0%	138		2-52200: FS																						
2-52230	Hard Ceiling Electrical Rough-in	5			08/07/25	08/13/25	5	0%	138		2-52200: FS																						
2-52240	Hard Ceiling MEP Inspections	1			08/14/25	08/14/25	1	0%	138		2-52230: FS, 2-52220: FS																						
2-52250	Hard Ceiling Insulation	2			08/15/25	08/18/25	2	0%	138		2-52240: FS																						
2-52260	Drywall Hard Ceilings	5			08/19/25	08/25/25	5	0%	138		2-52250: FS																						
2-52270	Tape Drywall Hard Ceilings	10			08/26/25	09/09/25	10	0%	138		2-52260: FS																						
2-52300	Prime & Paint	10			09/10/25	09/23/25	10	0%	138		2-52190: FS, 2-52270: FS																						

Project Start	03/01/22
Project Finish	01/15/27
Data Date	03/11/24
Run Date	04/08/24

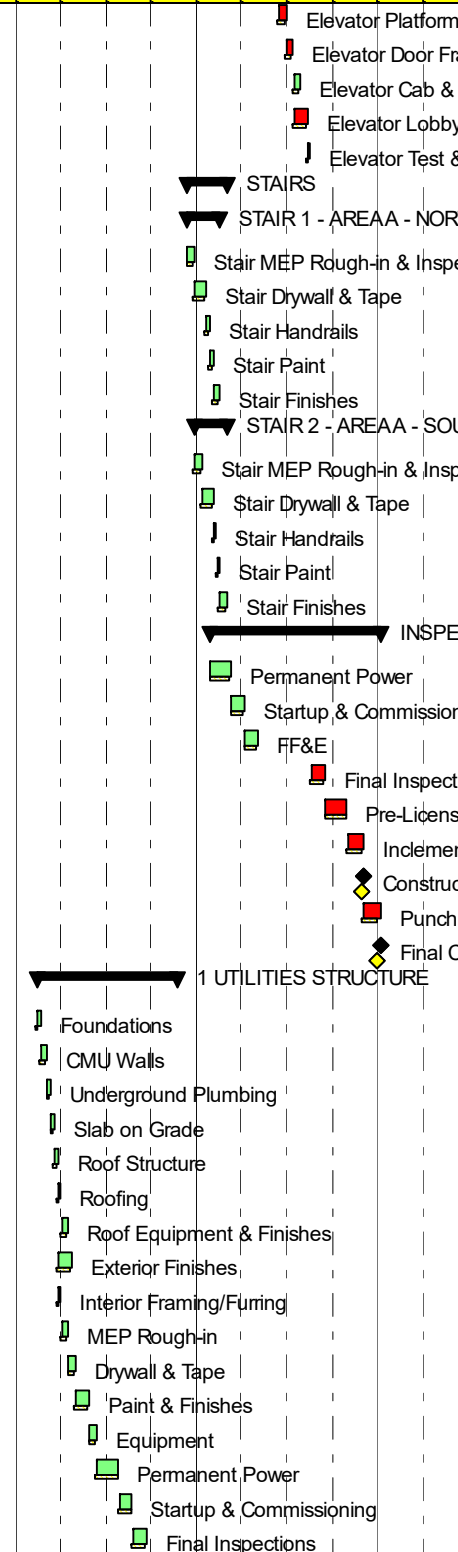
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RUHS Wellness Village
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Snyder Langston



- Remaining Level of Effort
- Actual Level of Effort
- Remaining Work
- Critical Remaining Work
- Actual Work

