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**FACILITY LEASE (PHASE II)**

**by and between the**

**CAPITAL FACILITIES DEVELOPMENT CORPORATION**

**and the**

**COUNTY OF ORANGE**

**relating to the**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
LEASE REVENUE BONDS, SERIES 2018A  
(ORANGE COUNTY CIVIC CENTER  
INFRASTRUCTURE IMPROVEMENT PROGRAM – PHASE II)**

**Dated as of [DATED DATE]**

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**FACILITY LEASE (PHASE II)**

**THIS FACILITY LEASE (PHASE II)** (this “Facility Lease”), executed and entered into as of [DATED DATE], is by and between the CAPITAL FACILITIES DEVELOPMENT CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”), as lessor, and the COUNTY OF ORANGE, a political subdivision duly organized and existing under the Constitution and laws of the State of California (the “County”), as lessee.

**WITNESSETH:**

**WHEREAS**, concurrently with the execution of this Facility Lease, the County and the Corporation are entering into a Ground Lease (Phase II) (the “Ground Lease”), dated as of [DATED DATE], whereby the Corporation will lease certain real property and the improvements thereon from the County, more particularly described in Exhibit A attached hereto (the “Real Property”), and acquire, construct and equip facilities to be located thereon more particularly described in Exhibit B attached hereto (the “Project,” and together with the Real Property, collectively referred to herein as the “Leased Property”);

**WHEREAS**, the County will then sublease the Leased Property back from the Corporation pursuant to this Facility Lease;

**WHEREAS**, concurrently with the execution of this Facility Lease, the California Municipal Finance Authority (the “Authority”) and ZB, National Association dba Zions Bank, as trustee (the “Trustee”), are entering into an Indenture, dated as of [DATED DATE] (the “Indenture”);

**WHEREAS**, to provide funds for the financing of the Project, the Authority will issue its Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program – Phase II) (the “Series 2018A Bonds”), in the aggregate principal amount of \$XXX,000,000;

**WHEREAS**, concurrently with the execution of this Facility Lease the Corporation and the Authority are entering into a Loan Agreement, dated as of [DATED DATE] (the “Loan Agreement”), pursuant to which the Authority will loan the proceeds of the Series 2018A Bonds to the Corporation to (i) finance the Project, (ii) pay capitalized interest on the Series 2018A Bonds, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2018A Bonds;

**WHEREAS**, the Series 2018A Bonds will be secured by the loan payments to be made by the Corporation under the Loan Agreement, which are payable solely from payments to be made by the County pursuant to this Facility Lease;

**WHEREAS**, pursuant to the Development Agreement, the Corporation will cause the Project to be constructed on the Real Property; 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 Facility Lease 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 Facility Lease.

**NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:**

## ARTICLE I

### DEFINITIONS

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture.

#### Act

“Act” means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto.

#### Additional Payments

“Additional Payments” means all amounts payable by the County pursuant to Section 5.01(b) hereof.

#### Authority

“Authority” means the California Municipal Finance Authority, a public instrumentality of the State of California created pursuant to the provisions of the Act and its successors and permitted assigns.

#### Base Rental Payment Date

“Base Rental Payment Date” means 15th day of the month preceding each Interest Payment Date.

#### Base Rental Payments

“Base Rental Payments” means all amounts payable by the County as Base Rental pursuant to Section 5.01(a) hereof.

Bond Year

“Bond Year” means the period from each [June 1 to and including the following May 31] during the term hereof; provided that the final Bond Year shall terminate on the Expiry Date.

Certificate of Substantial Completion

“Certificate of Substantial Completion” means a Certificate of the Corporation substantially in the form attached as Exhibit B to the Loan Agreement and Exhibit P to the Development Agreement, stating that construction of the Project has been substantially completed.

Closing Date

“Closing Date” means the date on which the Series 2018A Bonds are initially delivered to the Underwriter pursuant to the Purchase Agreement.

Code

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of the Treasury issued thereunder, and in this regard reference to any particular section of the Code shall include reference to all successors to such section of the Code.

Continuing Disclosure Certificate

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2018, to be executed and delivered by the County, as originally executed and delivered and as it may from time to time be amended in accordance therewith.

Corporation

“Corporation” means the Capital Facilities Development Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

County

“County” means the County of Orange, a political subdivision duly organized and existing under the Constitution and laws of the State of California.

Default Rate

“Default Rate” means the maximum annual rate of interest borne by any of the Series 2018A Bonds.

Developer

“Developer” means Griffin Structures, Inc., a California corporation, and its successors and permitted assigns.

Development Agreement

“Development Agreement” the Development Agreement, dated as of \_\_\_\_\_, 2018, by and between the Corporation and the Developer, as originally executed and entered into and as it may from time to time be amended in accordance herewith, pursuant to which the Developer will acquire, construct and equip the Project on the Real Property. The Development Agreement is attached hereto as Exhibit E.

Expiry Date

“Expiry Date” means June 1, 2048.

Facility Lease

“Facility Lease” means this Facility Lease (Phase II), dated as of [DATED DATE], by and between the Corporation and the County, as originally executed and entered into and as it may from time to time be amended in accordance herewith.

Fiscal Year

“Fiscal Year” means the fiscal year of the County which, as of the date hereof, is the period from July 1 to and including the following June 30.

Ground Lease

“Ground Lease” means that certain Ground Lease (Phase II), executed and entered into as of [DATED DATE], by and between the County and the Corporation, as originally executed and entered into and as it may from time to time be amended in accordance herewith and therewith.

Holder

“Holder” means the registered owner of any Outstanding Series 2018A Bond.

Indenture

“Indenture” means that certain Indenture executed and entered into as of [DATED DATE], by and between the Trustee and the Authority, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance therewith.

Leased Property

“Leased Property” means the Real Property and the Project (as the same may be changed from time to time by Removal or Substitution).

Letter of Representations

“Letter of Representations” means the Letter of Representations attached to the Purchase Agreement to be executed by the County and attached hereto as Exhibit F.

Loan Agreement

“Loan Agreement” means that certain Loan Agreement executed and entered into as of [DATED DATE], by and between the Corporation and the Authority, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance therewith.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds.

Permitted Encumbrances

“Permitted Encumbrances” means, 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 Section 6.02, permit to remain unpaid; (ii) this Facility Lease, as it may be amended from time to time; (iii) the Loan Agreement, as it may be amended from time to time; (iv) the Ground Lease, as it may be amended from time to time; (v) the Indenture, as it may be amended from time to time; (vi) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (vii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of this Facility Lease in the office of the County Recorder of the County of Orange; (viii) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, established following the date of recordation of this Facility Lease and to which the Corporation and the County consent in writing and certify to the Trustee will not materially impair the leasehold interests of the Corporation or use of the Leased Property by the County; and (ix) subleases and assignments of the County which will not adversely affect the exclusion from gross income of interest on the Series 2018A Bonds.

Project

“Project” means the facilities described in Exhibit B to this Facility Lease.

Purchase Agreement

“Purchase Agreement” means the Bond Purchase Agreement among the Authority, the Corporation and the Underwriter.

Real Property

“Real Property” means the real property described in Exhibit A hereto (as the same may be changed from time to time by Removal or Substitution).

Removal

“Removal” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Ground Lease as provided in Section 2.05.

Substitution

“Substitution” means the release of all or a portion of the Leased Property from the leasehold hereof and of the Ground Lease, and the lease of substituted real property and improvements hereunder and under the Ground Lease as provided in Section 2.05.

