

Execution Version

ROOFTOP SYSTEM SITE LEASE AGREEMENT

This ROOFTOP SYSTEM SITE LEASE AGREEMENT (this “Lease”) is made and entered into as of June 13, 2023 (the “Effective Date”) by and between Monterey Solar 1 LLC a California limited liability company (“Lessee”), and the County of Monterey, a political subdivision of the State of California (“Lessor”). Each of Lessor and Lessee are sometimes referred to as a “Party” and collectively as the “Parties.” “Lessee” shall include any permitted assignees pursuant to an assignment under Section 15.1.

WHEREAS, Lessor is the owner of certain improved real property located at 1414 Natividad Road, Salinas, CA 93906 (the “Premises”), and desires to grant a lease of the rooftop areas on said improvements, as more particularly described on Exhibit A (the “Project Site”), which includes the area on which the System (hereinafter defined) will be installed; and

WHEREAS, pursuant to the terms of that certain Power Purchase Agreement (“PPA”) between Lessee and Lessor, dated as of the date hereof, Lessee intends to own, and operate certain photovoltaic solar energy generation equipment and associated facilities, as described in Exhibit C (the “System”) and desires to obtain a lease of the Project Site in order to install and operate the System.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

AGREEMENT

- 1. DEFINITIONS.** Capitalized terms shall have the meanings assigned to them herein.
- 2. LEASE.**

2.1 Lease. Lessor hereby leases to Lessee the non-exclusive rights to use and access the Premises for the purposes of installing, maintaining, repairing and decommissioning the System, in accordance with the terms and conditions and for the purposes set forth herein. The Parties intend that this Lease create a valid and present interest in the Premises in favor of Lessee. Therefore, this Lease is an interest in and encumbrance upon the Premises which shall run with the land and shall be binding upon the Premises, and Lessor and its successors and assigns for the benefit of Lessee and its successors and assigns.

2.2 Term. The term of this Lease shall commence on the Effective Date and shall be coterminous with the term of the PPA (“Term”).

In the event Lessor exercises an option to purchase the System pursuant to the PPA or Lessee otherwise transfers the equipment constituting the System to Lessor under the PPA, this Lease shall terminate as of the date of the closing of such transfer.

2.3 Payment to Lessor. Lessee shall pay to Lessor as rent the one-time sum of \$1 (the “One-Time Payment”) within fifteen (15) days after the Effective Date. Lessor acknowledges and agrees that the One-Time Payment constitutes payment in full of rent for the Term, and no additional amount shall be due or owing to Lessor under this Lease.

2.4 Permitted Uses. Lessee shall have the exclusive right to occupy and use the Project Site for solar energy conversion, for the collection, storage, and transmission of electric power, and for related and incidental purposes and activities (collectively, “Operations”) including, but not limited to, the construction, installation, improvement, relocation, operation, maintenance and repair of the System and removal of the System. Lessee agrees that said right shall be non-exclusive to other uses of the rooftop areas, provided that such other uses shall in no event impair or interfere with its Operations.

2.5 Lessee’s Exercise of Rights. Lessee may construct and install the System on the Premises in the manner Lessee deems reasonable and appropriate; provided, however, that Lessee shall not unreasonably interfere with Lessor’s use, operation, or maintenance of the Premises. The System shall be installed within the areas of the Project Site.

2.6 Premises Utilities. Unless stated otherwise in the PPA, Lessor shall provide existing and available utilities to the Project Site in connection with Lessee's construction, start-up, maintenance, repair, replacement, operation and removal of the System. Lessor acknowledges and agrees that Lessee’s use of the Premises includes the nonexclusive appurtenant right to the use of water lines, sewer lines, storm water lines, power lines, and telephone and communication lines.

2.7 Construction Laydown Area. Lessor shall provide Lessee sufficient space on the Premises for the temporary storage and staging of tools, materials and equipment reasonably necessary during installation and any maintenance, repair, replacement or removal of the System, provided that Lessee shall use commercially reasonable efforts to minimize disruption to Lessor’s operations, and provided further that Lessee understands and acknowledges that space is limited at the Premises. Lessor and Lessee shall coordinate and cooperate in determining the amount of space and specific portion of the Premises necessary for such purposes. Lessee shall have access to such area twenty (24) hours a day, seven (7) days per week.

2.8 Notice. Except as may be required by an emergency, Lessee shall give Lessor reasonable written or telephonic notice before any entry onto the Premises outside of normal business hours by Lessee’s employees, agents, or contractors. Notwithstanding anything to the contrary in this Lease, Lessee shall be permitted to access the Premises (i) during normal business hours; and (ii) twenty-four (24) hours a day, seven (7) days a week for emergency purposes as reasonably determined by Lessee. In the event Lessee enters the Premises due to an emergency, Lessee shall promptly notify Lessor of its entry and the nature of the emergency. Unless otherwise agreed in advance, normal business hours shall mean Monday through Friday, 8AM through 5PM on those days the Lessor’s administrative offices are open.

3. EASEMENTS.

3.1 Access Easement and Use Rights. Lessor grants Lessee a nonexclusive easement for access and use of the Premises, on, under, over, and across the Premises, seven (7) days a week,

twenty four (24) hours a day, excluding that portion of the Premises used as the county jail and which has restricted public access, for the purposes of locating, installing, operating, maintaining, improving, repairing, relocating, and removing the System on the Premises (the “Use Rights”). The Use Rights include the right of parking, access, and ingress to and egress from the System on, over, and across the Premises during the Term, and shall survive for a period of one hundred eighty (180) days following the termination of this Lease for the purpose of removing the System. Without limiting the foregoing grant, Lessor covenants that the Use Rights may be used to achieve all the purposes set forth in this Lease. Throughout the Term of the Lease, as described below, Lessor hereby grants Lessee an easement through the Premises, including all elevators, stairways or other access points of egress and ingress for purposes of accessing the rooftop of the Premises for the purpose described herein and pursuant to the terms and conditions set forth below.

3.2 Solar Easement.

3.2.1 Open Access to Sun. Lessor hereby grants and conveys to Lessee an exclusive easement on, over and across the Premises for the following: the open and unobstructed access to the sun to the System on any of the Premises and to ensure adequate exposure of the System to the sun. In addition, Lessor hereby grants and conveys to Lessee an exclusive easement prohibiting any obstruction to the open and unobstructed access to the sun (together with the preceding sentence, the “Solar Easement”) throughout the entire Premises to and for the benefit of the area existing horizontally three hundred and sixty degrees (360°) from any point where any System is or may be located at any time from time to time (each such point referred to as a “Site”) and for a distance from each Site to the boundaries of the Premises, together vertically through all space located above the surface of the Premises, that is, one hundred eighty degrees (180°) or such greater number or numbers of degrees as may be necessary to extend from each point on and along a line drawn along the surface from each point along the exterior boundary of the Premises through each Site to each point and on and along such line to the opposite exterior boundary of the Premises.

3.2.2 Lessor Improvements. Trees, buildings and other improvements located on the Premises as of the date of this Lease will be allowed to remain, and Lessee may not require their removal. Lessor may not place or plant any trees, buildings or improvements (an “Improvement”) on the Premises after the date of this Lease which may, in Lessee’s sole judgment, impede or materially interfere with the open and unobstructed access to the sun to any Site or System, unless Lessor has received written approval from Lessee for any such trees, structure or improvement. Subject to the foregoing, Lessor may construct an Improvement on the Premises if such Improvement meets the following requirements:

(a) Such Improvement poses no interference with any part of the System located on the Premises; and

(b) Such Improvement has a Maximum Height = [(distance to fenceline) + 20’] / 3], with such Improvements being located at least 20’ from the nearest fence line or edge of the Premises.

(an Improvement that complies with all of the foregoing restrictions will be referred to as a “Permitted Improvement”).

Lessor may construct such Permitted Improvements without the prior consent of Lessee. However, should Lessor construct an Improvement that is determined by Lessee to violate or not be in compliance with any of the restrictions of this section, Lessee may provide notice to Lessor that said Improvement must be removed within thirty (30) days of Lessor's receipt of Lessee's notice. Should Lessor fail to remove the non-complying Improvement within such thirty (30) day period, Lessee may cause the same to be removed and may off-set the cost of the removal against any lease payments due hereunder to Lessor.

3.2.3 No Interference. Lessor will not materially interfere with, and will not allow any other party to materially interfere with, the free, unobstructed and open and unobstructed access to the sun, solar speed or solar direction over and across the Premises.

3.3 Cable Easement. Lessor hereby grants and conveys to Lessee, a non-exclusive easement to use portions of the Premise's riser systems, chase ways, exterior wall surface, roof surface, ground surface or below ground (the "Cable Easement"); which areas shall be referred to herein as the "Cable Easement Area," for the purposes of installing, operating, maintaining, interconnecting, repairing, removing and replacing cables, conduits, network connections, data acquisition and telecommunications lines and related transmission lines, all of which shall be used in connection with the operation of the System. Lessee shall exercise reasonable care and reasonable consideration in entering upon the Cable Easement Area so as to not unreasonably interfere with the use and enjoyment of the Cable Easement Area by its owners and occupants. The Cable Easement granted herein shall bind Lessor and its successors under this Lease; provided, however, that, for the purpose of removing the facilities located in the Cable Easement Area, the term of the Cable Easement shall automatically terminate one hundred eighty (180) days after the date of termination of the Term of this Lease. Lessor shall keep the Cable Easement Area free of obstruction and shall not construct or place in or on the Cable Easement Area any landscaping, trees, bushes, buildings or other structures of any kind in a manner which may interfere with or damage the cables, conduits and related transmission.