Activity ID	Activity Name	Orig Dur	Baseline Start	Baseline Finish	Current Start	Current Finish	Rem Dur	%	Total Float	Base Vari	Predecessor Details	2022				2023				2024				2025				2026				2027	
												Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
4-75130	Elevator Platform & Roping	10			06/15/26	06/29/26	10	0%	-2		4-75120: FS																						
4-75140	Elevator Door Frames	10			06/30/26	07/14/26	10	0%	-2		4-75130: FS																						
4-75150	Elevator Cab & Finishes	10			07/15/26	07/28/26	10	0%	8		4-75140: FS																						
4-75160	Elevator Lobby Finishes	20			07/15/26	08/11/26	20	0%	-2		4-75140: FS																						
4-75170	Elevator Test & Adjust	5			08/12/26	08/18/26	5	0%	-2		4-75150: FS, 4-75160: FS																						
STAIRS		55			12/12/25	03/02/26	55		116																								
STAIR 1 - AREA A - NORTH		45			12/12/25	02/16/26	45		126																								
4-76000	Stair MEP Rough-in & Inspections (Stair 1, Area A, North)	10			12/12/25	12/26/25	10	0%	116		4-54140: FS																						
4-76010	Stair Drywall & Tape	15			12/29/25	01/19/26	15	0%	126		4-76000: FS																						
4-76020	Stair Handrails	5			01/20/26	01/26/26	5	0%	126		4-76010: FS																						
4-76030	Stair Paint	5			01/27/26	02/02/26	5	0%	126		4-76020: FS																						
4-76040	Stair Finishes	10			02/03/26	02/16/26	10	0%	126		4-76030: FS																						
STAIR 2 - AREA A - SOUTH		45			12/29/25	03/02/26	45		116																								
4-76100	Stair MEP Rough-in & Inspections (Stair 2, Area A, South)	10			12/29/25	01/12/26	10	0%	116		4-76000: FS																						
4-76110	Stair Drywall & Tape	15			01/13/26	02/02/26	15	0%	116		4-76100: FS																						
4-76120	Stair Handrails	5			02/03/26	02/09/26	5	0%	116		4-76110: FS																						
4-76130	Stair Paint	5			02/10/26	02/16/26	5	0%	116		4-76120: FS																						
4-76140	Stair Finishes	10			02/17/26	03/02/26	10	0%	116		4-76130: FS																						
INSPECTIONS / PUNCHLIST		236	03/03/26	12/31/26	01/28/26	01/05/27	236		-2	-2																							
4-89000	Permanent Power	30	03/03/26	04/13/26	01/28/26	03/10/26	30	0%	70	24	1-13000: FS, 4-55000: FS																						
4-89100	Startup & Commissioning	20	06/25/26	07/23/26	03/11/26	04/07/26	20	0%	70	74	4-89000: FS																						
4-89500	FF&E	20	07/24/26	08/20/26	04/08/26	05/05/26	20	0%	70	74	4-89100: FS, P120000.6E																						
4-90000	Final Inspections	20	08/26/26	09/23/26	08/19/26	09/16/26	20	0%	-2	5	4-89100: FS, 8-30300: FS																						
4-90005	Pre-Licensing	32	09/24/26	10/28/26	09/17/26	10/30/26	32	0%	-2	-2	4-90000: FS																						
4-90010	Inclement Weather Allowance	20	10/29/26	11/30/26	11/02/26	12/02/26	20	0%	-2	-2	4-90000: FS, 4-90005: FS																						
4-90020	Construction Complete	0		11/30/26		12/02/26	0	0%	-2	-2	4-90010: FS, S1130: FF, S																						
4-90100	Punchlist & Corrections	22	12/01/26	12/31/26	12/03/26	01/05/27	22	0%	-2	-2	4-90020: FS																						
4-90110	Final Completion	0		12/31/26		01/05/27	0	0%	-2	-2	4-90100: FS																						
1 UTILITIES STRUCTURE		197	05/29/25	03/11/26	02/12/25	11/20/25	197		278	75																							
1-20000	Foundations	5	05/29/25	06/04/25	02/12/25	02/18/25	5	0%	278	75	4-10228: FS																						
1-20100	CMU Walls	10	06/05/25	06/18/25	02/19/25	03/04/25	10	0%	278	75	1-20000: FS																						
1-20200	Underground Plumbing	5	06/20/25	06/26/25	03/05/25	03/11/25	5	0%	278	75	1-20100: FS																						
1-20300	Slab on Grade	5	06/27/25	07/03/25	03/12/25	03/18/25	5	0%	278	75	1-20200: FS																						
1-20400	Roof Structure	5	07/07/25	07/11/25	03/19/25	03/25/25	5	0%	278	75	1-20300: FS																						
1-20500	Roofing	5	07/14/25	07/18/25	03/26/25	04/01/25	5	0%	288	75	1-20400: FS																						
1-20510	Roof Equipment & Finishes	10	07/21/25	08/01/25	04/02/25	04/15/25	10	0%	348	75	1-20500: FS																						
1-20600	Exterior Finishes	20	07/14/25	08/08/25	03/26/25	04/22/25	20	0%	363	75	1-20400: FS																						
1-21000	Interior Framing/Furring	5	07/14/25	07/18/25	03/26/25	04/01/25	5	0%	278	75	1-20400: FS																						
1-21100	MEP Rough-in	10	07/21/25	08/01/25	04/02/25	04/15/25	10	0%	278	75	1-21000: FS																						
1-21200	Drywall & Tape	10	08/04/25	08/15/25	04/16/25	04/29/25	10	0%	278	75	1-21100: FS, 1-20500: FS																						
1-21300	Paint & Finishes	20	08/18/25	09/15/25	04/30/25	05/28/25	20	0%	278	75	1-21200: FS																						
1-21400	Equipment	10	09/16/25	09/29/25	05/29/25	06/11/25	10	0%	278	75	1-21300: FS																						
1-21800	Permanent Power	30	09/30/25	11/10/25	06/12/25	07/25/25	30	0%	278	75	1-21400: FS																						
1-21810	Startup & Commissioning	20	11/12/25	12/11/25	07/28/25	08/22/25	20	0%	278	75	1-21800: FS, 1-20510: FS																						
1-21900	Final Inspections	20	12/12/25	01/12/26	08/25/25	09/22/25	20	0%	278	75	1-21810: FS, 1-20600: FS																						



