

RECORDING REQUESTED BY:)
COUNTY OF HUMBOLDT)
)
AND WHEN RECORDED MAIL TO:)
STRADLING YOCCA CARLSON & RAUTH)
660 Newport Center Drive, Suite 1600)
Newport Beach, CA 92660)
Attn: Robert J. Whalen, Esq.)

[Space Above for Recorder's use.]

LEASE AGREEMENT

Dated as of August 1, 2020

by and between

**HUMBOLDT COUNTY PUBLIC PROPERTY LEASING CORPORATION,
as Lessor**

and

**COUNTY OF HUMBOLDT,
as Lessee**

Relating to:

**\$ _____
COUNTY OF HUMBOLDT
(2020 INTERIM LEASE FINANCING PROGRAM)**

NO DOCUMENTARY TRANSFER TAX DUE. This Lease Agreement is recorded for the benefit of the County of Humboldt and the recording is fee-exempt under Section 27383 of the California Government Code.

APN: 001-191-002

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of August 1, 2020 (the “Lease Agreement”), by and between the HUMBOLDT COUNTY PUBLIC PROPERTY LEASING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessor (the “Corporation”), and the COUNTY OF HUMBOLDT, a political subdivision duly organized and existing under the laws of the State of California, as lessee (the “County”);

WITNESSETH:

WHEREAS, the Corporation has been established to assist the County in the financing of public capital improvements to be owned by the County; and

WHEREAS, the County may enter into leases and agreements relating to real property and facilities and improvements to be used by the County; and

WHEREAS, the Corporation and the County desire to provide financing for the construction, furnishing and equipping of certain capital projects of the County (collectively, the “Project”) described herein by entering into this Lease Agreement; and

WHEREAS, the County has entered into a Site Lease dated as of the date hereof and being recorded concurrently herewith (the “Site Lease”) with the Corporation under which the County has agreed to lease the County Courthouse, consisting of the real property legally described in Exhibit G hereto together with all facilities and improvements located thereon now and in the future (together the “Leased Premises”), to the Corporation; and

WHEREAS, pursuant to the terms of this Lease Agreement, the Corporation will lease the Leased Premises back to the County and the County will agree to make Lease Payments (as defined herein) to the Corporation, or its assignee; and

WHEREAS, concurrently with the execution and delivery of this Lease Agreement, the Corporation intends to assign its rights hereunder, other than its Reserved Rights (as defined herein) to the Treasurer-Tax Collector of the County of Humboldt, acting on behalf of the Humboldt County Treasury Pool; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Lease Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, for all purposes of this Lease Agreement, the capitalized terms used herein shall have the meanings set forth below. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Lease Agreement, refer to this Lease Agreement as a whole.

“Additional Payments” means the additional rental payments due from the County pursuant to Section 4.6 hereof.

“Applicable Rate” means the Market Indication Rate plus one-half of one percent (0.50%).

“Assignee” means the Treasurer-Tax Collector of the County of Humboldt, acting on behalf of the Humboldt County Treasury Pool, as assignee under the Assignment Agreement.

“Assignment Agreement” means that certain Assignment and Purchase Agreement, dated as of August 1, 2020 by and between the Corporation and the Assignee, as amended from time to time.

“Business Day” means a day on which the County is open for business.

“Closing Date” means the date on which the Corporation’s interest hereunder is assigned to the Assignee under the Assignment Agreement.

“County Representative” means the County Administrative Officer or his or her designee or such other officer as designated by the Board of Supervisors of the County.

“Defeasance Securities” means: (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, and (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively.

“Draw” means the amount requisitioned by the County from the Assignee pursuant to a Draw Request for disbursement to it of a portion of the Purchase Price to be paid under the Assignment Agreement.

“Draw Request” means a written requisition, substantially in the form attached as Exhibit B hereto, from the County to the Assignee for disbursement of a portion of the Purchase Price to be paid under the Assignment Agreement.

“Interest Components” means the portion of the Lease Payments constituting interest as calculated in accordance with Section 4.3(a)(1) hereof and set forth in Exhibit C as revised from time to time.

“Insurance Consultant” means an individual or firm employed by the County as an independent contractor, experienced in the field of risk management.

“Laws and Regulations” shall have the meaning set forth in Section 2.3(a) hereof.

“Lease Payments” means the Interest Components and the Principal Components due and payable hereunder as set forth in Section 4.3(a)(1) hereof.

“Leased Premises” means that certain real property comprising those parcels described on Exhibit G to this Lease Agreement, and all improvements thereon.

“Long-Term Rate” means the interest rate, based on a 360-day year of twelve 30-day months, applicable to a publicly offered tax-exempt lease revenue bond by a city or county within California with an assumed rating of “A” from a nationally recognized rating agency and with a term comparable to the period from August 1, 2024 to August 1, 2050, as provided by the Placement Agent, plus one percent (1.00%).

“Market Indication Rate” means the interest rate, based on a 360-day year of twelve 30-day months, applicable to a publicly offered tax-exempt lease revenue bond by a city or county within California with an assumed rating of “A” from a nationally recognized rating agency and with a term comparable to the period from the date of the applicable Draw to August 1, 2024, as provided by the Placement Agent.

“Net Insurance Proceeds” means any net proceeds of insurance maintained pursuant to Sections 5.3 and 5.4 hereof paid with respect to the affected portion of the Leased Premises remaining after the payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Permitted Encumbrances” means, with respect to the Leased Premises, as of any particular time: (i) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the provisions of Article V of the Lease Agreement, permit to remain unpaid; (ii) the Site Lease; (iii) the Assignment Agreement; (iv) this Lease Agreement; (v) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the County hereby certifies will not materially impair the use of the Leased Premises by the County; and (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Lease Agreement and to which the County certifies in writing do not affect the intended use of the Leased Premises or impair the security granted to the Assignee under the Assignment Agreement and to which the Assignee consents in writing.

“Placement Agent” means Raymond James & Associates, Inc. or any successor thereto appointed by the Assignee.

“Principal Components” means the portion of the Lease Payments constituting principal as set forth in Exhibit A hereto as adjusted pursuant to Section 4.3(a)(1) hereof.

“Project” means capital improvements to be made at various County facilities, including the construction, furnishing and equipping thereof, as the County may determine to finance with Draws hereunder from time to time.

“Purchase Price” means the amount to be paid by the Assignee to the County in accordance with the terms of the Assignment Agreement.