3.4 Utility Easements. Lessor agrees to reasonably cooperate, at Lessee's sole cost and expense, in the granting of reasonably necessary easements to the applicable utility to install such utilities on, over and/or under and through the Premises as necessary for Lessee to operate and interconnect the System, provided, however, the location of such utilities shall be mutually agreed upon by the applicable utility, Lessor and Lessee. In all events, the easements shall include a provision that the easements shall automatically expire upon the date that is one hundred eighty (180) days after the date of expiration or earlier termination of the Lease.

4. RIGHTS OF LESSEE.

4.1 Solar Resources. Lessee shall have the sole and exclusive right to convert all of the solar resources of, and to conduct Operations on, the Premises. Lessor shall not grant any rights in the Premises purporting to permit others to conduct Operations on the Premises in derogation of Lessee's sole and exclusive rights and privileges hereunder. Without the prior written consent of Lessee, Lessor shall not (i) waive any right available to Lessor or grant any right or privilege subject to the consent of Lessor by law or contract, including without limitation any environmental regulation, land use ordinance, or zoning regulation, with respect to setback requirements, or other restrictions and conditions respecting the placement of the System on the Premises or (ii) grant,

confirm, acknowledge, recognize, or acquiesce in any right claimed by any other Person to conduct Operations on the Premises, and Lessor agrees to give Lessee notice of any such claims and to cooperate with Lessee in resisting and disputing such claims.

4.2 Signage. Lessee shall have the right to erect, modify, and maintain reasonable signage on the Premises with respect to the System and to Lessee's interests therein, subject to approval from Lessor.

4.3 Enforcement of Legal Rights. Lessee shall have the right to enforce Lessor's rights under applicable laws protecting solar energy systems from obstruction. Lessor shall cooperate with any efforts by Lessee to enforce such rights.

4.4 Non-Interference. In no event during the Term will Lessor construct, build or locate, or allow others (via the granting of easements, leases, subleases, licenses or other agreements) to construct, build, or locate any equipment or facilities (solar or otherwise) that would interfere with the System or otherwise engage in, or allow others to engage in activity, that might impede the System's access to the sun or decrease the output or efficiency of the System.

5. DESIGN AND CONSTRUCTION OF SYSTEM.

5.1 Design and Construction. Lessor hereby consents to the construction of the System in accordance with the plans and specifications set forth on the attached Exhibit C. Lessee shall cause its contractors to comply with Lessor's reasonable and customary safety requirements and to coordinate construction of the System with Lessor so as to reasonably minimize disruption to the Premises and to Lessor's normal operations and activities thereon. Lessee shall not release Hazardous Materials on the Premises. As used in this Lease, "Hazardous Materials" means any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic under any applicable law, and asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

5.2 Permits and Approvals. Lessee shall obtain all necessary local development permits and approvals to allow its use of the Premises under this Lease. Upon Lessee's request, Lessor shall reasonably assist and cooperate with Lessee to acquire and maintain approvals, permits, and authorizations or to facilitate Lessee's compliance with all applicable laws and regulations related to the construction, installation, operation, maintenance, and repair of the System, including: providing any building owner or occupant authorizations; and signing and processing any applications for permits, local utility grid interconnection applications, and rebate applications as are required by law to be signed by Lessor. Lessor shall also deliver to Lessee copies of any necessary approvals, permits, rebates, or other financial incentives that are required by law to be in the name or physical control of Lessor. Lessee shall reimburse Lessor for reasonable and necessary third-party costs incurred by Lessor in relation to Lessor's assistance with such matters.

5.3 Acknowledgment of Lessor for Roof Mounted Systems. Lessor acknowledges that the installation of all or a portion of the System will require physically mounting and adhering the System to the roof of the Premises, including penetrations into the roof surface. Lessor agrees to

review and approve any System load studies provided by Lessee, including those relating to the weight of the System and the integrity of the roof. Lessee shall be responsible for the repair of the roof of the Premises in the event that it becomes physically damaged as a result of Lessee's installation, operation, and/or maintenance or failure to maintain the System.

5.4 Removal Upon Termination. Upon the termination or expiration of this Lease for any reason, Lessee shall, within three hundred sixty-five (365) days after the date of expiration (or sooner if required by the PPA), remove the System from the Premises, and restore the Premises' rooftop to its condition as of the Effective Date, normal wear and tear excepted unless the System is purchased by Lessee. Removal of the System shall be at the cost of Lessee.

6. THE PREMISES.

6.1 Confirmation of Ownership. At the request of Lessee, Lessor shall obtain executed and acknowledged instruments and such other documents as Lessee or Lessee's title company may require to confirm Lessor's ownership of the Premises or to complete or evidence the full granting of the leasehold interest in the Premises as intended by this Lease.

6.2 Liens.

6.2.1 Subordination. Lessor shall cooperate with Lessee to obtain a Subordination, Non-Disturbance and Attornment Agreement (an "SNDA") from each lienholder which provides on terms reasonably acceptable to Lessee that the lien and rights of the lienholder shall be subordinate to this Lease. Lessor will also obtain any necessary consent and/or SNDA in favor of Lessee and on terms reasonably acceptable to Lessee from any and all entities having a possessory interest in the Premises.

6.2.2 Notice to Premises Lienholders and Release. Lessor shall give effective notice of Lessee's ownership of the System and the System's status as personal property to all parties having an interest in or any mortgage, pledge, lien (including mechanics', labor or materialmen's liens), charge, security interest, or encumbrance of any nature (collectively, "Liens") upon the real property and fixtures that are part of the Premises. If there is any Lien against the Premises that could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Lessor shall obtain a disclaimer or release of such Lien. Lessor consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction of the Premises, and any other filing by Lessee in a public office regarding its ownership of the System deemed necessary or appropriate by Lessee, and Lessor hereby appoints Lessee as its agent with regarding to any such filing and authorizes Lessee to take required actions on Lessor's behalf required for such filing.

6.2.3 System Liens. Lessor shall not directly or indirectly allow any Lien on or with respect to the System by, through or under Lessor. If Lessor becomes aware of a Lien on the System by, through or under Lessor, Lessor shall promptly give Lessee written notice of such Lien and shall take such action as is necessary or appropriate to have such Lien discharged and removed. Lessor shall indemnify Lessee against all reasonable costs and expenses (including reasonable attorneys' fees) incurred in discharging and releasing any such Lien.

6.2.4 Premises Liens. Lessee shall not directly or indirectly allow any Lien by, through or under Lessee, on or with respect to the Premises or any interest therein, excluding Lessee's leasehold interest created pursuant to this Lease, or any other asset of Lessor, including, without limitation, any Lien arising from or relating to the construction, ownership, maintenance or operation of the System by Lessee (including mechanics', labor or materialmen's liens) (collectively, "Permitted Liens"). Lessee shall defend and indemnify Lessor against all costs and expenses (including reasonable attorneys' fees and court costs at trial and on appeal) incurred in discharging and releasing any non-Permitted Liens.

6.3 Quiet Enjoyment. Lessee shall enjoy quiet and peaceful use, enjoyment and possession of the Project Site, free from any claim of any entity or person of superior title thereto without hindrance to or interference with or molestation of Lessee's quiet enjoyment thereof, and neither Lessor nor any person claiming by, through or under Lessor shall disturb Lessee's quiet and peaceful use, enjoyment and possession of the Project Site.

6.4 No Interference. Lessor hereby agrees, for itself, its agents, employees, representatives, successors, and assigns, that it will not initiate or conduct activities that it knows or reasonably should know may damage, impair, or otherwise adversely affect the System or its functions, including without limitation activities that may adversely affect the System's exposure to sunlight. Except when necessary to address emergency situations, Lessor further covenants for itself and its agents, employees, representatives, successors, and assigns that it will not (i) interfere with or prohibit the free and complete use and enjoyment by Lessee of its rights granted under this Lease; (ii) take any action that will interfere with the availability and accessibility of solar radiation over and above the Premises; (iii) take any action that will or may interfere with the transmission of electrical energy to or from the Premises; (iv) take any action that may impair Lessee's access to the Premises for the purposes specified in this Lease; (v) plant or maintain any vegetation or erect or maintain any structure that will, during daylight, cast a shadow on the System; or (vi) take any action that may impair Lessee's access to any portion of the System.

6.5 System Property of Lessee; Transfer of the Premises. Lessor acknowledges and agrees that Lessee is the exclusive owner and operator of the System and all equipment (including, but not limited to, photovoltaic modules or panels, inverters, meters, wire, data monitoring equipment, and cabling), components and moveable property of Lessee attached to or used in the operation of the System, that no portion or component of the System is a fixture, and that in the event that the Premises are sold, leased, assigned, mortgaged, pledged, or otherwise alienated or encumbered (a "Transfer"), such Transfer shall not attach to or affect the System, or Lessee's ownership rights to the System.