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RUHS Wellness Village
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Snyder Langston



- █ Remaining Level of Effort
- █ Actual Level of Effort
- █ Remaining Work
- █ Critical Remaining Work
- █ Actual Work

EXHIBIT G

BASE RENT SCHEDULE

[To be Attached following Bond Pricing]

CONFIRMATION OF RENT COMMENCEMENT DATE

THIS CONFIRMATION OF RENT COMMENCEMENT DATE is dated this ___ day of _____, 202_, for reference purposes only, by and between **P3 RIVERSIDE HOLDINGS, LLC**, a California limited liability company, as landlord (“Landlord”), and the **COUNTY OF RIVERSIDE**, as tenant (“Tenant”).

1. Landlord and Tenant are parties to a Facilities Lease Agreement, dated as of _____, 2024 (the “Facilities Lease”), for the leasing by Landlord to Tenant of the Leased Premises (as defined in the Facilities Lease). Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Facilities Lease.

2. Landlord and Tenant hereby confirm the following:

(a) that all construction, installation, equipping and furnishing by Landlord required to be done pursuant to the terms of the Facilities Lease has been completed in all respects;

(b) that Tenant has accepted possession of the Leased Premises and now occupies the same;

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

(d) _____, 20__ is the Lease Expiration Date; and

(e) that the Lease Year as defined in the Facilities Lease means the 12-month period commencing _____, 2024.

IN WITNESS WHEREOF, Landlord and Tenant have signed this Confirmation of Rent Commencement Date.

LANDLORD:

P3 RIVERSIDE HOLDINGS, LLC

By _____
Name _____
Title _____

TENANT:

COUNTY OF RIVERSIDE

By _____
Name _____
Title _____

ATTEST:

By: _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

COUNTY COUNSEL

By: _____
Supervising Deputy General Counsel