“Reserved Rights” means the right of the Corporation to be paid Additional Payments pursuant to Section 4.6 and the right to indemnification under Section 7.4.

Section 1.2 Exhibits. The following Exhibits are attached to, and by this reference incorporated into and made a part of, this Lease Agreement:

Exhibit A: Schedule of Lease Payments to be made by the County to the Corporation.

Exhibit B: Draw Request

Exhibit C: Schedule of Interest Components for a Draw; Lease Payment Schedule.

Exhibit D: Cumulative Schedule of Interest Components for All Draws.

Exhibit E: Invoice for Interest Component Due to Humboldt County Treasury Pool for 2020 Interim Financing

Exhibit F: Lease Supplement.

Exhibit G: Legal Description.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of County. The County represents, covenants and warrants to the Corporation as follows:

(a) Due Organization and Existence. The County is a political subdivision and general law county duly organized and validly operating as such under the Constitution and laws of the State of California.

(b) Authorization; Enforceability. The Constitution and laws of the State of California authorize the County to enter into this Lease Agreement and the Site Lease (collectively, the “Agreements”) and to enter into the transactions contemplated by and to carry out its obligations under the Agreements. The Agreements constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Defaults. Neither the execution and delivery of the Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms,

conditions or provisions of any restriction or any agreement or instrument to which the County is now a party or by which the County is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrances whatsoever upon any of the property or assets of the County.

(d) Execution and Delivery. The County has taken all actions required to authorize and execute Agreements 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 have been performed precedent to and in the execution and delivery of the Agreements, do exist, have happened and have been performed in due time, form and manner as required by law. The County consents to the execution and delivery of the Assignment Agreement by the Corporation.

Section 2.2 Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants to the County as follows:

(a) Due Organization and Existence; Enforceability. The Corporation is a nonprofit public benefit corporation duly organized, existing and in good standing under and by virtue of the laws of the State, and has the power to enter into this Lease Agreement, the Site Lease and the Assignment Agreement (collectively, the "Corporation Documents"); is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the Corporation Documents. Each of the Corporation Documents constitutes the legal, valid and binding obligation of the Corporation, enforceable in accordance with its respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Violations. Neither the execution and delivery of the Corporation Documents, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any agreement or instrument to which the Corporation is now a party or by which the, Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Leased Premises.

(c) No Assignment. Except as provided in the Assignment Agreement, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the County, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section.

Section 2.3 Compliance with Law, Regulations, Etc.

(a) The County has, after due inquiry, no knowledge and has not given or received any written notice indicating that the Leased Premises or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business materially violates any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or

wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Leased Premises (collectively, "Laws and Regulations").

(b) Excluded from the representations and warranties in subsection (a) hereof with respect to hazardous or toxic materials are those hazardous or toxic materials in those amounts ordinarily found in the inventory of or used in the operation of a county-owned site and facility, the use, treatment, storage, transportation and disposal of which has been and shall be in compliance with all Laws and Regulations.

(c) The County shall comply with, and shall use its best efforts to assure that its tenant's subtenants, agents, licensees, employees, contractors, and agents comply with, all Laws and Regulations and shall keep the Leased Premises free and clear of any hazardous and toxic materials; provided, however, that notwithstanding that a portion of this covenant is limited to the County's use of its best efforts, the County shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the County's obligations contained in Section 2.4 hereof.

Section 2.4 Indemnity. The Corporation and its directors, officers, agents, employees and assignees, shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Premises. Irrespective of whether any representation or warranty contained in Section 2.3 is not true or correct, to the extent permitted by law, the County shall, at its expense, indemnify and hold the Corporation and all directors, members, officers, employees and assignees thereof harmless against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Leased Premises or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Leased Premises or the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity.

ARTICLE III

DEPOSIT OF MONEYS; ASSIGNMENT OF LEASE; LEASED PREMISES; SUBSTITUTION AND RELEASE

Section 3.1 Deposit of Moneys; Assignment of Lease. The County understands and agrees that, pursuant to the Assignment Agreement, the Corporation will sell and assign all of its right, title and interest in and to this Lease Agreement (other than with respect to the Reserved Rights) to the Assignee, and the County assents to such assignment. The Corporation agrees to enter into the Assignment Agreement and cause the Assignee to pay to the County the Purchase Price which shall be advanced to the County in one or more Draws, as requested by the County in order to finance the Project. To obtain a Draw, the County shall submit a Draw Request to the Assignee, substantially in the form set forth in Exhibit B hereto, not less than 10 days prior to the date on which the Draw is to be paid.

Section 3.2 Leased Premises. The Corporation hereby leases the Leased Premises to the County, and the County hereby leases the Leased Premises from the Corporation, upon the terms and conditions set forth herein. This Lease Agreement shall not operate as a merger of the County's

leasehold estate in the Leased Premises pursuant to this Lease Agreement and its fee estate in the Leased Premises and shall not cause the extinguishment of the leasehold interest granted to the Corporation under the Site Lease.

Section 3.3 Substitution of Alternate Leased Premises and Release of Leased Premises. The County shall have the right to substitute alternate real property or improvements for the Leased Premises or release or add additional real property, improvements or equipment from or to the Leased Premises described in Exhibit G, but only by providing the Assignee with a supplement to this Lease Agreement substantially in the form attached as Exhibit F hereto and complying with the provisions of this Section 3.3. All costs and expenses incurred in connection with any such substitution, release or addition shall be borne by the County. Notwithstanding any substitution, release or addition pursuant to this Section, there shall be no reduction in or abatement of the Lease Payments due from the County hereunder as a result of such substitution, release or addition.

If the County proposes to substitute any alternate real property or improvement for the Leased Premises or release any portion of the Leased Premises, at least 15 days prior to any substitution or release the County shall provide written notice of such substitution or release to the Assignee.

In the event that the County elects to make a substitution or release of all or a portion of the Leased Premises hereunder, all or a designated portion of the Leased Premises formerly subjected to this Lease Agreement shall be released from the encumbrance hereof upon receipt by the Assignee of: (a) the written request of the County to that effect; (b) written certification by the County to the effect that the remaining or substituted Leased Premises have an annual fair rental value no less than the maximum annual Lease Payments due hereunder and a remaining useful life at least as long as the date set forth in Section 4.1 below; (c) if requested by the Assignee, an opinion of Special Counsel or County Counsel to the effect that this Lease Agreement remains valid, binding and enforceable; and (d) if requested by the Assignee, a CLTA title insurance policy respecting the ownership and condition of such substituted real property.