6.6 Transfer of Premises. Lessor shall not Transfer all or any portion of the Premises unless the transferee agrees in writing that its interest in the Premises is subject and subordinate in all respects to the terms of this Lease, unless the transfer is ordered by a court with competent jurisdiction. Lessor shall give Lessee at least sixty (60) days' prior notice of any Transfer of all or any portion of the Premises. Any such notice shall identify the transferee, the portion of the Premises to be transferred, and the proposed date of the Transfer.

6.7 Premises Security, Health and Safety. Lessor shall provide reasonable measures for the security of the Premises, including restricting access to the area on which the System is

located and providing monitoring of the Premises' security alarms, if applicable. Lessor shall maintain the Premises in a structurally sound and safe condition consistent with all applicable Laws. If Lessor becomes aware of any circumstances relating to the System that creates an imminent risk of damage or injury to the System or any employee of Lessee, Lessor shall promptly notify Lessee.

6.8 System Security. With Lessor's approval, not to be unreasonably withheld, Lessee may install all security measures that Lessee determines are or may be reasonably necessary for the System. Such measures may, but will not necessarily, include warning signs, fences, barbed wire, closed and locked gates, and other measures appropriate and reasonable to protect against damage or destruction of the System or injury or damage to persons or property resulting from the System and Operations.

6.9 Maintenance of Premises. Lessor shall, without interfering with the operation of the System, maintain the Premises in good condition and repair, including the integrity of the roof, so that Lessee is able to comply with its obligations under this Lease. Lessor shall use commercially reasonable efforts to maintain Lessor's electrical energy equipment located on the Premises in good condition and repair so as to be able to receive and use the energy generated by the System. Lessor shall maintain its connection(s) and service contract(s) with its local utility, or any successors thereto, so that Lessor can, upon any suspension or interruption of delivery of energy from the System, provide the Premises with its full requirements for electricity.

6.10 System Maintenance. During the Term, Lessee shall, at Lessee's sole cost, maintain the System, the Project Site and all areas of the Premises used by Lessee in the Operations, in accordance with applicable laws and prudent industry practices.

6.11 Roof Maintenance. Lessor shall be solely responsible for, and bear all costs and expense relating to, maintaining the roof of the buildings on which the System is located, including all required repair (including leak repair), remediation and maintenance of such roof, unless such repair, remediation and maintenance is required as a direct result of the negligent installation, maintenance, or repair of the System. Lessor shall consult with Lessee before performing any required roof repair, remediation and maintenance that may affect the System, and Lessee shall be permitted to witness any such repair, remediation and maintenance. In the event the System must be temporarily disconnected or removed in order for Lessor to perform roof repair, remediation or maintenance, Lessor shall consult with Lessee in advance of any such activity and Lessee shall disconnect and remove the System at Lessor's expense, and Lessor shall pay to pursuant to the PPA for any remaining period during which the System is disconnected. Lessor shall be responsible for maintaining and enforcing all warranties relating to the roof.

6.12 Reserved.

6.13 Clean Condition. Lessee shall not unreasonably clutter the Project Site or the Premises and shall collect and dispose of any and all of Lessee's refuse and trash.

6.14 Taxes. Lessor shall pay when due all real property taxes and assessments possessory interest taxes, business or license taxes or fees, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, assessments, bonds, levies, fees or charges of any

kind which are assessed, levied, charged, confirmed, imposed or levied against the Premises or the System by any governmental body or public authority.

6.15 Incentives. The Parties further agree that all Incentives (as defined in the PPA) shall be allocated as set forth in the PPA and shall not attach to or be deemed a part of, or fixture to, the Premises.

6.16 Pre-Existing Site Conditions. Lessor will compensate Lessee for any reasonable and necessary out-of-pocket expenses incurred by Lessee to remedy, correct, amend, upgrade, or perform any work related to pre-existing conditions on the Premises and Project Site that were not reasonably discoverable or foreseen by Lessee through its initial site information review, investigation, and engineering site audit, including, but not limited to, repair of pre-existing construction defects (including in the roofing or electrical system on the Premises and Project Site), repair of damage to underground utilities not identified by the utility, and any additional costs resulting from government and/or utility inspectors who determine that pre-existing conditions require correction or amendment, unless such corrections or amendments are specifically provided for in this Lease.

7. REPRESENTATIONS AND WARRANTIES

7.1 Representations of Lessor. Lessor represents and warrants to Lessee that:

7.1.1 Lessor has the requisite corporate, partnership, limited liability company, or legal capacity to enter into this Lease and fulfill its obligations hereunder, that the execution and delivery by it of this Lease and the performance by it of its obligations hereunder have been duly authorized by all requisite action of its stockholders, partners or members, and by its board of directors or other governing body, and that the entering into of this Lease and the fulfillment of its obligations hereunder does not contravene any law, statute or contractual obligation of Lessor;

7.1.2 this Lease constitutes Lessor's legal, valid and binding obligation enforceable against it in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws now or hereafter in effect relating to creditors' rights generally;

7.1.3 no suit, action or arbitration, or legal administrative or other proceeding is pending or has been threatened against Lessor that would have a material adverse effect on the validity or enforceability of this Lease or the ability of Lessor to fulfill its commitments hereunder, or that could result in any material adverse change in the business or financial condition of Lessor;

7.1.4 Lessor owns the Premises in fee simple, subject to no liens or encumbrances except as set forth in Exhibit B. All persons or entities having any ownership or possessory interest in the Premises are signing this Lease;

7.1.5 there are no Hazardous Materials on or under the Premises; and

7.1.6 no governmental approval (other than any governmental approvals which have been previously obtained) is required in connection with the due authorization, execution and delivery

of this Lease by Lessor or the performance by Lessor of its obligations hereunder which Lessor will be unable to obtain in due course; and

7.1.7 Lessor acknowledges that it has inspected the rooftop, that Lessor warrants the condition thereof and its suitability for Lessee's use, and that, except as may be expressly provided to the contrary in this Lease, Lessor shall make any alterations, improvements, or repairs in and to the rooftop to make same ready for Lessee's use and occupancy.

7.2 Representations of Lessee. Lessee represents and warrants to Lessor that:

7.2.1 Lessee has the requisite corporate, partnership or limited liability company capacity to enter into this Lease and fulfill its obligations hereunder, that the execution and delivery by it of this Lease and the performance by it of its obligations hereunder have been duly authorized by all requisite action of its stockholders, partners or members, and by its board of directors or other governing body, and that the entering into of this Lease and the fulfillment of its obligations hereunder does not contravene any law, statute or contractual obligation of Lessee;

7.2.2 this Lease constitutes Lessee's legal, valid and binding obligation enforceable against it in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws now or hereafter in effect relating to creditors' rights generally;

7.2.3 no suit, action or arbitration, or legal administrative or other proceeding is pending or has been threatened against Lessee that would have a material adverse effect on the validity or enforceability of this Lease or the ability of Lessee to fulfill its commitments hereunder, or that could result in any material adverse change in the business or financial condition of Lessee; and

7.2.4 no governmental approval (other than any governmental approvals which have been previously obtained) is required in connection with the due authorization, execution and delivery of this Lease by Lessee or the performance by Lessee of its obligations hereunder which Lessee will be unable to obtain in due course.

8. DEFAULT; REMEDIES.

8.1 Lessee Default. Each of the following events shall constitute a "Lessee Default":

8.1.1 Lessee materially breaches any term of this Lease and (i) if such breach is capable of being cured within thirty (30) days after Lessor's notice of such breach, Lessee has failed to cure the breach within such thirty (30) day period, or (ii) if Lessee has diligently commenced work to cure such breach during such thirty (30) day period but such breach is not capable of cure within such period, Lessee has failed to cure the breach within a further ninety (90) day period (such aggregate period not to exceed one hundred twenty (120) days from the date of Lessor's notice); or

8.1.2 (i) Lessee commences a voluntary case under any bankruptcy law; (ii) Lessee fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against Lessee in an involuntary case under any bankruptcy law; or (iii) any

involuntary bankruptcy proceeding commenced against Lessee remains undismissed or undischarged for a period of sixty (60) days.

8.2 Lessor's Remedies. If a Lessee Default has occurred and is continuing, Lessor may terminate this Lease by written notice to Lessee following the expiration of the applicable cure period, and may exercise any other remedy it may have at law or equity.