Trustee

“Trustee” means ZB, National Association dba Zions Bank, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee acting in its capacity as such under the Indenture, or any successor as therein provided.

The singular form of any word used herein, including the terms defined in this Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. All references herein to “Sections” and other subdivisions hereof are to the corresponding Sections or subdivisions of this Facility Lease as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Facility Lease as a whole and not to any particular Section or subdivision hereof.

**ARTICLE II**

**THE LEASED PROPERTY; TERM OF THE FACILITY LEASE**

**Section 2.01 Lease of the Leased Property.** The Corporation hereby leases to the County, and the County hereby rents and hires from the Corporation, the Leased Property on the conditions and terms hereinafter set forth. The County hereby agrees and covenants that during the term hereof, except as hereinafter provided, it will use the Leased Property for public purposes so as to afford the public the benefits contemplated hereby, and so as to permit the Corporation to carry out its agreements and covenants contained herein, in the Loan Agreement and in the Indenture, and the County hereby further agrees and covenants that during the term hereof that it will not abandon the Leased Property.

**Section 2.02 Right of Entry and Inspection.** The Corporation shall have the right to enter the Leased Property and inspect the Leased Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Corporation’s rights or obligations hereunder and for all other lawful purposes.

**Section 2.03 Prohibition Against Encumbrance or Sale.** The County and the Corporation will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Property, except Permitted Encumbrances. The County and the Corporation will not sell or otherwise dispose of the Leased Property or any property essential to

the proper operation of the Leased Property, except as otherwise provided herein. Notwithstanding anything to the contrary herein contained, the County may assign, transfer or sublease any and all of the Leased Property or its other rights hereunder, *provided* that (a) the rights of any assignee, transferee or sublessee shall be subordinate to all rights of the Corporation hereunder, (b) no such assignment, transfer or sublease shall relieve the County of any of its obligations hereunder, (c) the assignment, transfer or sublease shall not result in a breach of any covenant of the County contained in any other Section hereof, and (d) no such assignment, transfer or sublease shall confer upon the parties thereto any remedy which allows reentry upon the Leased Property unless concurrently with granting such remedy the same shall be also granted hereunder by an amendment to this Facility Lease which shall in all instances be prior to and superior to any such assignment, transfer or sublease.

**Section 2.04 Liens.** In the event the County shall at any time during the term hereof cause any improvements to the Leased Property to be constructed or materials to be supplied in or upon or attached to the Leased Property, the County shall pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon, about or relating to the Leased Property and shall keep the Leased Property free of any and all liens against the Leased Property or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Corporation's interest therein, and the enforcement thereof is not stayed or if so stayed such stay thereafter expires, the County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the County shall forthwith pay and discharge or cause to be paid and discharged such judgment. The County shall, to the maximum extent permitted by law, indemnify and hold the Corporation and its assignee and its directors, officers and employees harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.

**Section 2.05 Substitution or Removal of Leased Property.**

(a) The County and the Corporation may amend this Facility Lease and the Ground Lease in writing from time to time by mutual agreement of the parties hereto to substitute other real property and/or improvements (the "Substituted Property") for existing Leased Property and/or to remove real property (including undivided interests therein) and/or improvements from the definition of Leased Property upon compliance with all of the conditions set forth in subsection (b) below. After a Substitution or Removal, the part of the Leased Property for which the Substitution or Removal has been effected shall be released from the leasehold hereunder and under the Ground Lease.

(b) No Substitution or Removal shall take place hereunder until the County delivers to the Corporation and the Trustee the following:

(1) A Certificate of the County containing a description of all or part of the Leased Property to be released and, in the event of a Substitution, a description of the Substituted Property to be substituted in its place;

(2) A Certificate of the County (A) stating that the annual fair rental value of the Leased Property after a Substitution or Removal, in each year during the remaining term of this Facility Lease, is at least equal to the maximum annual Base Rental Payments payable under this Facility Lease attributable to the Leased Property prior to said Substitution or Removal, as determined by the County on the basis of commercially reasonable evidence of the annual fair rental value of the Leased Property after said Substitution or Removal (which commercially reasonable evidence may include, but not necessitate, appraisals undertaken by appraisers who are employed by the County or independent of the County, or other information provided to or maintained by the County), which determination shall be final and conclusive; and (B) demonstrating that the useful life of the Leased Property after Substitution or Removal equals or exceeds the remaining term of this Facility Lease;

(3) An Opinion of the County Counsel of the County to the effect that the amendments hereto and to the Ground Lease contemplating Substitution or Removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the County and the Corporation enforceable in accordance with their terms;

(4) (A) In the event of a Substitution, a policy of title insurance in an amount equal to the principal portion of the then-remaining Base Rental Payments payable hereunder multiplied by a fraction, the numerator of which is that portion of the principal portion of the then-remaining Base Rental Payments payable hereunder attributable to the Substituted Property and the denominator of which is the principal portion of the then-remaining Base Rental Payments payable hereunder, insuring the County's leasehold interest in the Substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Trustee for the benefit of the Holders of the Series 2018A Bonds and any Additional Bonds, and (B) in the event of a partial Removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(5) In the event of a Substitution, the Corporation and the County shall consent in writing and certify to the Trustee that such exceptions and Permitted Encumbrances, if any, contained in the title insurance policy referred to in (4) above will not materially impair the leasehold interests of the Corporation or the beneficial use and occupancy of the Substituted Property described in such policy by the County and will not result in an abatement of Base Rental Payments payable by the County under this Facility Lease;

(6) An Opinion of Counsel that the Substitution or Removal does not cause the interest with respect to the Series 2018A Bonds to be includable in gross income of the owners thereof for federal income tax purposes; and

(7) Evidence that the County has complied with the covenants contained in clauses (1), (2) and (3) of section 6.03 hereof with respect to the Substituted Property.

**Section 2.06 Commencement of the Facility Lease.** The effective date of this Facility Lease is the Closing Date, and the term of this Facility Lease shall end on the Expiry Date, unless such term is extended or sooner terminated as hereinafter provided. If on the Expiry Date, the rental payable hereunder shall not be fully paid, payment obligations under the Loan Agreement shall not be fully paid and satisfied, and all Series 2018A Bonds shall not be fully paid and retired, then the term of this Facility Lease shall be extended, to the extent permitted by law, until ten days after the rental payable hereunder shall be fully paid, payment obligations under the Loan Agreement shall be fully paid and satisfied, and all Series 2018A Bonds shall be fully paid, except that the term of this Facility Lease shall in no event be extended beyond June 1, 2058. If prior to the Expiry Date, the rental payable hereunder shall be fully paid, payment obligations under the Loan Agreement shall be fully paid and satisfied, and all Series 2018A Bonds shall have been fully paid, or deemed fully paid, in accordance with Article X of the Indenture, the term of this Facility Lease shall thereupon terminate.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES**

**Section 3.01 Representations and Warranties of the County.** The County makes the following representations and warranties to the Corporation and the Authority:

(a) The County is a political subdivision duly organized and existing under the Constitution and laws of the State of California, has the requisite legal right, power and authority to enter into this Facility Lease and to carry out and consummate all transactions contemplated by this Facility Lease, and by proper action has duly authorized the execution and delivery of this Facility Lease.

(b) This Facility Lease has been duly executed and delivered by the County and constitutes the legal, valid and binding agreement of the County, enforceable in accordance with its terms, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) The execution and delivery of this Facility Lease and compliance with the provisions hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with or constitute on the part of the County a material breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the County is subject.