The County, the Corporation and the Assignee shall execute any and all appropriate legal documents, instruments and certificates to effect such substitution or release. After any such substitution or release, the term "Leased Premises" shall be deemed to include only the remaining portion of the Leased Premises.

ARTICLE IV

LEASE TERM; LEASE PAYMENTS AND ADDITIONAL PAYMENTS; OPTION TO PURCHASE; TITLE TO THE LEASED PREMISES

Section 4.1 Term of Lease Agreement. The "Term" of this Lease Agreement shall commence on the Closing Date and shall end on August 1, 2050 unless earlier terminated in accordance with the following paragraphs, or unless extended pursuant to Section 4.2 below. The County hereby represents, warrants and covenants that the useful life of the Leased Premises extends beyond August 1, 2055, the date which is five years beyond the last scheduled Lease Payment Date.

The Term of this Lease Agreement will end upon the earliest of any of the following events:

- (a) a default by the County and the Corporation's subsequent election to terminate this Lease Agreement under Section 9.2(b);
- (b) the payment by the County of all Lease Payments required under Section 4.3 and any Additional Payments required under Section 4.6 hereof;
- (c) the exercise by the County of its option to purchase the Leased Premises as provided in Section 4.5 hereof; or
- (d) August 1, 2050 unless such date is extended in accordance with Section 4.2 below.

In order for the County to terminate this Lease Agreement upon exercise of its option to purchase the Leased Premises pursuant to Section 4.5 hereof, the defeasance provisions set forth in Section 10.1 hereof shall have been satisfied. In addition, the County shall not have the right to terminate this Lease Agreement by reason of default by the Corporation.

Section 4.2 Extension of Lease Term. If on August 1, 2050 the Lease Payments due hereunder shall not have been fully paid when due or as a result of an abatement of Lease Payments hereunder, then the term of this Lease Agreement shall be extended until the date on which all of such Lease Payments and other amounts due hereunder have been paid, but in no event shall be extended beyond August 1, 2055.

Section 4.3 Lease Payments.

(a) Obligation to Pay.

(1) Time and Amount. Subject to the provisions of Article VI (regarding loss of use of the Leased Premises) and Article X (regarding prepayment of Lease Payments or the exercise by the County of its option to purchase the Leased Premises), the County agrees to pay to the Corporation, its successors and assigns, as rental for the use and possession of the Leased Premises, the Lease Payments, to be due and payable on each February 1 and August 1 or, if any such day is not a Business Day, then the next succeeding Business Day (each, a "Lease Payment Date"). The Lease Payments shall equal the sum of the Principal Components and Interest Components due on a Lease Payment Date as described below. The parties hereto specifically acknowledge and agree that the maximum annual Lease Payments due hereunder shall in no event exceed the annual fair market rental value of the Leased Premises which the County has determined to be not less than \$_____.

The Principal Components shall be paid in accordance with the schedule set forth in Exhibit A. In the event that the total Draws made by the County from the Assignee pursuant to the Assignment Agreement at the time of the final Draw are less than the total Purchase Price, the schedule of Principal Components set forth in Exhibit A shall be adjusted, as nearly as practicable, on a pro rata basis to reduce the Principal Components due hereunder to equal the total amount of the Draws made by the County from the Assignee.

The Interest Components shall be calculated based on the Applicable Rate for each Draw times the principal amount of each Draw. The Interest Component due on each Lease Payment Date

shall equal one-half of the sum of the Applicable Rate for each Draw times the principal amount of such Draw; provided, however, the Interest Component due on the first Lease Payment Date following a Draw shall be pro-rated for the period from the date of the Draw to such Lease Payment Date. In connection with each Draw, the Assignee shall provide, or cause the Placement Agent to provide, to the County the Interest Component to be paid with respect to such Draw substantially in the form set forth in Exhibit C hereto and a cumulative schedule of Interest Components substantially in the form set forth in Exhibit D hereto, each of which shall be appended to this Lease. If on August 1, 2024 the County shall not have exercised its option to purchase the Leased Premises pursuant to Section 4.5 hereof, the Interest Components shall be recalculated on the full amount of the Principal Components at the Long-Term Rate. The Assignee shall provide to the County a Lease Payment schedule showing the Principal Component and the Interest Component due on each Lease Payment Date after August 1, 2024 which shall be attached hereto and shall supersede any prior Lease Payment schedule in effect.

Not later than five Business Days prior to each Lease Payment Date, the Assignee shall deliver to the County an invoice for the Interest Component due on the upcoming Lease Payment Date which shall be substantially in the form set forth in Exhibit E hereto.

(2) Source of Payments; Budget and Appropriations. Lease Payments shall be paid from any source of legally available funds of the County, and so long as the Leased Premises, or a portion of the Leased Premises with an annual fair market rental value in excess of the maximum annual Lease Payments then remaining unpaid, are available for the County's use, the County covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due hereunder in its budgets and to make the necessary appropriations for all such Lease Payments and Additional Payments, which covenants of the County shall be deemed to be, and shall be, ministerial duties imposed by law, and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants made by the County hereunder. During the Term hereof, the County will furnish to the Assignee, no later than 20 days following the adoption of the budget for its then-current fiscal year, a certificate of the County Representative in the event that the Lease Payments due in that fiscal year have not been included in the budget approved by the Board of Supervisors for such fiscal year, which certificate shall include an explanation as to why such Lease Payments were not included in the budget.

(3) No Withholding. Notwithstanding any dispute between the Corporation and the County, including any dispute as to the failure of any portion of the Leased Premises to perform the task for which it is leased, the County shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

(b) Terms and Effect of Purchase of the Leased Premises.

(1) In Whole; Exercise of Purchase Option. In the event that the County exercises its option to purchase the Leased Premises in accordance with Section 4.5 hereof by prepaying all remaining Lease Payments and Additional Payments either by irrevocably making a security deposit with the Assignee as provided in Section 10.1 or by irrevocably depositing Net Insurance Proceeds as provided in Section 10.2, the County's obligations under this Lease Agreement shall thereupon cease and terminate, including but not limited to the County's obligations

to continue to pay Lease Payments under this Section; provided, however, that Lease Payments shall continue to be paid as set forth in Section 10.1 hereof.