8.3 Lessor Defaults. The following events shall be defaults with respect to Lessor (each, a "Lessor Default"):

8.3.1 Lessor materially breaches any term of this Lease and (i) if such breach is capable of being cured within thirty (30) days after Lessee's notice of such breach, Lessor has failed to cure the breach within such thirty (30) day period, or (ii) if Lessor has diligently commenced work to cure such breach during such thirty (30) day period but such breach is not capable of cure within such period, Lessor has failed to cure the breach within a further ninety (90) day period (such aggregate period not to exceed one hundred twenty (120) days from the date of Lessee's notice);

8.3.2 (i) Lessor commences a voluntary case under any bankruptcy law; (ii) Lessor fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against Lessor in an involuntary case under any bankruptcy law; or (iii) any involuntary bankruptcy proceeding commenced against Lessor remains undismissed or undischarged for a period of sixty (60) days; or

8.3.3 Lessor defaults under the PPA resulting in a termination thereunder.

8.4 Lessee's Remedies. If a Lessor Default has occurred and is continuing, Lessee may terminate this Lease by written notice to Lessor following the expiration of the applicable cure period. Lessee may also exercise any other remedy it may have at law or equity, including recovering from Lessor all resulting damages, which damages shall include, but not be limited to, the lost income and lost Incentives damages and all other amounts of any nature relating to this Lease.

9. LIMITATIONS.

9.1 Limitation of Liability. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THE PARTIES AGREE THAT TO THE FULLEST EXTENT ALLOWED BY LAW, IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE OR LIABLE, WHETHER IN CONTRACT, TORT, WARRANTY, OR UNDER ANY STATUTE OR ON ANY OTHER BASIS, FOR SPECIAL, INDIRECT, INCIDENTAL, MULTIPLE, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR DAMAGES FOR LOST PROFITS OR LOSS OR INTERRUPTION OF BUSINESS, ARISING OUT OF OR IN CONNECTION WITH THE SYSTEM OR THIS LEASE. THE FOREGOING NOTWITHSTANDING, THE LOST INCOME AND LOSS OF INCENTIVES SHALL NOT BE CONSIDERED CONSEQUENTIAL DAMAGES AND SHALL NOT BE SUBJECT TO THE LIMITATIONS SET FORTH IN THIS SECTION.

9.2 Equitable Relief. The Parties acknowledge that money damages would not be a sufficient remedy for any breach of this Lease, and that, accordingly, in the event of any such breach or threatened breach, either Party shall be entitled to immediately seek any and all remedies available to it at law or in equity, including but not limited to an injunction or specific performance, from a court of competent jurisdiction.

10. FINANCING ACCOMMODATIONS.

10.1 Lessor Acknowledgment. Lessor acknowledges that Lessee may finance the System and that Lessee's obligations may be secured by, among other collateral, a pledge or collateral assignment of this Lease and a security interest in the System to a financial institution, leasing company, or lender providing funds or extending credit to Lessee or its affiliates (a "Financing Party"). In order to facilitate such financing, and with respect to each Financing Party, Lessor agrees as follows:

10.1.1 Consent to Collateral Assignment. Lessee shall have the right to assign this Lease as collateral for financing or refinancing of the System, and Lessor hereby consents to the collateral assignment by Lessee to any Financing Party of Lessee's right, title, and interest in and to this Lease.

10.1.2 Financing Party's Rights Following Default. Notwithstanding any contrary term of this Lease:

(a) Financing Party, as collateral assignee, shall be entitled to exercise, in the place and stead of Lessee, any and all rights and remedies of Lessee under this Lease in accordance with the terms of this Lease. Financing Party shall also be entitled to exercise all rights and remedies of secured parties generally with respect to this Lease and the System.

(b) Financing Party shall have the right, but not the obligation, to pay all sums due under this Lease and to perform any other act, duty, or obligation required of Lessee hereunder or cause to be cured any default or event of default of Lessee in the time and manner provided by the terms of this Lease. Nothing herein requires Financing Party to cure any default of Lessee (unless Financing Party has succeeded to Lessee's interests) to perform any act, duty, or obligation of Lessee, but Lessor hereby gives Financing Party the option to do so.

(c) Upon the exercise of remedies under its security interest in the System, including any sale thereof by Financing Party, whether by judicial proceeding or under any power of sale, or any conveyance from Lessee to Financing Party, Financing Party shall give notice to Lessor of the transferee or assignee of this Lease. Any such exercise of remedies shall not constitute a Lessee Default.

(d) Upon any rejection or other termination of this Lease pursuant to any process undertaken with respect to Lessee under the United States Bankruptcy Code, at the request of Financing Party made within ninety (90) days of such termination or rejection, Lessor shall enter into a new site lease agreement with Financing Party or its assignee on substantially the same terms as this Lease.

10.1.3 Financing Party Cure Rights. Lessor shall not exercise any right to terminate or suspend this Lease unless Lessor has given prior written notice to each Financing Party of which Lessor has notice. Lessor's notice of an intent to terminate or suspend must specify the condition giving rise to such right. Financing Party has the longer of thirty (30) days and the cure period allowed for a default of that type under this Lease to cure the condition; provided that if the condition cannot be cured within such time but can be cured within the extended period, Financing Party may have up to an additional ninety (90) days to cure if Financing Party commences to cure the condition within the thirty (30) day period and diligently pursues the cure thereafter. Lessor's and Lessee's obligations under this Lease shall otherwise remain in effect, and Lessor and Lessee shall be required to fully perform all of their respective obligations under this Lease during any cure period.

10.1.4 Continuation Following Cure. If Financing Party or its assignee acquires title to or control of Lessee's assets and cures all defaults existing as of the date of such change in title or control within the time allowed by Section 10.1.3, then this Lease shall continue in full force and effect.

10.2 Notice of Defaults and Events of Default. Lessor agrees to deliver to each Financing Party a copy of all notices that Lessor delivers to Lessee pursuant to this Lease.

11. NOTICES.

11.1 Notices. Any notice required, permitted, or contemplated hereunder shall be in writing and addressed to the Party to be notified at the address set forth below or at such other address or addresses as a Party may designate for itself from time to time by notice hereunder. Such notices may be sent by personal delivery or recognized overnight courier, and shall be deemed effective upon receipt.

To Lessee: 111 Mission Street
Santa Cruz, CA 95060
Attention: Corrina Hansen
Phone: (408) 426-5420

To Lessor: 168 W. Alisal St.
Third Floor
Salinas, CA 93923
Attention: Sustainability Program
Phone: (831) 755-5115

12. GOVERNING LAW; DISPUTES.

12.1 Choice of Law. This Lease shall be construed in accordance with the laws of the State of California, without regard to the conflict of laws principles thereof.

12.2 Disputes.

12.2.1 Management Negotiations. The Parties shall use all reasonable efforts to settle disputes through negotiation between authorized members of each Party's senior management. Either Party may, by written notice to the other Party, request a meeting to initiate negotiations to be held within fifteen (15) days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within thirty (30) days of their first meeting, either Party may pursue any remedy available to it in accordance with Section 12.2.2.

12.2.2 Venue. Any controversy or dispute not amicably resolved by the Parties or through management negotiations shall be brought exclusively in the state or federal courts serving Monterey County, California. Each Party agrees to the laying of such venue and agrees not to later object to such venue as being an inappropriate or inconvenient forum.

13. INDEMNIFICATION.

13.1 Lessee's General Indemnity. Lessee shall indemnify, defend, and hold harmless Lessor (including Lessor's permitted successors and assigns) and Lessor's subsidiaries, directors, officers, members, shareholders, employees and agents (collectively, "Lessor Indemnified Parties") from and against any and all third-party claims, losses, costs, damages, and expenses, including reasonable attorneys' fees, incurred by Lessor Indemnified Parties arising from or relating to (i) Lessee's breach of this Lease, or (ii) the negligence or willful misconduct of Lessee's invitees. Lessee's indemnification obligations under this Section 13.1 shall not extend to any claim to the extent such claim is due to the gross negligence or willful misconduct of any Lessor Indemnified Party.

13.2 Lessee's Environmental Indemnity. If there is a PPA in place between the Lessor and Lessee and such PPA addresses environmental indemnities, then such PPA shall govern. If there is no such PPA, then this section shall apply. Lessee shall indemnify, defend and hold harmless the Lessor Indemnified Parties against, any claims, costs, damages, fees, or penalties arising from a violation by Lessee or Lessee's agents or contractors of any federal, State, or local law, ordinance, order, or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation, or presence of any Hazardous Material on or under the Premises.

13.3 Lessor's General Indemnity. Lessor shall indemnify, defend, and hold harmless Lessee (including Lessee's permitted successors and assigns) and Lessee's subsidiaries, directors, officers, members, shareholders, employees and agents (collectively, "Lessee Indemnified Parties") from and against any and all third-party claims, losses, costs, damages, and expenses, including lost income from loss of Incentives and reasonable attorneys' fees if applicable, incurred by Lessee Indemnified Parties arising from or relating to (i) Lessor's breach of this Lease, (ii) the negligence or willful misconduct of Lessor, Lessor's tenants, or Lessor's invitees, or (iii) the failure of building or roof to support, in whole or in part, the System as installed, including changes in roof surface incline. Lessor's indemnification obligations under this Section 13.3 shall not extend to any claim to the extent such claim is due to the gross negligence or willful misconduct of any Lessee Indemnified Party.

13.4 Lessor's Environmental Indemnity. . If there is a PPA in place between the Lessor and Lessee and such PPA addresses environmental indemnities, then such PPA shall govern. If

there is no such PPA, then this section shall apply. Lessor shall indemnify, defend and hold harmless the Lessee Indemnified Parties for, from, and against, any claims, costs, damages, fees, or penalties, including lost income and loss of Incentives, arising from the presence of any Hazardous Materials on or under the Premises, except to the extent that such presence is attributable to a violation by Lessee or Lessee's agents or contractors of any federal, State, or local law, ordinance, order, or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation, or presence of any Hazardous Material on or under the Premises.

