

Recording requested by
and return to:
COUNTY OF SOLANO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: John Y. Wang, Esq.

**Free Recording Requested
Pursuant to California
Government Code § 6103**

SITE LEASE
(Series 2017 Refunding Certificates of Participation)

Between the

COUNTY OF SOLANO

and

SOLANO COUNTY FACILITIES CORPORATION, INC.

Dated as of [September 1, 2017]

SITE LEASE

This Site Lease, dated as of [September 1, 2017], by and between the COUNTY OF SOLANO, a political subdivision organized and existing under and by virtue of the laws of the State of California (herein called the “County”), as lessor, and the SOLANO COUNTY FACILITIES CORPORATION, INC., a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (herein called the “Corporation”), as lessee;

WITNESSETH:

WHEREAS, on December 1, 2002, the County and the Corporation entered into an Site Lease (the “2002 Site Lease”) under which the County leased certain land (the “Prior Site”) owned by the County to the Corporation; and

WHEREAS, the Corporation as lessor subleased to the County the Prior Site and leased to the County the buildings and equipment to be acquired, constructed, and equipped on the Prior Site (the “Prior Leased Property”) pursuant to that certain Lease Agreement dated as of December 1, 2002, by and between the Corporation as lessor and the County as lessee (the “2002 Lease”); and

WHEREAS, the County agreed to pay Lease Payments due under the 2002 Lease to the Trustee under that certain Trust Agreement dated as of December 1, 2002 (the “2002 Trust Agreement”); and

WHEREAS, the County previously determined to cause the execution and delivery of its Series 2007 Refunding Certificates of Participation (the “Prior Certificates”) to provide funds to advance refund and defease a portion of the 2002 Lease; and

WHEREAS, on February 1, 2007, the Corporation and the County entered into an Amended and Restated Lease Agreement (the “2007 Lease”), whereby the Corporation agreed to sublease the Prior Site and lease the Prior Leased Property to the County, and an Amended and Restated Site Lease (the “2007 Site Lease”) as a material consideration for the Corporation’s agreement to lease the Prior Leased Property back to the County pursuant to the 2007 Lease; and

WHEREAS, the County has determined to cause the execution and delivery of Series 2017 Refunding Certificates of Participation (the “Certificates”) to provide funds to refinance the 2007 Certificates and satisfy all of the County’s obligations under the 2007 Lease; and

WHEREAS, the Corporation and the County have entered in an Lease Agreement (Series 2017 Refunding of Certificates of Participation) and dated as of the date hereof (herein called the “Lease”), whereby the Corporation has agreed to sublease certain land owned by owned by the County (the “Site”) and lease to the County the buildings and equipment on the Site (the “Leased Property”); and

WHEREAS, the County proposes to enter into this lease with the Corporation as a material consideration for the Corporation's agreement to lease the Leased Property back to the County pursuant to the Lease; and

WHEREAS, under the Lease, the County will be obligated to make base rental payments to the Corporation for the lease of the Leased Property; and

WHEREAS, all rights to receive such base rental payments will be assigned without recourse by the Corporation to Union Bank, N.A. (herein called the "Trustee"), as trustee pursuant to an agreement, entitled "Trust Agreement" and dated as of [September 1, 2017] (herein called the "Trust Agreement"); and

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Certificates, in an amount equal to the aggregate principal components of such base rental payments, each evidencing and representing a fractional undivided interest in such base rental payments; and

WHEREAS, the net proceeds of the Certificates will be applied to the refunding and defeasance of the 2007 Certificates (as defined in the Trust Agreement);

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. Site.

The County hereby leases to the Corporation and the Corporation hereby hires from the County, on the terms and conditions hereinafter set forth, the Site, described in Exhibit A attached hereto and made a part hereof.

SECTION 2. Term.

The term of this lease shall commence on the date of recordation of this lease in the office of the County Recorder of Solano County, State of California, or on [September 1, 2017], whichever is earlier, and shall end on November 1, 20__, unless such term is extended or sooner terminated as hereinafter provided.