(2) In Part. The County may prepay less than all of the remaining Principal Components of the Lease Payments pursuant to this Section from Net Insurance Proceeds pursuant to Section 10.2. In the case of a prepayment from Net Insurance Proceeds, the amount of such prepayment shall be applied to reduce the Principal Components of the remaining Lease Payments on a pro rata basis. In the event of a partial prepayment from other funds, the Principal Components may be reduced as directed in writing in a certificate of a County Representative.

(c) Rate of Overdue Payments. In the event the County should fail to make any of the payments required in this Section, the payments in default shall continue as an obligation of the County until the amount in default shall have been fully paid, and the County agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable until fully paid at a rate represented by the Interest Components.

(d) Fair Rental Value. The Lease Payments shall be paid by the County in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Leased Premises during each such period for which said payments have been paid. The parties hereto have agreed and determined that the Lease Payments computed as set forth in Section 4.1(a)(1) do not exceed the annual fair market rental value of the Leased Premises. In making such determination, consideration has been given to the costs of the acquisition, construction and renovation of and improvements to the Leased Premises, the replacement cost of the Leased Premises, the essential nature of the Leased Premises to the County's operations, other obligations of the parties under this Lease Agreement (including but not limited to costs of maintenance, taxes and insurance) and the uses and purposes that are being served by the Leased Premises and the benefits therefrom that are and will continue to accrue to the County and the general public throughout the Term.

(e) Budgets and Appropriation. The County covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Lease Payments and Additional Payments from lawfully available moneys of the County. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the County.

(f) Assignment. The County understands and agrees that, pursuant to the Assignment Agreement, the Corporation will sell and assign all of its right, title and interest in and to the Lease Agreement (other than with respect to the Reserved Rights) to the Assignee, and the County assents to such assignment.

(g) Use and Possession. A Lease Payment payable on a Lease Payment Date is consideration for the use and possession of the Leased Premises from the immediately preceding Lease Payment Date.

(h) Abatement. Lease Payments and Additional Payments shall be subject to abatement as provided in Section 6.1.

Section 4.4 Quiet Enjoyment. During the term of this Lease Agreement, the Corporation shall provide the County with quiet use and enjoyment of the Leased Premises, subject only to the Permitted Encumbrances, and the County shall during such term peaceably and quietly have and hold and enjoy the Leased Premises, without suit, trouble or hindrance from the Corporation, or any person or entity claiming under or through the Corporation except as expressly set forth in this Lease Agreement. The Corporation shall, at the request and expense of the County, join in any legal action in which the County asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation shall have the right to inspect the Leased Premises as provided in Section 7.3.

Section 4.5 Option to Prepay. The County may exercise, at any time, an option to prepay the Lease Payments and terminate its obligations hereunder except as set forth in Section 10.1 hereof (i) by paying to the Corporation on any date on or after August 1, 2024 an amount equal to the total Principal Components remaining unpaid together with the Interest Components due to the date of payment of the purchase price, (ii) by irrevocably making a security deposit as provided in Section 10.1 hereof from which all remaining Principal Components and Interest Components of the Lease Payments will be paid, or (iii) by applying Net Insurance Proceeds or title insurance or condemnation proceeds as provided in Section 10.2 hereof to pay all remaining Principal Components and Interest Components of the Lease Payments. Upon the payment of all remaining Principal Components and Interest Components or the making of the security deposit in accordance with Section 10.1 sufficient to pay all Lease Payments and the payment of any Additional Payments then due, all right, title and interest of the Corporation in and to the Leased Premises shall vest in the County without the necessity of any additional document of transfer. In any such event, if necessary, the Corporation shall authorize, execute and deliver to the County any documents reasonably requested by the County to terminate this Lease Agreement in order to confirm such vesting of title in the County.

Section 4.6 Additional Payments. Throughout the Term of this Lease Agreement, the County agrees to pay, as Additional Payments, such amounts as shall be required for the payment of all administrative costs of the Corporation relating to the Leased Premises or the execution and delivery of the Assignment Agreement, including, without limitation, the County's obligation to pay all expenses, compensation and indemnification of the Corporation payable hereunder, taxes of any sort whatsoever payable by the Corporation as a result of its leasing of the Leased Premises or its undertaking of the transactions contemplated herein as required by Section 5.1 hereof, fees of auditors, accountants, attorneys or engineers and all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of this Lease Agreement or to defend the Corporation and its directors, officers and employees in connection therewith.

Additional Payments due under this Section shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay, all such amounts when due or within ten days after notice in writing from the Corporation to the County, stating the amount of Additional Payments then due and payable and the purpose thereof.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1 Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Leased Premises, all repair and maintenance of the Leased Premises shall be the responsibility of the County, and the County shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Premises resulting from ordinary wear and tear or want of care on the part of the County or any sublessee thereof. The County shall also pay any taxes or assessments due with respect to the Leased Premises. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Leased Premises, as hereinbefore more specifically set forth.

Section 5.2 Modification of the Leased Premises.

(a) The County shall have the right to make, at its own expense, additions, modifications, and improvements to the Leased Premises if such improvements are necessary or beneficial for the use of the Leased Premises. All such additions, modifications and improvements shall thereafter be a part of the Leased Premises and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Leased Premises; and the Leased Premises, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value in the aggregate that is not less than the value of the Leased Premises immediately prior to the making of such additions, modifications and improvements.

(b) The County shall not permit any mechanic's or other lien to be established or remain against the Leased Premises for labor or materials furnished in connection with any additions, modifications, remodeling or construction made by the County pursuant to this Section, except Permitted Encumbrances; provided, that if any such lien is established and the County shall first notify or cause to be notified the Corporation of the County's intention to do so, the County may in good faith contest any lien filed or established against the Leased Premises, and in such event may permit the liens so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Corporation with full security against any loss or forfeiture which might arise from such nonpayment with respect to the Leased Premises, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the County.

Section 5.3 Public Liability, Property Damage and Workers' Compensation Insurance.

(a) Public Liability and Property Damage. The County shall maintain or cause to be maintained, throughout the Term of this Lease Agreement, a standard comprehensive general public liability and property damage insurance policy or policies in protection of the County and the Corporation, their respective officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of the Leased Premises.

Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or

more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event, subject to deductible clauses of not to exceed \$250,000, or such larger amount as is consented to by the Assignee. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the County.

The Net Insurance Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid, including, where appropriate, the application of Net Insurance Proceeds with respect to the prepayment of the Lease Payments as provided in Section 6.2 hereof.