14. INSURANCE.

14.1 Insurance Required. Each Party shall maintain in full force and effect throughout the Term, with insurers of recognized responsibility authorized to do business in the State in which the System will be located, assigned an A.M. Best rating of no less than A IX, insurance coverage in the amounts and types set forth on Exhibit D (except that if the PPA requires more insurance from either Party, then the insurance provisions in the PPA shall govern). Each policy of insurance maintained by Lessor shall (a) name Lessee as loss payee (to the extent covering risk of loss or damage to the Premises or the System) and as an additional named insured as its interests may appear (to the extent covering any other risk); and (b) contain endorsements providing that such policy shall not be cancelled or amended with respect to the named insured and its designees without thirty (30) days' prior written notice to Lessee. Each Party shall, within ten (10) days of written request therefor, furnish current certificates of insurance to the other Party evidencing the insurance required hereunder.

14.2 Reserved.

14.3 No Waiver of Obligations. The provisions of this Lease shall not be construed in a manner so as to relieve any insurer of its obligations to pay any insurance proceeds in accordance with the terms and conditions of valid and collectable insurance policies. The liabilities of the Parties to one another shall not be limited by insurance.

15. MISCELLANEOUS.

15.1 Assignments. Neither Party shall have the right to assign any of its rights, duties, or obligations under this Lease without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. The foregoing notwithstanding, Lessee may assign any of its rights, duties, or obligations under this Lease, without the consent of Lessor, (i) to any of its affiliates, (ii) to any third party in connection with a financing transaction, or (iii) to any purchaser of the System.

15.2 Entire Agreement. This Lease represents the full and complete agreement between the Parties hereto with respect to the subject matter contained herein and supersedes all prior written or oral agreements between the Parties with respect to the subject matter hereof.

15.3 Amendments. This Lease may only be amended, modified, or supplemented by an instrument in writing executed by duly authorized representatives of Lessee and Lessor.

15.4 No Partnership or Joint Venture. Lessee and Lessee's agents, in the performance of this Lease, shall act in an independent capacity and not as officers or employees or agents of Lessor. This Lease shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Lease).

15.5 Headings; Exhibits. The headings in this Lease are solely for convenience and ease of reference and shall have no effect in interpreting the meaning of any provision of this Lease. Any Exhibits referenced within and attached to this Lease, including any attachments to the Exhibits, shall be a part of this Lease and are incorporated by reference herein.

15.6 Remedies Cumulative; Attorneys' Fees. No remedy herein conferred upon or reserved to any Party shall exclude any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If any action, arbitration, judicial reference, or other proceeding is instituted between the Parties in connection with this Lease, the each Party shall pay for its attorneys' and experts' fees and costs incurred in bringing or defending such action or proceeding (at trial and on appeal) and/or enforcing any judgment granted therein.

15.7 Waiver. The waiver by either Party of any breach of any term, condition, or provision herein contained shall not be deemed to be a waiver of such term, condition, or provision, or any subsequent breach of the same, or any other term, condition, or provision contained herein. Any such waiver must be in a writing executed by the Party making such waiver.

15.8 Severability. If any part, term, or provisions of this Lease is determined by an arbitrator or court of competent jurisdiction to be invalid, illegal, or unenforceable, such determination shall not affect or impair the validity, legality, or enforceability of any other part, term, or provision of this Lease and shall not render this Lease unenforceable as a whole. Instead, the part of the Lease found to be invalid, unenforceable, or illegal shall be amended, modified, or interpreted to the extent possible to most closely achieve the intent of the Parties and in the manner closest to the stricken provision.

15.9 Counterparts and Facsimile Signatures. This Lease may be executed in counterparts, which shall together constitute one and the same agreement. Facsimile or portable document format (".PDF") signatures shall have the same effect as original signatures, and each Party consents to the admission in evidence of a facsimile or photocopy of this Lease in any court or arbitration proceedings between the Parties.

15.10 No Partnership or Sale. Nothing contained in this Lease shall be deemed or construed by the Parties or by any third person to create the relationship of principal and agent, partnership, joint venture, buyer and seller real property, or any other association between Lessor and Lessee, other than the relationship of lessor and lessee.

15.11 Brokers. Lessor and Lessee each represent and warrant that it has not dealt with any broker in connection with this Lease and each Party agrees to hold the other Party harmless from and against all claims, costs and expenses, including a reasonable attorneys' fees, arising from claims of any broker, finder or other intermediary hereto alleging to have dealt with or acted on behalf of such Party in connection with this transaction and Lease.

15.12 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM BY THIS LEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

15.13 Further Assurances. Each Party shall deliver or cause to be delivered to the other Party such instruments, documents, statements, certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available, upon reasonable request, personnel and records relating to the System to the extent required for the requesting Party to carry out the purposes of this Lease or fulfill any legal obligation or regulatory reporting requirements.

15.14 Memorandum of Lease. Lessor and Lessee agree to execute and record a memorandum of this Lease. Lessor shall execute, with notarization, and deliver to Lessee together with the its initial delivery of the signed Lease a recordable Memorandum of Lease substantially in the form attached hereto as Exhibit E ("Memorandum of Lease"), which shall include the Exhibit A description of the Premises and which Lessee shall then record in the Official Records of the County in which the Project Site is located. Lessee shall be responsible for the cost of recordation.

15.15 Estoppel Certificate. From time to time, upon written request by Lessee, Lessor shall provide within seven (7) days thereafter an estoppel certificate attesting, to the knowledge of Lessor, of Lessee's compliance with the terms of this Lease, or detailing any known issues of noncompliance.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Rooftop System Site Lease Agreement to be duly executed and delivered as of the Effective Date.

LESSOR:

LESSEE:

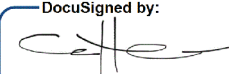
COUNTY OF MONTEREY

MONTEREY SOLAR 1 LLC

By: _____

Name:

Title:

DocuSigned by:
 By:  _____
 Name: Mynt Systems Inc. , it's sole member,
 Title: Corrina Hansen CFO

9A9C1659Z694427

EXHIBIT A
PREMISES; PROJECT SITE

Legal Description of Premises, APN 003-851-014

For APN/Parcel ID(s): 003-851-014

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

Parcel A, as shown on that certain Parcel Map filed for record in Volume 18 of Parcel Maps, at Page 121, Monterey County Records.

Project Site:

1414 Natividad Rd, Salinas, CA
Site and Facility Descriptions

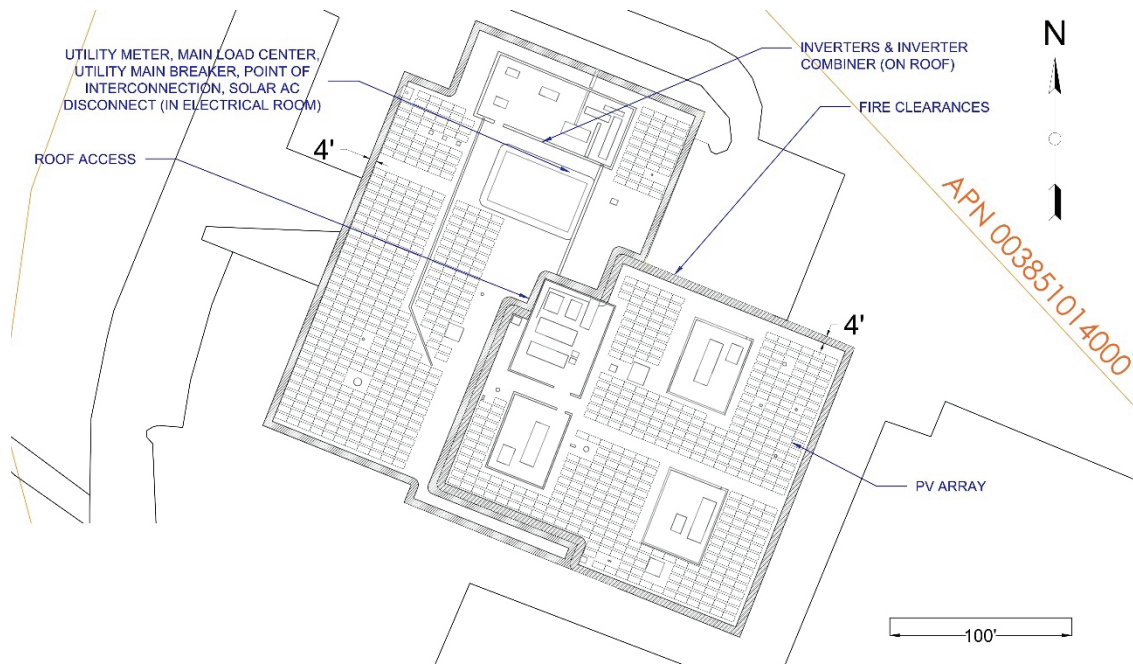


Exhibit A



Exhibit A

EXHIBIT B

ENCUMBRANCES ON LESSOR'S TITLE

Stephen L. Vagnini
Monterey County Recorder

CRMARIA
10/04/2017
02:40 PM

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attention: Charles C. Wolf, Esq.