(d) There are no actions, suits or proceedings which have been served on the County or, to the knowledge of County, are otherwise pending or threatened against the County in any California or Federal court;

(1) to restrain or enjoin the issuance or delivery of any of the Series 2018A Bonds, the collection of Revenues pledged under the Indenture or the payment of Base Rental Payments or Additional Payments under this Facility Lease;

(2) in any way contesting or affecting the authority for the issuance of the Series 2018A Bonds or the validity of the Series 2018A Bonds, the Indenture, the Loan Agreement, this Facility Lease or the Tax Certificate; or

(3) which, if determined adversely to it, would materially adversely affect the consummation of the transactions contemplated by this Facility Lease or the financial condition, assets or properties of the County.

(e) To the best knowledge of the County, the information pertaining to the County in the Official Statement pertaining to the Series 2018A Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

## **ARTICLE IV**

### **USE OF PROCEEDS; TAX COVENANTS**

**Section 4.01 Use of Proceeds.** The parties hereto agree that the proceeds of the Series 2018A Bonds will be used by the Corporation to pay Construction Costs with respect to the Leased Property, pay capitalized interest on the Series 2018A Bonds, and to pay the costs of executing and delivering the Series 2018A Bonds and incidental and related expenses. The Project will be developed and constructed in accordance with the provisions and requirements of the Development Agreement.

#### **Section 4.02 Tax Covenants.**

(a) The County will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Series 2018A Bonds pursuant to Section 103 of the Code, and specifically the County will not directly or indirectly use or make any use of the proceeds of the Series 2018A Bonds or any other funds of the County or take or omit to take any action that would cause the Series 2018A Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code or “private activity bonds” subject to federal income taxation by reason of Section 141(a) of the Code or obligations subject to federal income taxation because they are “federally guaranteed” as provided in Section 149(b) of the Code; and to that end the County, with respect to the proceeds of the Series 2018A Bonds and such other funds, will comply with all requirements of such sections of the Code to the extent that such requirements are, at the time, applicable and in effect; *provided*, that if the County shall obtain an Opinion of Counsel to the effect that any action required under this section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2018A Bonds pursuant to Section 103 of the Code, the County may rely conclusively on such opinion in complying with the provisions hereof. In the event that at any time the County is

of the opinion that for purposes of this section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture or otherwise the County shall so instruct the Trustee in writing, and the Trustee shall take such action in accordance with such instructions.

(b) To the ends covenanted in this section, the County hereby specifically agrees to ensure that the following requirements are met:

(1) No more than five percent of the Leased Property (determined both on the basis of space and on the basis of cost) shall be used in the trade or business of one or more nongovernmental persons (not including the portion of the proceeds properly allocable to facilities expected to be used by an organization described in Section 501(c)(3) of the Code).

(2) The County will not permit the investment of proceeds of the Series 2018A Bonds at a yield in excess of the yield on the Series 2018A Bonds, except to the extent allowed under the Tax Certificate.

(3) The County will rebate or cause to be rebated any amounts due to the federal government, as provided in the Tax Certificate.

## ARTICLE V

### RENTAL PAYMENTS

**Section 5.01 Base Rental Payments.** In consideration for the construction of the Project and the rental of the Leased Property, the County agrees to pay to the Corporation, its successors or assigns, without deduction or offset of any kind, as rental in connection with the Leased Property, the following amounts at the following times:

(a) Base Rental. Subject to the immediately following sentence, the County shall pay to the Corporation rental hereunder as Base Rental Payments in connection with the Leased Property for each Bond Year or portion thereof, at the times and in the amounts set forth in the Base Rental Payment Schedule attached hereto as Exhibit C, and made a part hereof. Notwithstanding the foregoing or any other provision of this Facility Lease to the contrary, until such time as a Certificate of Substantial Completion has been delivered to the Trustee, the County's obligation to pay Base Rental Payments shall be limited solely to amounts on deposit in the Revenue Fund established under the Indenture (the "Revenue Fund") (including, without limitation, the Capitalized Interest Account established pursuant to Section 5.02 of the Indenture), and if the Revenue Fund has been depleted, the County shall have no obligation to make any Base Rental Payments from any other source.

If the term of this Facility Lease shall have been extended pursuant to Section 2.06 hereof, Base Rental Payment installments shall continue to be payable on the Base Rental Payment Dates, continuing to and including the date of termination of this Facility Lease. Upon such extension of this Facility Lease, the County shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish annual Base Rental Payments at the lesser of (i) an amount sufficient to pay all unpaid principal and interest

on the Series 2018A Bonds for each Bond Year on or prior to [June 1, 2048], and (ii) the fair rental value of the Leased Property in each such Bond Year or portion thereof.

(b) Additional Payments. The County shall also pay in addition to the Base Rental Payments, to the Corporation, the Authority or the Trustee, as hereinafter provided, such amounts (“Additional Payments”) in each year as shall be required for the payment of all costs and expenses as follows:

(1) All taxes and assessments of any type or character charged to the Corporation, the Authority or to the Trustee affecting the amount available to the Corporation, the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding any taxes based upon the capital and/or income of the Trustee, the Corporation or any other person other than the County; provided, however, that the County shall have the right to protest any such taxes or assessments and to require the Authority, the Corporation or the Trustee, as the case may be, at the County’s expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the County shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would materially adversely affect the rights or interests of the Authority, the Corporation or the Trustee;

(2) The reasonable annual (or other regular) fees and expenses of the Trustee, and all reasonable fees, charges and expenses of the Trustee for any extraordinary services rendered by the Trustee under the Indenture, including without limitation any amounts payable to the Trustee by the Authority from Additional Payments pursuant to Section 8.06 of the Indenture, as and when the same become due and payable;

(3) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority, the Corporation or the Trustee to prepare audits, financial statements or opinions or provide such other services as are reasonably required under this Facility Lease, the Loan Agreement, the Indenture or the Tax Certificate;

(4) The reasonable expenses of the Authority in connection with the loan to the Corporation of the proceeds of the Series 2018A Bonds under the Loan Agreement or any other documents contemplated hereby or thereby, including without limitation reasonable expenses incurred in connection with any litigation which may at any time be instituted involving such loan or the Loan Agreement, this Facility Lease, the Series 2018A Bonds, the Indenture or any other documents contemplated hereby or thereby and reasonable expenses incurred by the Authority in supervision and inspection of the County and its operations with respect to the use of the proceeds of the Series 2018A Bonds; and

(5) Such amounts as may be necessary to satisfy the rebate requirements in accordance with the Tax Certificate.

The Authority Issuance Fee shall be paid to the Authority as a Cost of Issuance on the Closing Date.

Other Additional Payments shall be billed to the County by the Authority, the Corporation or the Trustee from time to time, together with (i) a statement executed by a duly authorized officer or agent of the Authority, the Corporation or the Trustee, as the case may be, stating that the amount billed has been incurred or paid by the Authority, the Corporation or the Trustee for one or more of the above items and (ii) a copy of the invoice or statement for the amount so incurred or paid. Amounts so billed shall be paid by the County within thirty (30) days after receipt of the bill by the County. Payment by the County to the Authority, the Corporation or the Trustee of the amount so billed by any such party shall fulfill such payment obligation of the County.