(b) Workers' Compensation. The County shall also maintain workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure 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 or in lieu thereof. Workers' compensation insurance may, to the extent provided by law, be maintained in the form of self-insurance.

Section 5.4 Fire and Extended Coverage Insurance; Theft Insurance. The County shall maintain or cause to be maintained, throughout the Term of this Lease Agreement, insurance against loss or damage to any or all of the Leased Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, and against loss of Leased Premises by theft. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

Such insurance shall be in an amount equal to 100% of the replacement cost of the Leased Premises (exclusive of the unimproved value of the real property comprising the site), except that such insurance may be subject to deductible clauses of not to exceed \$50,000 for any one loss (or such larger amount as is consented to by the Assignee); provided, however, that in no event shall such insurance be maintained in an aggregate amount less than the unpaid Principal Components of the Lease Payments. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the County, and may be maintained in the form of self-insurance by the County. The Net Insurance Proceeds of each policy or coverage shall be applied as provided in Section 6.2.

Each policy of insurance required by this Section shall provide that all proceeds therefrom with respect to a claim arising by reason of the care and possession of the Leased Premises shall be payable to the County, to be applied as provided in Section 6.2 hereof.

Section 5.5 Rental Interruption Insurance. The County shall maintain or cause to be maintained rental interruption insurance in an amount not less than the maximum remaining scheduled Lease Payments in any twenty-four-month period, to insure against loss of use of the Leased Premises caused by perils covered by the insurance required in Section 5.4. Such insurance may be subject to a deductible clause of not to exceed \$5,000 and may be maintained as part of or in conjunction with any other rental interruption insurance carried by the County but may not be maintained in the form of self-insurance. Such insurance shall be in place as of the Closing Date. The Net Insurance Proceeds of such insurance shall be paid to the Assignee who shall use such

amounts as a credit toward the payment of the Lease Payments in the order in which such Lease Payments come due and payable. The County may not self-insure for rental interruption insurance.

Section 5.6 General Insurance Provisions.

(a) Form of Policies. All policies of insurance obtained under the requirements of this Lease Agreement shall provide that the Corporation and the Assignee shall be given 30 days' prior written notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. All policies shall have the County, the Corporation and the Assignee as insureds and, as to the policy obtained pursuant to Section 5.5, the Assignee as loss payee.

(b) Payment of Premiums. The County shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement.

(c) Evidence of Insurance. Upon request, the County shall provide a schedule, in such detail as the Corporation or the Assignee may reasonably request, setting forth any insurance policies then in force described in Sections 5.3 through 5.5 of this Lease Agreement, listing the names of the insurers that have issued the policies, the policy limits thereof and the hazards and risks covered thereby.

(d) Self-Insurance Requirements. If the County chooses to self-insure for any of the risks described in Section 5.3 and/or 5.4, it must on at least an annual basis in the month of November provide a certificate of an Insurance Consultant to the Corporation and to the Assignee to the effect that the County's general insurance reserves are adequate to provide the required amount of coverage. The County may not self-insure for the rental interruption insurance required by Section 5.5.

Section 5.7 Liens. Except as provided in this Article (including, without limitation, Section 5.2(b)), the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, liens, charges, encumbrances or claims, as applicable, on or with respect to the Leased Premises, or any portion thereof, other than the respective rights of the Corporation and the County as provided herein and any Permitted Encumbrances. Except as expressly provided in this Article, the County shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The County shall reimburse each of the Corporation and the Assignee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.8 Use of the Leased Premises. The County represents and warrants that it has an immediate need for, and expects to make immediate use of, the Leased Premises, which need is not temporary or expected to diminish in the foreseeable future.

Section 5.9 Cooperation. The Corporation and the Assignee shall cooperate fully with the County at the expense of the County in filing any proof of loss with respect to any insurance policy maintained pursuant to this Article.

ARTICLE VI

DAMAGE AND DESTRUCTION; USE OF NET INSURANCE PROCEEDS

Section 6.1 Abatement of Lease Payments and Additional Payments in Event of Loss of Use. A proportional amount of the Lease Payments and Additional Payments shall be abated during any period in which, by reason of condemnation, title defect, damage or destruction, there is substantial interference with the use and possession of the Leased Premises by the County. The amount of such abatement shall be determined by the County such that the resulting Lease Payments and Additional Payments represent fair consideration for the use and possession of the portion of the Leased Premises not condemned, subject to title defect, damaged or destroyed. Such abatement shall commence on the date of condemnation, title defect, damage or destruction and shall end when use and possession of the Lease Premises is restored to the County. Except as provided herein, in the event of any such condemnation, title defect, damage or destruction, this Lease Agreement shall nonetheless continue in full force and effect and the County waives any right to terminate this Lease Agreement by virtue of any such condemnation, title defect, damage or destruction.

It is the intention of the parties that, in the event of abatement of Lease Payments hereunder, rental interruption insurance required by Section 5.5 hereof shall provide funds for the County's payment of such Lease Payments during the period required for any repair of the Leased Premises.

Section 6.2 Application of Net Insurance Proceeds.

(a) Deposit in Net Insurance Proceeds Fund. Net Insurance Proceeds received from the insurance maintained under Section 5.4 shall be deposited by the County in a separate fund (the "Net Insurance Proceeds Fund") promptly upon receipt thereof and the County shall notify the Assignee within 45 days of the date of casualty whether such amounts will be applied to replace or repair the affected Leased Premises or to prepay Lease Payments. If the County Representative notifies the Assignee in writing of the County's determination that the replacement or repair of the affected portion of the Leased Premises is not economically feasible or in the best interests of the County, then such Net Insurance Proceeds shall be promptly transferred by the County to the Assignee and shall be applied to prepay Lease Payments as provided in Section 10.2 hereof; otherwise, such Net Insurance Proceeds shall be applied as provided in Section 6.2(c) hereof.

(b) Replacement or Repair of the Leased Premises. Notwithstanding the foregoing, however, the County may exercise its option to replace or repair the affected portion of the Leased Premises only if (i) the Net Insurance Proceeds available for such purpose, together with any other lawfully available funds supplied by the County for such purpose, are sufficient therefor, and (ii) in the event that damage or destruction results in an abatement of Lease Payments, the County Representative certifies and covenants to the Corporation and the Assignee that such replacement or repair can be fully completed within a period not in excess of the period in which rental interruption insurance proceeds or other lawfully available funds will be available to pay in full all Lease Payments coming due during the period of repair and replacement.