CHICAGO TITLE-ER SIMPLIFILE

DOCUMENT: 2017054366



Titles:	1	Pages:	13
Fees00
Taxes00
Other00
AMT PAID			\$.00

ASSIGNMENT AGREEMENT

by and between

**COUNTY OF MONTEREY
PUBLIC IMPROVEMENT CORPORATION,
as Assignor**

And

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE,
as Assignee**

Related to
\$78,565,000
County of Monterey
Certificates of Participation
(2017 Public Facilities Refunding)

Dated as of August 1, 2017

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Assignment Agreement"), dated as of August 1, 2017, is by and between the COUNTY OF MONTEREY PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), as assignor, and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (the "Trustee"), as assignee.

WITNESSETH:

WHEREAS, pursuant to a Ground Lease, dated as of the date hereof (the "Ground Lease"), which Ground Lease is recorded concurrently herewith, the County of Monterey (the "County") has leased to the Corporation certain real property owned by the County, and the improvements thereto (the "Property");

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, pursuant to a Lease Agreement, dated as of the date hereof (the "Lease Agreement"), which Lease Agreement is recorded concurrently herewith, the Corporation has leased the Property back to the County;

WHEREAS, under the Lease Agreement, the County is obligated to make Base Rental Payments (as defined in the Lease Agreement) to the Corporation for the lease of the Property;

WHEREAS, the Corporation desires to assign, without recourse, certain of its rights in the Ground Lease and the Lease Agreement, including its rights to receive the Base Rental Payments under the Lease Agreement, to the Trustee for the benefit of the owners of the County of Monterey Certificates of Participation (2017 Public Facilities Refunding) (the "Certificates") to be executed and delivered under the Trust Agreement, dated as of the date hereof (the "Trust Agreement"), by and among the Trustee, the Corporation and the County, which Trust Agreement is not recorded;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee has agreed to execute and deliver the Certificates, each evidencing a direct, fractional undivided interest in the Base Rental Payments; 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 Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Assignment 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:

****Said Document has been executed in Counterpart****

Section 1. Assignment. The Corporation, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the owners of the Certificates, all of its right, title and interest in and to the Ground Lease and the Lease Agreement, including, without limitation, its right to receive the Base Rental Payments to be paid by the County under and pursuant to the Lease Agreement; provided, however, that the Corporation shall retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement. This assignment is absolute and is presently effective. Upon execution of this Assignment Agreement, the Corporation shall have no right, title or interest in or to the Base Rental Payments, the Additional Rental Payments, the Lease Agreement or the Ground Lease. All rights assigned by the Corporation shall be administered by the Trustee in accordance with the provisions of the Trust Agreement.

Section 2. Acceptance. The Trustee hereby accepts the foregoing assignment, subject to the terms and provisions of the Trust Agreement, and all of the Base Rental Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Lease Agreement and the Trust Agreement.

Section 3. Conditions. This Assignment Agreement shall impose no obligations whatsoever upon the Trustee beyond those expressly provided in the Lease Agreement and the Trust Agreement.

Section 4. Further Assurances. The Corporation shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the owners of the Certificates, the right, title and interest intended to be sold, assigned and transferred pursuant hereto.

Section 5. Execution in Counterparts. This Assignment Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

Section 6. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 7. Captions. The captions or headings in this Assignment Agreement are for convenience only and in no way define or limit the scope or intent of any provision of this Assignment Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**COUNTY OF MONTEREY PUBLIC
IMPROVEMENT CORPORATION,**
as Assignor

By: Michael J. Miller
President
Michael J. Miller
AKA Michael James Miller

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE,**
as Assignee

By: _____
Authorized Officer
Marianne Diaz

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**COUNTY OF MONTEREY PUBLIC
IMPROVEMENT CORPORATION,**
as Assignor

By: _____

President
Michael J. Miller
AKA Michael James Miller

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE,**
as Assignee

By:  _____

Authorized Officer

Marianne Diaz

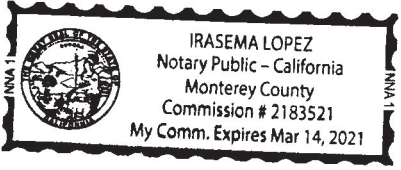
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On September 20, 2017, before me, Irasedema Lopez Notary Public, personally appeared Michael James Miller, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.
Signature [Handwritten Signature] [SEAL]



ACKNOWLEDGMENT

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

State of California
County of San Francisco)

On September 27th, 2017 before me, Nam Vu Huynh - Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)

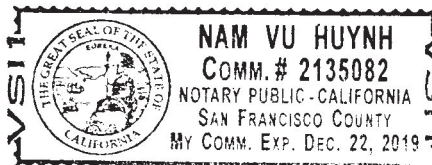


EXHIBIT A

DESCRIPTION OF THE PROPERTY

County Administration Building

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

Being a portion of the lands of Monterey County and being a portion of that certain parcel of land designated as "A.P.N. 002-253-027" on that certain map entitled "Record of Survey of Blocks B5, B6, & B7 of Riker & Jackson Survey, and Block 10 of Stone's Addition", filed for record August 15, 2003, in Volume 26 of Surveys, at Page 98, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the easterly line of Capitol Street (a City Street, 60 feet wide) from which the southwesterly corner of said designated parcel bears S. 09° 22' 09" E., 191.26 feet distant; thence from said point of beginning and along said westerly line of Capitol Street

- 1) N. 09° 22' 09" W., 193.40 feet; thence leaving said easterly street line,
- 2) N. 80° 43' 19" E., 289.01 feet; thence
- 3) S. 09° 16' 41" E., 193.40 feet; thence
- 4) S. 80° 43' 19" W., 288.71 feet to the point of beginning.

Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036398, Monterey County Records.

Sherriff's Public Safety Building

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

Parcel A, as shown on that certain Parcel Map filed for record in Volume 16 of Parcel Maps, at Page 121, Monterey County Records.

Salinas Courthouse North Wing Building

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

Being a portion of the lands of Monterey County and being a portion of that certain parcel of land designated as "A.P.N. 002-253-027" on that certain map entitled "Record of Survey of Blocks B5, B6, & B7 of Riker & Jackson Survey, and Block 10 of Stone's Addition", filed for record August 15, 2003, in Volume 26 of Surveys, at Page 98, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the westerly line of Church Street (a City street, 60 feet wide) from which the southeasterly corner of said designated parcel bears S. 09° 22' 54" E., 183.53 feet distant; thence from said point of beginning and along said westerly line of Church Street

- 1) N. 09° 22' 54" W., 183.50 feet; thence leaving said westerly street line,
- 2) N. 80° 41' 34" W., 75.72 feet; thence
- 3) S. 09° 47' 28" E., 32.06 feet; thence
- 4) S. 80° 23' 14" W., 195.42 feet; thence
- 5) N. 09° 20' 59" W., 57.72 feet; thence
- 6) S. 79° 35' 16" W., 19.96 feet; thence
- 7) S. 09° 16' 41" E., 188.84 feet; thence
- 8) N. 82° 43' 25" E., 35.23 feet; thence
- 9) S. 09° 31' 28" E., 10.64 feet; thence
- 10) N. 80° 55' 55" E., 165.35 feet; thence
- 11) S. 09° 51' 54" E., 6.22 feet; thence
- 12) N. 80° 45' 41" E., 90.54 feet to the point of beginning.

Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036399, Monterey County Records.

County Jail Complex

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

That certain real property situate in Rancho El Sausal, City of Salinas, Monterey County, California, being a portion of that certain 20 acre parcel of land conveyed from Stanley Sherwood to the County of Monterey by that certain Deed recorded April 5, 1946 in Book 879, at Page 345 of Official Records, also being a portion of Parcel 1, as described in that certain Deed from James Bundgard, et ux, to the County of Monterey, recorded July 23, 1948 in Book 1075, at Page 281 of Official Records, also being a portion of that certain parcel of land described as Parcel 1 in that certain Deed from Howard J. Darington, et ux, to the County of Monterey, recorded November 5, 1958 in Book 1907, at Page 170 of Official Records, and being more particularly described as follows:

Beginning at the most Southerly corner of Lot 28, Block 3, as shown on that certain map entitled "Tract No. 656, Unit No. 5, Monta Vista Park Addition No. 1" filed March 22, 1972 in Book 11 of Maps, "Cities and Towns", at Page 33, Records of Monterey County, said point also being the most Southerly corner of that certain 5.855 acre tract conveyed from Stanley Sherwood to Eugene N. Sherwood by that certain Deed recorded September 16, 1921 in Book 183 of Deeds, at Page 441, Records of Monterey County; thence from said point of beginning