(c) Consideration. Such payments of Base Rental Payments for each Bond Year or portion thereof during the term of this Facility Lease shall constitute, together with the Additional Payments, the total amount due for such Bond Year or portion thereof and shall be paid or payable by the County for and in consideration of the right of the use and possession of, and the continued quiet use and enjoyment of, the Leased Property. On the Closing Date, the County shall deliver a certificate to the Authority and the Trustee, which shall set forth the annual fair rental value of the Leased Property. The parties hereto have agreed and determined that the annual fair rental value of the Leased Property is not less than the maximum Base Rental Payments payable hereunder in any year. In making such determinations of annual fair rental value, consideration has been given to a variety of factors including the replacement costs of the Leased Property, other obligations of the parties under this Facility Lease, the uses and purposes which may be served by the improvements on the Leased Property and the benefits therefrom which will accrue to the County and the general public.

(d) The parties hereto hereby acknowledge that the parties hereto may amend this Facility Lease in writing from time to time by mutual agreement of the parties hereto to increase the Base Rental Payments payable hereunder so that Additional Bonds may be executed, authenticated and issued pursuant to Section 5.07 hereof and Sections 2.11 and 2.12 of the Indenture. The proceeds of such Additional Bonds shall be used for any lawful purpose. Notwithstanding anything to the contrary herein contained, this Facility Lease may not be amended in a manner such that the sum of Base Rental Payments, including Base Rental Payments payable pursuant to such amendment, in any year is in excess of the annual fair rental value of the Leased Property and other land and improvements leased to the County hereunder.

(e) Payment; Credit. Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Corporation at the principal corporate trust office of the Trustee in Los Angeles, California, or such other place as the Corporation shall designate. Any such installment of rental accruing hereunder which shall not be paid when due shall remain due and payable until received by the Trustee, except as provided in Section 5.04 hereof, and to the extent permitted by law shall bear interest at the Default Rate from the date when the same is due hereunder until the same shall be

paid. Notwithstanding any dispute between the County and the Corporation, the County shall make all rental payments when due, without deduction or offset of any kind, and shall not withhold any rental payments pending the final resolution of any such dispute. Any payment scheduled to be made on a date which is not a Business Day shall be made on the next succeeding Business Day.

**Section 5.02 Annual Budgets; Reporting Requirements.** The County covenants to take such action as may be necessary to include in its operating budget for each fiscal year commencing after the date hereof (an “Operating Budget”) all Base Rental Payments and Additional Payments (to the extent known at the time of the adoption of its Operating Budget) due under this Facility Lease and to make all necessary appropriations for such Base Rental Payments and Additional Payments.

**Section 5.03 Application of Base Rental Payments.** All Base Rental Payments received shall be applied first to the interest components of the Base Rental Payments due hereunder, then to the principal components (including any prepayment premium components) of the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

**Section 5.04 Rental Abatement.** Until such time as a Certificate of Substantial Completion has been delivered to the Trustee, the County’s obligation to pay Base Rental Payments shall be limited solely to amounts on deposit in the Revenue Fund (including, without limitation, the Capitalized Interest Account established pursuant to Section 5.02 of the Indenture), and if, any rental payments hereunder with respect to the Leased Property shall be at any time abated in full, the County shall have no obligation to make any Base Rental Payments from any other source. Except to the extent of (a) amounts held by the Trustee in the Revenue Fund or any account therein, (b) amounts received in respect of rental interruption insurance, and (c) amounts, if any, otherwise legally available to the Trustee for payments in respect of the Series 2018A Bonds, 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 County of any portion of the Leased Property, rental payments due hereunder with respect to the Leased Property shall be abated to the extent that the annual fair rental value of the portion of the Leased Property in respect of which there is no substantial interference is less than the annual Base Rental Payments, in which case rental payments shall be abated only by an amount equal to the difference. Any abatement of rental payments pursuant to this Section shall not be considered an Event of Default as defined in Article X hereof. The County waives the benefits of Civil Code Sections 1932(2) and 1933(4) and any and all other rights to terminate this Facility Lease by virtue of any such interference and this Facility Lease shall continue in full force and effect. Such abatement shall continue for the period commencing with the date of such damage, destruction, title defect or condemnation and, with respect to damage to or destruction of the Leased Property, ending with the substantial completion of the work of repair or replacement of the Leased Property, or the portion thereof so damaged or destroyed, and with respect to a title defect interfering with the use and possession by the County of any portion of the Leased Property, ending with the interference with the use and possession caused by such title defect.

In the event that rental is abated, in whole or in part, pursuant to this Section due to material damage or destruction of any part of the Leased Property and the County is unable to repair, replace or rebuild the Leased Property from the proceeds of insurance, if any, the County 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 Property.

**Section 5.05 Prepayment of Base Rental Payments.** The County may prepay, from eminent domain proceeds or net insurance proceeds received by it pursuant to Section 7.01 hereof, all or any portion of the components of Base Rental Payments payable hereunder relating to any portion of the Leased Property then unpaid (i) in whole on any date at a prepayment amount equal to the principal component outstanding plus accrued interest thereon to the date of prepayment plus any applicable premium to be paid on any Series 2018A Bonds of Additional Bonds to be redeemed with such prepayment ( the “Applicable Premium”), or (ii) in part on any date in integral multiples of an Authorized Denomination so that the aggregate annual amounts of principal components of Base Rental Payments payable under this Facility Lease represented by the Series 2018A Bonds and any Additional Bonds which shall be payable after such prepayment date shall each be in an integral multiple of an Authorized Denomination and shall be as nearly proportional as practicable to the aggregate annual amounts of principal components represented by the Series 2018A Bonds and any Additional Bonds unpaid prior to the prepayment date, at a prepayment amount equal to the principal component prepaid plus accrued interest thereon to the date of prepayment plus any Applicable Premium.

The County may prepay, from any source of available moneys, all or any portion of the components of Base Rental Payments payable hereunder relating to any portion of the Leased Property then unpaid (i) in whole on any date at a prepayment amount equal to the principal component outstanding plus accrued interest thereon to the date of prepayment plus any Applicable Premium, or (ii) in part of the principal components of Base Rental Payments payable under this Facility Lease then unpaid so that the aggregate annual amounts of principal components of Base Rental Payments under this Facility Lease which shall be payable after such prepayment date shall each be in an integral multiple of an Authorized Denomination and shall be as nearly proportional as practicable to the aggregate annual amounts of principal components represented by the Series 2018A Bonds and any Additional Bonds unpaid prior to the prepayment date, at a prepayment amount equal to the principal component prepaid plus accrued interest thereon to the date of prepayment plus any Applicable Premium.

Before making any prepayment pursuant to this Section, at least 45 days before the prepayment date the County shall give written notice to the Corporation and the Trustee describing such event, specifying the order of principal components of the Base Rental Payments being prepaid and specifying the date on which the prepayment will be made, which date shall be not less than 30 nor more than 60 days from the date such written notice is given to the Corporation and the Trustee. Any notices required in connection with any prepayment hereunder may be waived by the parties hereto as and to the extent necessary.

**Section 5.06 Nature of County’s Obligation to Make Rental Payments.** The agreements and covenants on the part of the County contained herein 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 agreements and covenants contained herein agreed to be carried out and performed by the County.