(c) Disbursement. All Net Insurance Proceeds deposited in the Net Insurance Proceeds Fund and not so transferred to the Assignee to prepay Lease Payments as provided in Section 6.2(a) hereof shall be applied to the prompt replacement or repair of the affected portion of the Leased Premises by the County. Any balance of the Net Insurance Proceeds remaining after such

replacement or repair has been completed shall be paid to the County and be applied to any lawful purpose.

Section 6.3 Laws and Ordinances. The County agrees to observe and comply with all rules, regulations and laws applicable to the County with respect to the Leased Premises and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the County, and the Corporation and its assignee shall not be liable therefor. The County agrees further to place, keep, use, maintain and operate the Leased Premises in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public. The County irrevocably waives and releases the County's rights under California Civil Code Sections 1932, 1933(4), 1941, 1941.1 and 1942.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS

Section 7.1 Disclaimer of Warranties. THE CORPORATION AND ITS ASSIGNS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE COUNTY OF THE LEASED PREMISES OR ANY PART THEREOF. THE COUNTY ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY COMPONENTS OF THE LEASED PREMISES OR A DEALER THEREIN, AND THE COUNTY IS LEASING THE LEASED PREMISES "AS-IS." In no event shall the Corporation or its assigns be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or County's use and possession of the Leased Premises.

Section 7.2 County's Right to Enforce Warranties. The Corporation hereby irrevocably appoints the County as its agent and attorney-in-fact during the term of this Lease Agreement, so long as the County shall not be in default hereunder, to assert from time to time whatever claims and rights, including without limitation, warranty claims, claims for indemnification and claims for breach of any representations, respecting the Leased Premises that the Corporation may have against any vendor or contractor. The County's sole remedy for the breach of any such warranty, indemnification or representation shall be against the vendor or contractor with respect thereto, and not against the Corporation, nor shall such matter have any effect whatsoever on the rights and obligations of the Corporation with respect to this Lease Agreement, including the right to receive full and timely Lease Payments and all other payments due hereunder. The County shall be entitled to retain any and all amounts recovered as a result of the assertion of any such claims and rights. The Corporation shall, upon the County's request and at the County's expense, do all things and take all such actions as the County may request in connection with the assertion of any such claims and rights.

Section 7.3 Access to the Leased Premises. The County agrees that the Corporation, any duly appointed representative of the Corporation and the Corporation's successors or assigns, shall have the right (but no duty) at all reasonable times to enter upon and to examine and inspect the Leased Premises. The County further agrees that the Corporation, any duly appointed representative of the Corporation, and the Corporation's successors or assigns 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 the County to perform its obligations hereunder; provided, however, that the Corporation's assigns shall have no duty to cause such proper maintenance.

Section 7.4 Release and Indemnification Covenants. To the extent permitted by law, the County shall and hereby agrees to indemnify and save the Corporation and its successors, assigns, agents, officers, employees and servants harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Leased Premises by the County, (ii) any breach or default on the part of the County in the performance of any of its obligations under this Lease Agreement, (iii) any act or negligence of the County or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Premises, or (iv) any act or negligence of any assignee or sublessee of the County with respect to the Leased Premises. No indemnification is made under this Section or elsewhere in this Lease Agreement for claims, losses or damages, including legal fees and expenses arising out of the willful misconduct or negligence, under this Lease Agreement by the Corporation, its directors, officers, agents, employees, successors or assigns.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1 Assignment by the Corporation. Certain of the Corporation's rights under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the County under this Lease Agreement, will be assigned to the Assignee, subject to certain exceptions, pursuant to the Assignment Agreement, to which assignment the County hereby consents. Except as provided herein and in the Assignment Agreement, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the County, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in Section 2.2 hereof.

Section 8.2 Assignment and Subleasing by the County. This Lease Agreement may be assigned by the County with the prior written consent of the Assignee. The County may sublease the Leased Premises, with the consent of Assignee, subject to all of the following conditions:

- (i) This Lease Agreement and the obligation of the County to make Lease Payments hereunder shall remain obligations of the County; and
- (ii) The County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.

Section 8.3 Amendment. This Lease Agreement may only be amended, in writing, by the County and the Corporation with the consent of the Assignee.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The following shall be “events of default” under this Lease Agreement and the terms “events of default” and “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(i) Failure by the County to pay any Lease Payment required to be paid hereunder by the Lease Payment Date on which such Lease Payment is due.

(ii) Failure by the County to observe and perform any covenant, condition or agreement on its part, to be observed or performed herein or otherwise with respect hereto, other than as referred to in clause (i) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Corporation; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, but is capable of being corrected within 60 days, the Corporation shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected; and

(iii) The filing of a voluntary petition in bankruptcy by the County, or the failure by the County promptly to institute judicial proceedings to lift any execution, garnishment or attachment of such consequence as will materially impair its ability to carry on its operations, or the adjudication of the County as insolvent or as a bankrupt, or any assignment by the County for the benefit of its creditors, or the application for the appointment of any receiver, trustee, custodian or similar officer by the County or the entry by the County into an agreement of composition with its creditors.

Section 9.2 Remedies on Default. Whenever any event of default referred to in Section 9.1 shall have happened and be continuing, it shall be lawful for the Corporation and its assigns to exercise any and all remedies available pursuant to law or in equity, or granted pursuant to this Lease Agreement; provided, however, that there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. After the occurrence of an event of default hereunder, the County will surrender possession of the Leased Premises to the Corporation, if requested to do so by the Corporation.

(a) No Termination; Repossession and Re-Lease on Behalf of County. In the event the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the Corporation may repossess the Leased Premises and re-let them for the account of the County, in which event the County’s obligation will continue to accrue from year to year in accordance with the Lease Agreement and the County will continue to receive the value of the use of the Leased Premises from year to year in the form of credits against its obligation to pay Lease Payments. The obligations of the County shall remain the same as prior to such default to pay Lease Payments whether the Corporation re-enters or not. The County agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions contained herein and shall reimburse the Corporation for any deficiency arising out of the re-letting of the Leased Premises, or, in the event the Corporation is unable to re-let the Leased Premises, then

for the full amount of all Lease Payments to the end of the term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as provided above for the payment of Lease Payments hereunder, notwithstanding such repossession by the Corporation or any suit, brought by the Corporation for the purpose of effecting such repossession of the Leased Premises, or the exercise of any other remedy by the Corporation.