- 1) S. 61°00'39" W. 155.53 feet ;thence
- 2) S. 26°57'55" W. 388.27 feet; thence
- 3) S. 12°47'57" W. 378.71 feet; thence
- 4) N. 66°56'30" W. 373.16 feet; thence
- 5) S. 23°22'24" W. 108.00 feet; thence
- 6) N. 66°37'36" W. 150.00 feet; thence
- 7) N. 23°22'24" E. 403.30 feet; thence
- 8) N. 66°37'36" W. 170.70 feet; thence
- 9) N. 23°22'24" E. 214.00 feet; thence
- 10) S. 66°37'36" E. 52.15 feet; thence
- 11) N. 23°22'24" E. 291.80 feet to an angle point in the Southerly boundary of Parcel "A", as shown on that certain Parcel Map filed December 17, 1985 in Book 16 of Parcel Maps, at Page 121, Records of Monterey County; thence along said Southerly boundary
- 12) N. 75°27'20" E. 67.96 feet (N. 73°43'10" E. 68.03, map); thence
- 13) N. 26°30'48" E. 70.04 feet (N. 24°56'30" E. 70.03, map); thence
- 14) S. 66°35'04" E. 302.74 feet (S. 68°15' E. 303.12, map); thence
- 15) N. 22°37'26" E. 128.89 feet (N. 20°57'30" E. 129.05, map) to a point on the Southwesterly boundary of Lot 23 of Block 3, as shown on that certain map entitled "Tract No. 619, Unit No. 4,

Monta Vista Park Addition No. 1" filed January 20, 1971 in Book 10 of Maps, "Cities and Towns", at Page 46, Records of Monterey County; thence leaving said Southerly parcel boundary and along said Southwesterly boundary of Lots 23, Lot 24 and Lot 25 of said Block 3, and along the Southwesterly boundary of Lots 26, 27 and 28 of said Block 3 of Tract No. 656

16) S. 41°27'35" E. 367.92 feet (S. 4° 07'30" E., map) to the point of beginning.

Said legal description is also shown as Parcel 3 and fully described in that certain Certificate of Compliance recorded June 7, 2013 as Series No. 2013036394 of Official Records, Monterey County.

County Health Department's Administration Building

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

That certain real property situate in Rancho Sausal, in the City of Salinas, County of Monterey, State of California, being a portion of that certain parcel of land described as "Parcel No. 1" in deed from Arthur G. Panziera, et al, to the County of Monterey, dated January 16, 1956 and recorded February 7, 1956, in Book 1679 of Official Records, at Page 148, Records of Monterey County, also being a portion of that certain 62.389 acre parcel of land conveyed from Eugene Sherwood to the County of Monterey by deed dated September 2, 1985 and recorded September 7, 1885 in Book 10 of Deeds, at Page 32, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the northerly line of East Laurel Drive, a City Street of variable width, from which the most southerly corner of that certain parcel of land described as "Parcel 2819" in deed from the County of Monterey to the City of Salinas, dated February 13, 1973 and recorded September 4, 1973 in Reel 868 of Official Records, at Page 619, Records of Monterey county, bears N. 72° 52' 02" W., 375.32 feet distant; thence from said point of beginning and leaving said northerly road line

1) N. 24° 01' 59" W., 442.38 feet to a point on the southeasterly line of said Parcel 2820, being the southeasterly

line of Natividad Road, a City Street, 106 feet wide; thence along said southeasterly road line

2) N. 40° 41' 29" E., 336.91 feet, at 331.76 feet, a point on the southwesterly line of the aforesaid 62.389 acre conveyed parcel, said point also being the most easterly corner of "Parcel 2819" as said parcel is described in the aforesaid deed to the City of Salinas, 336.91 feet; thence leaving said southeasterly road line

3) S. 49° 33' 57" E., 95.01 feet; thence

4) S. 60° 51' 16" E., 322.35 feet; thence

5) S. 30° 55' 52" W., 23.74; thence tangentially curving

6) Southerly along a circular curve to the left (the center of which bears S. 59° 04' 08" E., 130.00 feet distant) through a central angle of 55° 37' 35" for an arc distance of 126.21 feet; thence leaving said curve and tangent thereto

7) S. 24° 41' 43" E., 102.45 feet; thence tangentially curving

8) Southeasterly along a circular curve to the left (the center of which bears N. 65° 18' 17" E., 350.00 feet distant) through a central angle of 2° 51' 39" for an arc distance of 17.48 feet; thence leaving said curve but not tangent thereto

9) S. 65° 50' 53" W., 465.82 feet to the point of beginning. Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036389, Official Records of Monterey County.

RECORDING REQUESTED BY:
Chicago Title Company

Stephen L. Vagnini
Monterey County Recorder

CRMARIA
10/04/2017
02:40 PM

CHICAGO TITLE-ER SIMPLIFILE

DOCUMENT: **2017054365**



Titles:	1	Pages:	39
Fees00
Taxes00
Other00
AMT PAID			\$.00

When Recorded Mail Document To:
NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, CA 90071
Attn: Charles C. Wolf, Exq.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LEASE AGREEMENT

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attention: Charles C. Wolf, Esq.

DOCUMENTARY TRANSFER TAX \$ <u>0</u>
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED.
OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE.
<u>J. [Signature]</u>
Signature of Declarant or Agent determining tax. Firm Name

City of Salinas
Government Agency and is exempt from
transfer tax

LEASE AGREEMENT

by and between

**COUNTY OF MONTEREY
PUBLIC IMPROVEMENT CORPORATION,**
as Sublessor

And the

COUNTY OF MONTEREY,
as Sublessee

Related to
\$78,565,000
County of Monterey
Certificates of Participation
(2017 Public Facilities Refunding)

Dated as of August 1, 2017

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 27383 AND TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	2
Section 1.01. Definitions.....	2
ARTICLE II LEASE OF PROPERTY; TERM.....	4
Section 2.01. Lease of Property	4
Section 2.02. Occupancy; Term.....	5
ARTICLE III RENTAL PAYMENTS	5
Section 3.01. Rental Payments.....	5
Section 3.02. Base Rental Payments.....	6
Section 3.03. Additional Rental Payments	6
Section 3.04. Fair Rental Value	7
Section 3.05. Payment Provisions.....	7
Section 3.06. Appropriations Covenant.....	7
Section 3.07. Rental Abatement.....	7
Section 3.08. Prepayment	8
ARTICLE IV QUIET ENJOYMENT; MAINTENANCE; ALTERATIONS; LIENS	9
Section 4.01. Quiet Enjoyment	9
Section 4.02. Net-Net-Net Lease	9
Section 4.03. Right of Entry	9
Section 4.04. Maintenance and Utilities	9
Section 4.05. Additions to Property	9
Section 4.06. Installation of County's Equipment.....	10
Section 4.07. Mechanics', Etc.....	10
Section 4.08. Other Liens.....	10
ARTICLE V INSURANCE; NET PROCEEDS; EMINENT DOMAIN	11
Section 5.01. Public Liability and Property Damage Insurance; Workers' Compensation Insurance.....	11
Section 5.02. Title Insurance	12
Section 5.03. Additional Insurance Provision; Form of Policies.....	12
Section 5.04. Self-Insurance	12
Section 5.05. Damage or Destruction	13
Section 5.06. Title Insurance	13
Section 5.07. Eminent Domain	14
ARTICLE VI REPRESENTATIONS; COVENANTS	15
Section 6.01. Representations of the County	15
Section 6.02. Representation of the Corporation.....	15
Section 6.03. Recordation.....	15
Section 6.04. Use of the Property	15
Section 6.05. Other Liens.....	15
Section 6.06. Taxes	16

TABLE OF CONTENTS
(continued)

	Page
Section 6.07. No Liability; Indemnification	16
Section 6.08. Further Assurances.....	17
ARTICLE VII DEFAULTS AND REMEDIES	17
Section 7.01. Events of Defaults and Remedies	17
Section 7.02. Waiver.....	20
ARTICLE VIII AMENDMENTS; ASSIGNMENT AND SUBLEASING; SUBSTITUTION OR RELEASE.....	20
Section 8.01. Amendments	20
Section 8.02. Assignment and Subleasing	21
Section 8.03. Substitution or Release of the Property	22
ARTICLE IX MISCELLANEOUS	23
Section 9.01. Assignment to Trustee	23
Section 9.02. Validity and Severability	23
Section 9.03. Notices	23
Section 9.04. Interpretation.....	24
Section 9.05. Section Headings	24
Section 9.06. Governing Laws.....	24
Section 9.07. Execution in Counterparts.....	24

EXHIBIT A – DESCRIPTION OF THE PROPERTY
EXHIBIT B – BASE RENTAL PAYMENT SCHEDULE

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease Agreement"), dated as of August 1, 2017, is by and between the COUNTY OF MONTEREY PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), as sublessor, and the COUNTY OF MONTEREY, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the "County"), as sublessee.