If on November 1, 20__ the Certificates shall not be fully paid, or if the rental payable under the Lease shall have been abated at any time and for any reason, then the term of this lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this lease shall in no event be extended beyond November 1, 20__. If prior to November 1, 20__ the Certificates shall be fully paid, the term of this lease shall end ten (10) days thereafter or ten (10) days after written notice by the County to the Corporation, whichever is earlier.

SECTION 3. Rental.

The Corporation shall pay to the County as and for rental hereunder the sum of \$[_____], being the net proceeds of the Certificates applied to the retirement of the 2007 Certificates as provided in the Trust Agreement.

SECTION 4. Purpose.

The Corporation shall use the Site solely for the purpose of constructing the Leased Property and leasing back the Site, and the certain improvements the Corporation has constructed thereon to the County pursuant to the Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Lease the Corporation may exercise the remedies provided in the Lease.

SECTION 5. Owner in Fee.

The County covenants that it is the owner in fee of the Site, as described in Exhibit A hereto. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Corporation harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

SECTION 6. Assignments and Subleases.

Unless the County shall be in default under the Lease, the Corporation may not assign its rights under this lease or sublet the Site, except pursuant to the Assignment Agreement, without the written consent of the County.

SECTION 7. Right of Entry.

The County reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Corporation agrees, upon the termination of this Site Lease or any substitution pursuant to Section 2.03 of the Facility Lease, to quit and surrender the Site in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Lease and upon payment of the option price required by said section, the term of this lease shall

terminate as to the portion of the Site upon which the part of the Leased Property being so purchased is situated.

SECTION 9. Default.

In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the County may exercise any and all remedies granted by law, except that no merger of this lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this lease by reason of any default on the part of the Corporation if such termination would affect or impair any assignment or sublease of all or any part of the Site then in effect between the Corporation and any assignee or subtenant of the Corporation (other than the County under the Lease). So long as any such assignee or subtenant of the Corporation shall duly perform the terms and conditions of this lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Certificates are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Corporation at all times during the term of this lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Site.

SECTION 11. Waiver of Personal Liability.

All liabilities under this lease on the part of the Corporation shall be solely liabilities of the Corporation, as a corporation, and the County hereby releases each and every member, director, officer, agent, or employee of the Corporation of and from any personal or individual liability under this lease. No member, director, officer, agent, or employee of the Corporation shall at any time or under any circumstances be individually or personally liable under this lease to the County or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

SECTION 12. Taxes.

The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site (including both land and improvements).

SECTION 13. Eminent Domain.

In the event the whole or any part of the Site or the improvements thereon (including all or any part of the Leased Property) is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the

then unpaid or outstanding Certificates attributable to such part of the Leased Property and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

SECTION 14. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this lease shall be affected thereby, and each provision of this lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the Corporation, addressed to the Corporation in care of the Solano County Administrator's Office, County of Solano, 675 Texas Street, Fairfield, California 94533, or if to the County, addressed to the County in care of the Solano County Administrator's Office, County of Solano, 675 Texas Street, Fairfield, California 94533, in either case with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 16. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 17. Execution.

This lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this lease may separately be executed by the County and the Corporation, all with the same force and effect as though the same counterpart had been executed by both the County and the Corporation.

IN WITNESS WHEREOF, the County and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

COUNTY OF SOLANO,
as Lessor

By: _____
John M. Vasquez,
Chair of the Board of Supervisors

By: _____
Birgitta E. Corsello,
Clerk of the Board of Supervisors

Approved as to form:

County Counsel

**SOLANO COUNTY
FACILITIES CORPORATION, INC.,**
as Lessee

By: _____
John M. Vasquez, President

By: _____
Birgitta E. Corsello, Secretary

EXHIBIT A

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

<u>Land</u>	<u>Improvements</u>
APN 0030-251-020	County Administration Center and Parking Structure

[Attach property description]

DRAFT

[illegible]

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

Signature_____ [SEAL]

[illegible]

Signature_____ [SEAL]

[illegible]

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

Signature_____ [SEAL]

[illegible]

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

Signature_____ [SEAL]