The County hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the County to repossess and re-let the Leased Premises in the event of default by the County in the performance of any covenants contained herein to be performed by the County and to remove (any removal to be done with reasonable prudence) all personal property connected to or made a part of the Leased Premises, to place such property in storage or other suitable place in the County of Humboldt, for the account of and at the expense of the County, and the County hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such repossession and re-letting of the Leased Premises. The County hereby waives any and all claims for damages caused or which may be caused by the Corporation in repossessing the Leased Premises as provided herein and all claims for damages that may result from the destruction of or the injury to the Leased Premises and all claims for damage to or loss of any property belonging to the County that may be in or upon the Leased Premises.

The County agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Leased Premises in the event of such repossession without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of 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 County the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (b) below. The County further waives the right to any rental obtained by the Corporation in excess of the Lease Payments and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Leased Premises. In the event that the liability of the County under this subsection is held to constitute indebtedness or liability in any year exceeding the income and revenue provided for such year, the Corporation, or its assignee, shall not exercise the remedies provided in this subsection.

(b) Termination: Repossession and Re-Lease. In the event of the termination of this Lease Agreement by the Corporation at its option and in the manner hereinafter provided on account of default by the County (and notwithstanding any repossession of the Leased Premises by the Corporation in any manner whatsoever or the sale or re-letting of the Leased Premises), the County nevertheless agrees to pay to the Corporation all costs, losses or damages, but not Lease Payments, howsoever arising or occurring payable at the same time and in the same manner as is provided herein in the case of payment of Lease Payments. Any proceeds of the re-letting by the Corporation shall, after payment of the Additional Payments, be paid to and retained by the Corporation. Any surplus received by the Corporation from such re-letting shall be the absolute property of the Corporation and the County shall have no right thereto, nor shall the County be entitled to any credit in the event of a surplus in the rentals received by the Corporation for the Leased Premises. Neither notice to pay rent or to deliver up possession of the Leased Premises given pursuant to law nor any proceeding taken by the Corporation to recover possession of the Leased Premises shall by itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the County shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the County of the

election on the part of the Corporation to terminate this Lease Agreement. The County covenants and agrees that no surrender of the Leased Premises or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice. No such termination shall be effected whether by operation of law or acts of the parties hereto, other than in the manner expressly provided herein.

Section 9.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 9.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 9.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.6 Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article will be assigned by the Corporation to the Assignee under the Assignment Agreement, to which assignment the County hereby consents. Such rights and remedies shall be exercised by the Assignee in its discretion.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS AND PURCHASE OF LEASED PREMISES

Section 10.1 Security Deposit. Notwithstanding any other provision of this Lease Agreement, the County may on any date exercise its option to discharge its obligations hereunder as and to the extent described below by an irrevocable deposit by it with the Assignee of: (i) an amount of cash that is sufficient to pay all of the County's unpaid Lease Payments, including the Principal Components and Interest Components represented thereby, in accordance with the Lease Payment schedule set forth in Exhibit A or prepay the Lease Payments in accordance with Section 4.5 hereof, or (ii) Defeasance Securities together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay all of the unpaid Lease Payments due on each Lease Payment Date, or by prepayment thereof pursuant to Section 10.2 hereof, as the County with respect to payments of Lease

Payments shall instruct at the time of said deposit. In the event of a deposit pursuant to this Section 10.1, all obligations of the County under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall cease and terminate, excepting only the obligation of the County to make, or cause to be made, Lease Payments from the deposit made by the County pursuant to this Section, and satisfaction of all obligations to pay Additional Payments, and title to the Leased Premises shall vest in the County on the date of said deposit automatically and without further action by the County or the Corporation (except as provided herein); provided, that vesting of title to the Leased Premises in the County shall be subject to the subsequent payment of Lease Payments made from said deposit in accordance with the provisions of this Lease Agreement. Said deposit shall be deemed to be and shall constitute a special fund for the payment of the Lease Payments in accordance with the provisions of this Lease Agreement. The Corporation and its assigns shall execute and deliver such further instruments and take such further action as may reasonably be requested by the County for carrying out the title transfer of the Leased Premises.

Section 10.2 Mandatory Prepayment From Net Insurance Proceeds, Title Insurance Proceeds and Condemnation Proceeds. The County shall be obligated to prepay the Principal Components of the Lease Payments in whole or in part any day from and to the extent of any Net Insurance Proceeds, subject to the requirements of Section 6.2(a) hereof. In the event that the County receives any title insurance proceeds or condemnation proceeds due to a title defect or condemnation of the property, it shall apply such amounts within 20 days following receipt to a prepayment of the Principal Components in whole or in part. The County and the Corporation hereby agree that such Net Insurance Proceeds and title insurance proceeds and condemnation proceeds, if any, shall be credited towards the County's obligations hereunder. Except in the case of such prepayment of the Principal Components in whole, such prepayment shall be credited to the payment of the Principal Components on a pro rata basis.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five business days after deposit in the United States first-class mail, postage prepaid, to the County and the Corporation at the following addresses:

If to the County: County of Humboldt
825 5th Street
Eureka, California 95501
Attention: County Administrative Officer

If to the Corporation: Humboldt County Public Property Leasing Corporation
825 5th Street
Eureka, California 95501
Attention: President

The Corporation and the County, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2 Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the County and their respective successors and assigns.

Section 11.3 Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

Section 11.4 Net-Net-Net Lease. This Lease Agreement shall be deemed and construed to be a “net-net-net lease” and the County hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

Section 11.5 No Merger of Estates. The Lease Agreement shall not operate as a merger of the County’s leasehold estate in the Leased Premises pursuant to this Lease Agreement and its fee estate in the Leased Premises and shall not cause the extinguishment of the leasehold interest granted to the Corporation under the Site Lease.

Section 11.6 Further Assurances and Corrective Instruments. The Corporation and the County 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 Lease Agreement.

Section 11.7 Execution in Counterparts. This Lease Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8 Essentiality. The County represents and agrees that the Leased Premises are essential to the County’s exercise of its governmental functions.

Section 11.9 Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of California, applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the Corporation and the County have caused this Lease Agreement to be executed in their names by their duly authorized officers, as of the date first above written.