THE OBLIGATION OF THE COUNTY TO MAKE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION TO MAKE BASE RENTAL PAYMENTS AND TO PAY ADDITIONAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

**Section 5.07 Additional Bonds.** In addition to the Series 2018A Bonds to be executed, authenticated and issued under the Indenture the Authority may, from time to time, but only upon satisfaction of the conditions to the issuance of Additional Bonds set forth in Sections 2.11 and 2.12 of the Indenture, enter into a Supplemental Indenture to issue Additional Bonds on a parity with the Series 2018A Bonds and any previously executed, authenticated and issued Additional Bonds (unless otherwise provided in the related Supplemental Indenture), the proceeds of which may be used for any lawful purpose by the County, as provided in the Supplemental Indenture; *provided* that prior to or concurrently with the execution and delivery of the Additional Bonds, the County and the Authority shall have entered into an amendment to this Facility Lease, providing for an increase in the Base Rental Payments to be made hereunder subject to the limitations set forth in Section 5.01(d) hereof.

## ARTICLE VI

### MAINTENANCE OPERATION AND USE; TAXES; INSURANCE AND OTHER CHARGES

#### **Section 6.01 Maintenance Operation and Use of the Leased Property.**

(a) The County agrees that, at all times during the term hereof, it will, at its own cost and expense, maintain, preserve and keep the Leased Property and every portion thereof in good repair, working order and condition and that it will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. The Corporation shall have no responsibility in any of these matters or for the making of additions or improvements to the Leased Property.

(b) The County shall provide the Corporation and the Authority such information concerning the Project and the acquisition, installation and construction thereof as may be reasonably requested by the Authority.

**Section 6.02 Taxes, Other Governmental Charges and Utility Charges.** The parties hereto contemplate that the Leased Property will be used for public purposes by the County and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied

with respect to real and personal property, respectively. In the event that the use, possession or acquisition by the County or the Corporation of the Leased Property is found to be subject to taxation in any form, the County will pay during the term hereof, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property and any other property acquired by the County in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, the Leased Property, as well as all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property; *provided*, that with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are accrued during such time as this Facility Lease is in effect.

**Section 6.03 Insurance.** From and after the delivery to the Trustee of the Certificate of Substantial Completion, the County shall procure and maintain or cause to be procured and maintained at all time with insurers of recognized responsibility all coverage on the Leased Property required by this Section 6.03. Such insurance shall consist of:

(1) Fire and Extended Coverage Insurance; Insurance Proceeds. All-risk property insurance including, without limitation earthquake coverage if determined by the County in its discretion to be available at a commercially reasonable price. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of the Leased Property, except that such insurance may be subject to deductible clauses for any one loss of not to exceed five hundred thousand dollars (\$500,000) (or a comparable deductible adjusted for inflation as determined by the County in its reasonable discretion), or, in the alternative, shall be in an amount and in a form sufficient, in the event of total or partial loss, to prepay all outstanding principal components of Base Rental Payments due hereunder. Such insurance may be part of a joint-purchase insurance program. The County is, however, under no obligation to provide insurance against loss or damage occasioned by the perils of earthquake.

In the event that such coverage is not included in paragraph (1) above, 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 Property in an amount not less than \$75,000,000 per accident; provided, however, that the amount of coverage required by this sentence may be reduced to a smaller amount if an insurance consultant or insurance broker retained by the County provides written advice to the Trustee that, based upon its evaluation of the County's maximum foreseeable loss in the event of loss or damage by steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Leased Property, a specified smaller amount is believed to be reasonable. Such insurance may be in the form of a policy which covers the Leased Property and one or more additional parcels of real property leased or owned by the County which may be limited in amount to \$75,000,000 per accident. Such insurance may at any time include a deductible clause providing for a deductible not to exceed \$100,000 for any one loss. The County may obtain such coverage as a joint insured with one or more public agencies located within or without the County which may be limited in amount to \$75,000,000 per accident. Otherwise conforming policies satisfying the

requirements of this paragraph (1) may provide that amounts payable as coverage under this paragraph (1) may be reduced by amounts payable under paragraph (2) for the same occurrence, and vice versa.

In the event of any damage to or destruction of any part of the Leased Property, caused by the perils covered by such insurance, the County, except as hereinafter provided, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Leased Property, and the net proceeds, if any, of the insurance policy described in this paragraph (1) shall be payable to the Trustee for deposit in the Insurance Proceeds and Condemnation Awards Fund,” to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Leased Property to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The County shall permit withdrawals of said proceeds from time to time for the purpose of repair, reconstruction or replacement only in the event-that the Base Rental Payments payable in each year following such repair, reconstruction or replacement shall equal the amount of Base Rental Payments payable in such year as set forth in the Base Rental Payment Schedule. Any balance of said proceeds not required for such repair, reconstruction or replacement shall be applied by the County as Base Rental Payments. Alternatively, the County, at its option, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to prepay an aggregate principal amount of Base Rental Payments equal to the portion of the Leased Property so destroyed or damaged (determined by reference to the proportion that the acquisition cost of such portion of the Leased Property bears to the acquisition cost of the Leased Property), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Leased Property and thereupon shall cause said proceeds to be used for the prepayment of Base Rental Payments.

The Authority and the County shall promptly apply for Federal disaster aid or State disaster aid in the event that the Leased Property is damaged or destroyed as a result of an earthquake 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 Property, or, at the option of the County; to prepay all outstanding principal components of Base Rental Payments due hereunder if such use of such disaster aid is permitted.

(2) Liability Insurance. Except as hereinafter provided, a commercial general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees, indemnifying said parties against all direct or contingent loss or liability for damages for bodily injury, death or property damage occasioned by reason of the operation of the Leased Property, with minimum liability limits of two million dollars (\$2,000,000) for bodily injury or death of each person in each accident or event, and in a minimum amount of five hundred thousand dollars (\$500,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy covering all such risks. Such liability insurance may be part of a joint-

purchase insurance program. Such insurance may be maintained by the County in the form of self-insurance.

(3) Rental Interruption Insurance. Insurance against rental interruption or loss of use and possession of the Leased Property or, as an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance shall be maintained by the County in an amount sufficient to pay the maximum annual Base Rental Payments hereunder for any two-year period, except that such insurance may be subject to a deductible clause of not to exceed \$500,000 (or a comparable deductible adjusted for inflation as determined by the County in its reasonable discretion) and such rental interruption insurance may be included in the policy or policies provided pursuant to paragraph (1) or (2) without increasing the aggregate limits for coverage with respect to any hazard covered thereby. Such insurance also may be in the form of a policy which covers the Leased Property and one or more additional parcels of real property leased or owned by the County. The County also may obtain an otherwise conforming policy required by this paragraph (3) as a joint insured with one or more other public agencies within or without the County which may, with respect to any hazard, be limited in aggregate amount for all insureds to the amount of the policy or policies required pursuant to paragraph (1) or (2) above, as the case may be, which insures against such hazard. Otherwise conforming policies satisfying the requirements of this paragraph (3) may provide that amounts payable as coverage under this paragraph (3) may be reduced by amounts payable under paragraph (1) or (2), as the case may be, for the same occurrence, and vice versa.

(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. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the County. Such insurance may be maintained by the County in the form of self-insurance.

The County shall collect, adjust and receive all moneys which may become due and payable under any policies contemplated by paragraphs (1) and (2) above, and, may compromise any and all claims thereunder and shall transfer the net proceeds of such insurance as provided herein or in the Indenture. The Trustee shall not be responsible for the sufficiency of any insurance herein required. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County.

Any insurance policy issued pursuant to paragraph (1) or (2) above shall be so written or endorsed as to make losses, if any, payable to the County, the Authority and the Trustee as their respective interests may appear and the net proceeds of the insurance required by paragraphs (1) or (2) above shall be applied as provided in Section 7.01 hereof. The net proceeds, if any, of the insurance policy described in paragraphs (1) and (2) above shall be payable to the Trustee for deposit in the Insurance Proceeds and Condemnation Awards Fund. The net proceeds, if any, of the insurance policy described in paragraph (3) above shall be payable to the Trustee and

deposited in the Revenue Fund. Each insurance policy provided for in this Section shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the Authority or the Trustee without first giving written notice thereof to the Authority and the Trustee at least 30 days in advance of such intended cancellation or modification.