HUMBOLDT COUNTY PUBLIC PROPERTY
LEASING CORPORATION, as Lessor

By: _____

President

COUNTY OF HUMBOLDT, as Lessee

By: _____
Amy Nilsen
County Administrative Officer

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the Leased Premises conveyed under the foregoing to the County of Humboldt, a political subdivision of the State of California, duly organized under the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Supervisors of the County of Humboldt, pursuant to authority conferred by resolution of the Board of Supervisors adopted on _____, 2020 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2020

COUNTY OF HUMBOLDT

By: _____
Amy Nilsen
County Administrative Officer

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF HUMBOLDT)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

SCHEDULE OF LEASE PAYMENTS*

<i>Lease Payment Date</i> <i>(August 1)</i>	<i>Principal Component</i>
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*In addition to the foregoing Principal Components, Interest Components shall be due and payable on each August 1 and February 1, commencing February 1, 2021 as calculated pursuant to Section 4.3(a)(1) of the Lease Agreement.

EXHIBIT B

[To be completed by the County 10 days prior to Date of Draw]

DRAW REQUEST

Lease Draw Number _____
Requested Date of Draw _____
Requested Draw (Amount) \$ _____
Project Name: _____

The undersigned, a duly authorized officer of the County of Humboldt, hereby requests that the Treasurer-Tax Collector of the County of Humboldt, as Assignee under that certain Assignment and Purchase Agreement by and between the Humboldt County Public Property Leasing Corporation and the Treasurer-Tax Collector of the County of Humboldt, dated August 1, 2020, disburse to the County the amount of the requested Draw stated above representing a portion of the Purchase Price due thereunder. This Draw will bring the total Purchase Price disbursed to date to \$_____. The proceeds of this Draw will be applied to finance the financing costs and/or capital improvements listed on Schedule 1 hereto.

Date: _____

COUNTY OF HUMBOLDT

By: _____
County Administrative Officer

ACKNOWLEDGED BY:

TREASURER-TAX COLLECTOR

By: _____

Send Completed Draw Request to:

Humboldt County Treasurer
825 5th Street, Room 125
Eureka, CA 95501-1100
(707) 476-2450
Fax: (707) 445-7608
jbartholomew@co.humboldt.ca.us

Raymond James (Placement Agent)
One Embarcadero Center, Suite 650
San Francisco, CA 94111
Attn: Robert Larkins, Managing Director
(415) 616-8025
Fax: (415) 616-8070
robert.larkins@raymondjames.com

EXHIBIT C

SCHEDULE OF INTEREST COMPONENTS FOR A DRAW

Draw No.: _____
Draw Date: _____
Draw \$ _____
Term (Number of Months to 8/1/24) _____
(A) Market Indication Rate: _____
(B) Spread: .50%
(C) = (A) + (B)
Applicable Rate: _____%

LEASE PAYMENT SCHEDULE

<i>Date</i>	<i>Interest Component</i>
02/01/21	
08/01/21	
02/01/22	
08/01/22	[To be completed by Placement Agent 7 days prior to Draw Date]
02/01/23	
08/01/23	
02/01/24	
08/01/24	

SEND COMPLETED EXHIBIT C TO:

County of Humboldt
825 5th Street
Eureka, CA 95501
Attn: County Administrative
Officer
anilsen@co.humboldt.ca.us

Humboldt County Public
Property Leasing
Corporation
825 5th Street
Eureka, CA 95501
Attn: President

Humboldt County Treasurer
825 5th Street, Room 125
Eureka, CA 95501
(707) 476-2450
Fax: (707) 445-2608
jbartholomew@co.humboldt.ca.us

EXHIBIT D

CUMULATIVE SCHEDULE OF INTEREST COMPONENTS FOR ALL DRAWS*

APPLICABLE RATES

Draw Date					<u>Aggregate</u>
Term (Months to 08/1/24)					N/A
Project Fund					
Market Indication Rate					N/A
Spread	0.50	0.50	0.50	0.50	N/A
Rate					N/A

TOTAL INTEREST COMPONENTS DUE FOR ALL DRAWS

<u>Date</u>	<u>Total</u>
02/01/21	
08/01/21	
02/01/22	
08/01/22	
02/01/23	
08/01/23	
02/01/24	
08/01/24	

* Raymond James, as Placement Agent, will update and send a revised Cumulative Schedule of Interest Components for all Draws to the County in connection with each Draw.

EXHIBIT E

**INVOICE FOR INTEREST COMPONENT
DUE TO HUMBOLDT COUNTY TREASURY POOL FOR 2020 INTERIM FINANCING**

To: Humboldt County
Administrative Officer
825 5th Street
Eureka, CA 95501
anilsen@co.humboldt.ca.us

From: Humboldt County Treasurer
825 5th Street, Room 125
Eureka, CA 95501
(707) 476-2450
Fax: (707) 445-7608
jbartholomew@co.humboldt.ca.us

Invoice #: _____
Date: _____

Pursuant to Board Resolution _____ adopted _____, 2020 and the Lease Agreement by and between the Humboldt County Public Property Leasing Corporation and Humboldt County dated August 1, 2020, I, as County Treasurer, hereby request that the County pay the **Interest Component Due** indicated below to the Humboldt County Treasury Pool on or before the **Interest Component Due Date** indicated below.

Draw #	_____
Draw Date	_____
Draw (Amount)	\$ _____
Interest Rate	_____ %
Interest Component Due	\$ _____
Interest Component Due Date	_____

TREASURER-TAX COLLECTOR

By: _____

_____ (date)

EXHIBIT F

LEASE SUPPLEMENT

There are hereby subjected to the terms of that certain Lease Agreement (2020 Interim Lease Financing Program), dated as of August 1, 2020, between HUMBOLDT COUNTY PUBLIC PROPERTY LEASING CORPORATION (the "Corporation") and COUNTY OF HUMBOLDT (the "County"), the following described Leased Premises:

[DESCRIPTION HERE.]

as to which the County makes the following representations:

(1) the annual fair market rental value of the above-described Leased Premises at least equals the annual fair market rental value of the Leased Premises for which it was substituted;

(2) the above-described Leased Premises has a useful life that extends to at least August 1, 2049; and

(3) the above-described Leased Premises will be used by the County for authorized public purposes;

I, the County Representative, hereby certify that the Leased Premises being substituted will be leased to the Corporation free and clear of all liens or claims of others, except for the lien of any Permitted Encumbrances existing as of the date hereof, and that the County will not further encumber title to the Leased Premises except for Permitted Encumbrances.

COUNTY OF HUMBOLDT

By _____
County Representative

EXHIBIT G

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EUREKA,
COUNTY OF HUMBOLDT, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

APN: 001-191-002