All insurance required by this Facility Lease shall provide that the Trustee shall be given 30 days written notice of each lapse or a reduction of the coverage below the minimum requirements stated in paragraphs (1), (2) and (4) above. Neither the Trustee nor the Authority shall be responsible for the sufficiency of any insurance herein required and both the Trustee and the Authority shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Authority. The County shall pay when due the premiums for all insurance policies required by this Facility Lease, and shall promptly furnish evidence of such payments to the Trustee, upon its written request.

The County will deliver to the Trustee on June 1 of each year a Certificate of the County certifying that the insurance policies required by this Section are in full force and effect and that the Authority and/or the Trustee is named as a loss payee on each insurance policy which this Facility Lease requires to be so endorsed, setting forth the insurance policies then in force pursuant to this Section, the names of the insurers that have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the most recent annual report of an actuary, independent insurance consultant or other qualified person (who may be an employee of the County) containing the information required for such self-insurance program and described in paragraphs (1) and (2) above. The Trustee shall have no responsibility whatsoever for determining the adequacy of any insurance required hereunder.

Notwithstanding anything in this Facility Lease to the contrary, none of the provisions of this Section 6.03 shall be binding on the County until the Certificate of Substantial Completion shall be delivered to the Trustee.

**Section 6.04 Advances.** In the event the County shall fail to maintain the full insurance coverage required hereby or shall fail to keep the Leased Property in good repair and operating condition, the Corporation may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Corporation shall become Additional Payments, which amounts the County agrees to pay within 30 days of a written request therefor, together with interest thereon at the maximum rate allowed by law.

**Section 6.05 Title Insurance.** The County covenants and agrees to deliver or cause to be delivered to the Trustee on the Closing Date a CLTA leasehold owner's policy or policies, or a commitment for such policy or policies, with respect to the Leased Property with liability in the aggregate amount of the principal component of all Base Rental Payments payable hereunder. Such policy or policies, when issued, shall name the Trustee as the insured and shall insure the leasehold estate of the County in the Leased Property subject only to Permitted Encumbrances.

**Section 6.06 Liquidated Damages under Development Agreement; Assignment of Corporation Rights under the Development Agreement.**

(a) The Corporation hereby assigns and transfers to the Authority all of the Corporation's right, title, and interest in, to, and under any payments under Section 7.2(b) and Section 8.13 of the Development Agreement, the proceeds of which shall be deposited in the Revenue Fund.

(b) The County and the Corporation hereby agree that, upon the written request of the Trustee, each will take such actions as may be reasonably requested by the Trustee and to the extent permitted by law to enforce the obligations of the Developer under Section 7.2(b) and Section 8.13 of the Development Agreement to the extent of the County's, the Corporation's, the Trustee's or the Authority's interest therein, including, but not limited, to bringing an action against the Developer for payments thereunder.

(c) The Corporation agrees to assign, or to cause the assignment, to the County certain of its rights under the Development Agreement, as further described and provided in Section 25.5 of the Development Agreement. Subject to the terms of the Development Agreement, the County shall be deemed a third party beneficiary of the Development Agreement.

**ARTICLE VII**

**DAMAGE, DESTRUCTION, TITLE DEFECT AND CONDEMNATION**

**Section 7.01 Damage, Destruction, Title Defect and Condemnation; Use of Net Proceeds.** If prior to the termination of the term hereof (a) the Leased Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the County or the Corporation in the Leased Property or any portion thereof is defective, then the County and the Corporation will cause the net proceeds of any insurance claim to be deposited with the Trustee in the Insurance Proceeds and Condemnation Awards Fund to be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged, destroyed or defective portion of the Leased Property, and any balance of the net proceeds remaining after such work has been completed shall be paid to the County; *provided*, that the County, at its option and provided the proceeds of such insurance award together with any other moneys then available for the purpose are at least sufficient to prepay the aggregate annual amounts of principal and interest components of the Base Rental Payments due hereunder attributable to the portion of the Leased Property so destroyed, damaged or defective (determined by reference to the proportion which the annual fair rental value of the destroyed, damaged or defective portion thereof bears to the annual fair rental value of the Leased Property), may elect not to repair, reconstruct or replace the damaged, destroyed or defective portion of the Leased Property and thereupon shall cause said proceeds to be used for the prepayment of Outstanding Bonds pursuant to the provisions of Section 4.01 of the Indenture. Notwithstanding any other provision herein, the County shall only prepay less than all of the principal component of the then-remaining Base Rental Payments if the annual fair rental value of the Leased Property after such

damage, destruction or title defect is at least equal to the aggregate annual amount of the principal and interest components of the Base Rental Payments not being prepaid.

In the event that the proceeds, if any, of said insurance award are insufficient either to (i) repair, rebuild or replace the Leased Property so that the annual fair rental value of the Leased Property would be at least equal to the maximum annual Base Rental Payments payable hereunder or (ii) to prepay all the Outstanding Bonds, both as provided in the preceding paragraph, then the County may, in its sole discretion, budget and appropriate an amount necessary to effect such repair, rebuilding or replacement or prepayment; *provided* that the failure of the County to so budget and/or appropriate shall not be a breach of or default under this Facility Lease.

If prior to the termination of the term hereof title to, or the temporary use of, the Leased Property or any portion thereof or the estate of the County or the Corporation in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person or firm or entity acting under governmental authority, then the County and/or the Corporation will cause the proceeds of any award in eminent domain to be transferred to the Trustee for deposit in the Redemption Fund and applied to the redemption of Outstanding Bonds pursuant to Section 4.01(a) of the Indenture.

## **ARTICLE VIII**

### **DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE LEASED PROPERTY**

**Section 8.01 Disclaimer of Warranties.** NEITHER THE AUTHORITY, THE TRUSTEE NOR THE CORPORATION MAKES ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE COUNTY ACKNOWLEDGES THAT NEITHER THE AUTHORITY, THE TRUSTEE NOR THE CORPORATION IS A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE COUNTY ON THE DATE HEREOF LEASES THE REAL PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE COUNTY. UPON COMPLETION OF THE PROJECT, AS EVIDENCED BY DELIVERY OF THE CERTIFICATE OF SUBSTANTIAL COMPLETION, THE COUNTY WILL ASSUME THE AFOREMENTIONED RISKS FOR THE PROJECT IN ADDITION TO THE REAL PROPERTY COMPONENT OF THE LEASED PROPERTY. In no event shall the Authority, the Corporation or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facility Lease or the existence, furnishing, functioning or the County's use of the Leased Property as provided hereby. In no event shall the Authority, the Corporation or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Facility Lease or the existence, furnishing, functioning or the County's use of the Leased Property as provided hereby.

**Section 8.02 Use of the Leased Property; Improvements.** The County will not use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. The County shall provide all permits and licenses, if any, necessary for the use of the Leased Property. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each portion of the Leased Property) with all laws of the jurisdictions in which its operations involving any portion of the Leased Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Leased Property; *provided*, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the County adversely affect the estate of the Corporation in and to the Leased Property or its interest or rights hereunder.

## ARTICLE IX

### ASSIGNMENT, EXPENSES AND INDEMNIFICATION

**Section 9.01 Assignment by Corporation.** As security for the payment of the Bonds, the Corporation assigns to the Trustee certain of the Corporation's rights under this Facility Lease and under the Ground Lease, including the right to receive Base Rental Payments hereunder; and the County hereby assents to such assignment and agrees to make all payments due hereunder, including Base Rental Payments, from lawfully available funds of the County, directly to the Person or Persons entitled to such payments or for deposit to the appropriate fund or account held by the Trustee under the Indenture, without defense or set off by reason of any dispute between the County and the Corporation, the Authority or the Trustee. By virtue of such assignment, the Trustee shall be a third party beneficiary of this Facility Lease and shall have the right to enforce the obligations of the County hereunder, subject to the limitations hereof, including the limitations in Section 5.04 hereof.

**Section 9.02 Expenses; Indemnification.** (a) The County shall pay any Costs of Issuance not paid from proceeds of the Bonds and all other expenses, including without limitation reasonable attorneys fees, reasonably incurred by the Corporation, the Authority and the Trustee by reason of the execution of this Facility Lease or the offer, sale or delivery of the Series 2018A Bonds and will hold the Authority and the Trustee free and harmless of and from any claims of any kind for such or similar fees and expenses. Without limiting the generality of the foregoing, the County also agrees to pay the Authority's fees and expense reimbursements required by Sections 3.02 and 3.03 of the Loan Agreement.

(b) To the fullest extent permitted by law, the County agrees to indemnify, hold harmless and defend the Authority, the Trustee, and each of their respective officers, governing members, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(1) the Bonds, the Indenture, the Corporation Documents or the Tax Certificate or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(2) any act or omission of the Corporation or the County or any of their agents, contractors, servants, employees, tenants or licensees in connection with the Loan, the Project or this Facility Lease, the operation of the Project or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof;

(3) any lien or charge upon payments by the Corporation to the Authority and the Trustee under the Loan Agreement, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Project;

(4) any violation of any Environmental Regulations with respect to, or the release of any Hazardous Substances from the Project or any part thereof;

(5) the defeasance and/or redemption, in whole or in part, of the Bonds;

(6) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or any failure to timely file any continuing disclosure document in connection with the Bonds required by any undertaking or by any applicable law, rule or regulation;

(7) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest on the Bonds is taxable; and

(8) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Authority or any of its officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is

brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the County, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the County shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the County if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(c) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Section 5.01(b) hereof and this Section 9.02(b) shall survive the final payment or defeasance of the Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section 9.02(b) shall survive the termination of this Facility Lease.

## **ARTICLE X**

### **DEFAULT; REMEDIES**

#### **Section 10.01 Events of Default and Remedies.**

(a) The following shall be “events of default” under this Facility Lease, and the terms “events of default” or “default” shall mean, whenever they are used in this Facility Lease, any one or more of the following events:

(1) The County shall fail to deposit with the Trustee any Base Rental Payment required to be so deposited by the close of business on the day such deposit is required pursuant to Section 5.01(a) hereof, provided, that the failure to deposit any Base Rental Payments abated pursuant to Section 5.04 hereof shall not constitute an Event of Default; or

(2) The County shall fail to pay any item of Additional Payments when the same shall become due and payable pursuant to Section 5.01(b) hereof; or

(3) The County shall fail to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facility Lease other than as referred to in paragraphs (1) and (2) above for a period of forty-five (45) days after written notice specifying such failure and requesting that it be remedied is given to the County by the Corporation or the Authority; provided, however, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Corporation or the Authority will 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.

(b) In addition to any default resulting from breach by the County of any agreement, condition, covenant or term hereof, if (1) the County's interest herein or any part thereof be assigned, sublet or transferred without the written consent of the Corporation and the Authority, either voluntarily or by operation of law; or (2) the County or any assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the County shall make a general or any assignment for the benefit of its creditors; or (3) the County shall abandon the Leased Property or any portion thereof; then in each and every such case the County shall be deemed to be in default hereunder.

Upon the happening of any of the events specified in subsection (a) or (b) of this Section (in either case an "Event of Default"), then it shall be lawful for the Corporation and/or the Authority to exercise any and all remedies available or granted to it pursuant to law or hereunder. Upon the breach of any agreement, condition, covenant or term contained herein required to be observed or performed by the County, the Authority, the Corporation and/or the Trustee may exercise any and all rights of entry upon or repossession of the Leased Property, and also, at its option, with or without such entry, may terminate this Facility Lease; provided, that no termination shall be effected either by operation of law or acts of the parties hereto except upon express written notice from the Corporation, the Authority or the Trustee to the County terminating this Facility Lease, as provided below. In the event of such default and notwithstanding any entry by the Authority, the Corporation or the Trustee, the Authority, the Corporation or the Trustee may at any time thereafter (with or without notice and demand and without limiting any other rights or remedies the Authority, the Corporation or the Trustee may have):

(1) Maintain this Facility Lease in full force and effect and recover rent and other monetary charges as they become due without terminating the County's right to possession of the Leased Property, regardless of whether or not the County has abandoned the Leased Property. In the event the Authority, the Corporation or the Trustee elects not to terminate this Facility Lease, it shall have the right and the County hereby irrevocably appoints the Corporation as its agent and attorney-in-fact for such purpose to attempt to relet the Leased Property at such rent, upon such conditions and for such term, and to do all other acts to maintain or preserve the Leased Property, including the removal of persons or property therefrom or taking possession thereof, as the Corporation or the Authority deems desirable or necessary, and the County hereby waives any and all claims for any damages that may result to the Leased Property thereby; provided, that no such actions shall be deemed to terminate this Facility Lease and the County shall continue to remain liable for any deficiency that may arise out of such reletting, taking into account expenses incurred by the Corporation or the Authority

due to such reletting, payable at the same time and manner as provided for Base Rental in Section 5.01.

(2) Terminate the County's right to possession of the Leased Property by giving a written notice of termination to the County. On the date specified in such notice (which shall be not less than three (3) days after the giving of such notice) the County's right to possession under this Facility Lease shall terminate and the County shall surrender possession of the Leased Property, as the case may be, to the Corporation, unless on or before such date all arrears of rental and all other sums payable by the County hereunder, and all costs and expenses incurred by or on behalf of the Corporation, the Trustee or the Authority hereunder, including attorneys' fees incurred in connection with such defaults, shall have been paid by the County and all other defaults or breaches hereunder by the County at the time existing shall have been fully remedied to the satisfaction of the Corporation, the Trustee and the Authority. Upon such termination, the Corporation, the Trustee and the Authority may recover, in addition to all other damages available by contract or at law, to the extent permitted by law, from the County: (i) the worth at the time of award of the unpaid rental which had been earned at the time of termination; and (ii) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental loss that the County proves could have been reasonably avoided. The "worth at the time of award" of the amounts referred to in clauses (i) and (ii) above is computed by allowing interest at the rate of twelve per cent (12%) per annum.

Without otherwise limiting any of the rights or remedies of the Corporation, the Trustee and the Authority set forth herein, the Corporation, the Trustee and the Authority expressly waive the right to receive any amount from the County pursuant to Section 1951.2(a)(3) of the California Civil Code.

Notwithstanding any provision herein, under no circumstances shall the Base Rental Payments due hereunder be accelerated as a result of any Event of Default.

Each and all of the remedies given to the Corporation, the Trustee and the Authority hereunder or by any law now existing or hereafter enacted are cumulative and the exercise of any one remedy shall not impair the right of the Corporation, the Trustee and the Authority to any or all other remedies.

## **ARTICLE XI**

### **MISCELLANEOUS**

**Section 11.01 Notices.** All written notices to be given hereunder shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Corporation:

Capital Facilities Development Corporation  
County of Orange  
333 W. Santa Ana Boulevard  
Santa Ana, CA 92701  
Attention: Public Finance Director

If to the Authority:

California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, CA 92011  
Attention: Financial Advisor

If to the County:

County of Orange  
333 W. Santa Ana Boulevard  
Santa Ana, CA 92701  
Attention: Public Finance Director

If to the Trustee:

ZB, National Association dba Zions Bank  
550 South Hope Street, Suite 2875  
Los Angeles, CA 90071  
Attention: Corporate Trust Services

**Section 11.02 Binding Effect.** This Facility Lease shall inure to the benefit of and shall be binding upon the Corporation and the County and their respective successors and assigns.

**Section 11.03 Trustee and Authority as Third Party Beneficiary.** The Trustee and the Authority are hereby designated third party beneficiaries hereunder for the purpose of enforcing any of the rights granted to such parties hereunder or assigned to the Trustee and the Authority under the Loan Agreement.

**Section 11.04 Net Lease.** It is the purpose and intent of the Corporation and the County that lease payments hereunder shall be absolutely net to the Corporation so that this Facility Lease shall yield to the Corporation the lease payments, free of any charges, assessments or impositions of any kind charged, assessed or imposed on or against the Leased Property, and without counterclaim, deduction, defense, deferment or set-off by the County except as herein specifically otherwise provided. The Corporation shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth, and all costs, expenses and obligations of any kind relating to the maintenance and operation of the Leased Property which may arise or become due during the term of this Facility Lease shall be paid by the County.

**Section 11.05 Amendments.** This Facility Lease may be amended in writing as may be mutually agreed by the Corporation and the County, subject to the written approval of the

Authority and the Trustee; *provided*, that no such amendment which materially adversely affects the rights of the Holders shall be effective unless it shall have been consented to by the Holders of more than 50% in principal amount of the Series 2018A Bonds Outstanding and any Additional Bonds then Outstanding, and *provided further*, that no such amendment shall (a) extend the payment date of any Base Rental Payment, or reduce the interest, principal or prepayment premium component of any Base Rental Payment, without the prior written consent of the Holder of each Bond so affected, or (b) reduce the percentage of the principal amount of the Bonds Outstanding the consent of the Holders of which is required for the execution of any amendment hereof.

This Facility Lease and the rights and obligations of the Corporation and the County hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Holders, but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the agreements, conditions, covenants and terms required by the Corporation or the County to be observed or performed herein and other agreements, conditions, covenants and terms thereafter to be observed or performed by the Corporation or the County, or to surrender any right or power reserved herein to or conferred herein on the Corporation or the County, and which in either case shall not materially adversely affect the interests of the Holders;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Corporation or the County may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the Holders;

(c) to effect a Substitution or Removal in accordance with Section 2.05 hereof; or

(d) to make any other addition, amendment or deletion which does not materially adversely affect the interests of the Holders.

**Section 11.06 Continuing Disclosure.** The County shall enter into the Continuing Disclosure Certificate substantially in the form attached hereto as Exhibit D. So long as any of the Series 2018A Bonds are Outstanding, the County covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Facility Lease, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder and the Trustee shall have no right to accelerate therefore; however, the Trustee at the written request of the Holders of at least 25% of the aggregate principal amount in Outstanding Series 2018A Bonds, shall (but only to the extent the Trustee has been tendered funds in an amount satisfactory to it or it has been otherwise indemnified from and against any loss, liability, cost or expense, including without limitation, fees and expense of its counsel and agents and additional fees and charges of the Trustee), or any Bondholder or Beneficial Owner may, take such actions as may

be necessary and appropriate, including seeking specific performance by court order, to cause the County to comply with its obligations under this Section. For purposes of this Section, “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 Series 2018A Bonds (including persons holding Series 2018A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018A Bonds for federal income tax purposes.

**Section 11.07 Discharge of County.** Upon the payment of all Base Rental Payments and Additional Payments payable hereunder, all of the obligations of the County hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied; *provided, however,* if the Series 2018A Bonds and any Additional Bonds shall be deemed to have been paid by virtue of a deposit of money or securities in the necessary amount (as provided in Section 10.03 of the Indenture) to pay or redeem the Series 2018A Bonds and any Additional Bonds Outstanding of the Indenture, and subject to satisfaction of the conditions of Section 10.03 of the Indenture, then the obligation of the County to make Base Rental Payments hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied such payments shall be made solely and exclusively from moneys and securities deposited with the Trustee as contemplated by Section 10.01(b) of the Indenture, and that shall be the sole source of satisfaction of the County’s obligation to make Base Rental Payments.

**Section 11.08 Severability.** In the event any provision of this Facility Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 11.09 Governing Law.** This Facility Lease shall be construed in accordance with and governed by the constitution and the laws of the State of California applicable to contracts made and performed in California.

**Section 11.10 Headings.** The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Facility Lease. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Facility Lease; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Facility Lease as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

**Section 11.11 Execution.** This Facility Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Facility Lease by their duly authorized officers as of the day and year first above written.

CAPITAL FACILITIES DEVELOPMENT  
CORPORATION

By: \_\_\_\_\_  
[\_\_\_\_\_  
Secretary]

COUNTY OF ORANGE

By: \_\_\_\_\_  
Suzanne Luster  
Public Finance Director

EXHIBIT A

Description of the Real Property

**EXHIBIT B**

Description of the Project

The Project is located at 645 N. Ross Street, Santa Ana, California. The building is also known as Building 14 in the Civic Center Plaza for the County of Orange. The Project consists of the planning, design, development, construction, equipping and financing of an office building that includes administrative offices of the County and a hearing room for Board and department meetings. The hearing room is sized for approximately 300 people in the public seating area as well as staff in the support area and officials at the dais.

Building 14 consists of approximately 254,234 Gross Square Feet (“GSF”) over 6 floors, and two levels of below-grade secured employee parking (approximately 152,346 GSF) for up to 350 vehicles.

The Project will be designed and constructed and delivered in a Public Private Partnership by the project team comprised of Griffin Structures Inc., the Developer, LPA, Inc., the architect, and Swinerton Builders, the construction manager.

## EXHIBIT C

Base Rental Payments Schedule

<u>Payment Date</u>	<u>Principal Component of Base Rental Payment</u>	<u>Interest Component of Base Rental Payment</u>
6/1/2019		
12/1/2019		
6/1/2020		
12/1/2020		
6/1/2021		
12/1/2021		
6/1/2022		
12/1/2022		
6/1/2023		
12/1/2023		
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12/1/2035		
6/1/2036		
12/1/2036		
6/1/2037		
12/1/2037		
6/1/2038		

<u>Payment Date</u>	<u>Principal Component of Base Rental Payment</u>	<u>Interest Component of Base Rental Payment</u>
12/1/2038		
6/1/2039		
12/1/2039		
6/1/2040		
12/1/2040		
6/1/2041		
12/1/2041		
6/1/2042		
12/1/2042		
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12/1/2044		
6/1/2045		
12/1/2045		
6/1/2046		
12/1/2046		
6/1/2047		
12/1/2047		
6/1/2048		

**EXHIBIT D**

Continuing Disclosure Certificate

EXHIBIT E

Development Agreement

**EXHIBIT F**

**Letter of Representations**