RECITALS

WHEREAS, pursuant to a Trust Agreement, dated as of May 1, 2007, by and between the County and U.S. Bank National Association as successor trustee (the "2007 Trustee"), the County executed and delivered \$152,680,000 aggregate principal amount of County of Monterey Certificates of Participation (2007 Refunding and Public Facilities Financing) (the "Refunded Certificates");

WHEREAS, the proceeds of the Refunded Certificates were used to (i) finance the acquisition, construction, rehabilitation and installation of certain capital facilities of the County, (ii) refinance certain lease payment obligations in connection with then outstanding certificates of participation and (iii) pay the costs of issuance in connection with the execution and delivery of the Refunded Certificates;

WHEREAS, the County desires to prepay lease payments to be made by the County pursuant to the Lease Agreement, dated as of May 1, 2007, by and between the County and the Corporation, (the "Prior Lease Agreement") which was executed in connection with the execution and delivery of the Refunded Certificates;

WHEREAS, in order to prepay the lease payments under the Prior Lease Agreement, the County will lease certain real property and the improvements thereto (the "Property") to the Corporation pursuant to a Ground Lease, dated as of the date hereof, and the County will sublease the Property back from the Corporation pursuant to this Lease Agreement;

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to provide the funds necessary to prepay lease payments to be made by the County pursuant to the Prior Lease Agreement through the sale and delivery of County of Monterey Certificates of Participation (2017 Public Facilities Refunding), evidencing direct, fractional undivided interests in the base rental payments to be made by the County under this Lease Agreement; and

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease Agreement, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

“Additional Rental Payments” means all amounts payable by the County as Additional Rental Payments pursuant to Section 3.03 hereof.

“Assignment Agreement” means the Assignment Agreement, dated as of August 1, 2017, by and between the Corporation and U.S. Bank National Association, as Trustee.

“Authorized County Representative” means the County Administrative Officer of the County, the Auditor-Controller of the County, the Treasurer of the County and any other Person authorized by the Board of Supervisors of the County to act on behalf of the County under or with respect to this Lease Agreement.

“Base Rental Deposit Date” means the second Business Day next preceding each Interest Payment Date.

“Base Rental Payment Schedule” means the schedule of Base Rental Payments payable by the County pursuant to Section 3.02 hereof and attached hereto as Exhibit B.

“Base Rental Payments” means all amounts payable to the Corporation from the County as Base Rental Payments pursuant to Section 3.02 hereof.

“Certificates” means the County of Monterey Certificates of Participation (2017 Public Facilities Refunding) executed and delivered by the Trustee pursuant to the Trust Agreement.

“Code” means the Internal Revenue Code of 1986.

“Corporation” means the County of Monterey Public Improvement Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State, and its successors.

“County” means the County of Monterey, a county and political subdivision of the State organized and existing under the laws of the State, and its successors.

“Delivery Date” means October 5, 2017.

“Event of Default” means, with respect to this Lease Agreement, any event or circumstance specified in 7.01 hereof as an Event of Default.

“Fair Rental Value” means, with respect to the Property, the annual fair rental value thereof.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the County.

“Ground Lease” means the Ground Lease, dated as of August 1, 2017, by and between the County and the Corporation, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Lease Agreement.

“Independent Insurance Consultant” means a nationally recognized independent actuary, insurance company or broker that has actuarial personnel experienced in the area of insurance for which the County is to be self-insured, as may from time to time be designated by the County.

“Interest Payment Date” means April 1 and October 1 of each year commencing April 1, 2018.

“Lease Agreement” means this Lease Agreement, dated as of August 1, 2017, by and between the County and the Corporation, as the same may be amended or supplemented pursuant to the provisions hereof.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“Outstanding” has the meaning ascribed to such term in the Trust Agreement.

“Permitted Encumbrances” means with respect to the Property, as of any particular time (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to provisions of Section 6.06 hereof, permit to remain unpaid, (b) this Lease Agreement, (c) the Ground Lease, (d) the Assignment Agreement, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally exist with respect to properties similar to the Property for the purposes for which it was acquired or is held by the County, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Delivery Date, and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date which the County certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Certificates by the Trust Agreement.

“Prior Lease” means a Lease Agreement, dated as of May 1, 2007, by and between the County and the Corporation.

“Property” means the real property described in Exhibit A hereto, and any improvements thereto, subject to the provisions of Section 8.03 hereof relating to the substitution or release of the Property.

“Refunded Certificates” means the County of Monterey Certificates of Participation (2007 Refunding and Public Facilities Financing) executed and delivered pursuant to a Trust Agreement, dated as of May 1, 2007, by and among the County, the Corporation and the 2007 Trustee.

“Rental Payments” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“Rental Period” means the period from the Delivery Date through June 30, 2018 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of this Lease Agreement.

“Scheduled Termination Date” means October 1, 2036.

“State” means the State of California.

“Trust Agreement” means the Trust Agreement, dated as of August 1, 2017, by and among U.S. Bank National Association, as Trustee, the Corporation and the County, as originally executed and as it may from time to time be modified or amended by any Supplemental Trust Agreement.

“Trustee” means U.S. Bank National Association, as trustee under the Trust Agreement, or any successor thereto as trustee thereunder, substituted in its place as provided therein.

“Written Certificate” and **“Written Request”** of the County mean, respectively, a written certificate or written request signed in the name of the County by an Authorized County Representative. Any such request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“2007 Trustee” means U.S. Bank National Association and any successor in interest thereto.

ARTICLE II

LEASE OF PROPERTY; TERM

Section 2.01. Lease of Property. (a) The Corporation hereby leases to the County and the County hereby leases from the Corporation the Property, on the terms and conditions hereinafter set forth, and subject to all Permitted Encumbrances.

(b) The leasing of the Property by the County to the Corporation pursuant to the Ground Lease shall not effect or result in a merger of the County’s leasehold estate in the Property as lessee under this Lease Agreement and its leasehold or fee estate, as applicable, in

the Property as lessor under the Ground Lease, and the Corporation shall continue to have a leasehold estate in the Property pursuant to the Ground Lease throughout the term thereof and hereof. This Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the County to the Corporation pursuant to the Ground Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Corporation under the Ground Lease.

Section 2.02. Occupancy; Term. (a) The County shall take possession of the Property on the Delivery Date.

(b) The term of this Lease Agreement shall commence on the Delivery Date and shall end on the Scheduled Termination Date, unless such term is extended or sooner terminated as provided herein.

(c) If all of the Property shall be taken under the power of eminent domain, and the County does not elect to cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, as provided in clause (i) of Section 5.07(c) hereof but, rather, elects to deliver or cause to be delivered any award made in eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates, as provided in clause (ii) of Section 5.07(c) hereof, then, on the date that possession thereof shall be so taken, the term of this Lease Agreement shall terminate.

(d) If, prior to the Scheduled Termination Date, all Certificates shall be fully paid, or deemed paid in accordance with Article X of the Trust Agreement, then, on the date of such payment or deemed payment, the term of this Lease Agreement shall terminate.

(e) If on the Scheduled Termination Date, the Rental Payments payable hereunder shall have been abated at any time and for any reason, then the term of this Lease Agreement shall be extended until the date upon which all such Rental Payments shall have been paid in full, except that the term of this Lease Agreement shall in no event be extended more than ten years beyond the Scheduled Termination Date.

(f) Upon the termination of the term of this Lease Agreement (other than as provided in Section 7.01 hereof), and the first date upon which the Certificates are no longer Outstanding, all right, title and interest in and to the Property shall vest in the County. Upon any such termination or expiration, the Corporation shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

ARTICLE III

RENTAL PAYMENTS

Section 3.01. Rental Payments. (a) Rental Payments, consisting of Base Rental Payments and Additional Rental Payments, shall be paid by the County to the Corporation for and in consideration of the right to use and occupy the Property and in consideration of the

continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid.

(b) The obligation of the County to make the Rental Payments, including the Base Rental Payments, does not constitute a debt of the County or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State is obligated to levy or pledge any form of taxation or for which the County or the State has levied or pledged any form of taxation.

(c) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the County to pay Rental Payments shall continue to and including the Base Rental Deposit Date preceding the date of termination of this Lease Agreement, as so extended.

Section 3.02. Base Rental Payments. (a) The County, subject to the provisions of Section 3.07 hereof, shall pay Base Rental Payments to the Corporation in the amounts at the times specified in the Base Rental Payment Schedule. A portion of the Base Rental Payments shall constitute principal components and a portion of the Base Rental Payments shall constitute interest components, as specified in the Base Rental Payment Schedule. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments.

(b) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the County to pay Rental Payments shall continue to and including the date of termination of this Lease Agreement as so extended. Upon such extension, the principal and interest components of the Base Rental Payments shall be established so that the principal components will in the aggregate be sufficient to pay all extended and unpaid principal components and the interest components will in the aggregate be sufficient to pay all extended and unpaid interest components; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

Section 3.03. Additional Rental Payments. (a) The County shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(i) all taxes and assessments of any type or nature charged to the Corporation or the County or affecting the Property or the respective interests or estates of the Corporation or the County therein;

(ii) insurance premiums for all insurance required pursuant to Article V hereof; and

(iii) all other payments not constituting Base Rental Payments required to be paid by the County pursuant to the provisions of this Lease Agreement.

(b) Amounts constituting Additional Rental Payments payable hereunder shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay all such amounts when due or at such later time as such amounts may be

paid without penalty or, in any other case, within 60 days after notice in writing from the Corporation to the County stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Section 3.04. Fair Rental Value. The parties hereto have agreed and determined that the Fair Rental Value of the Property is not less than \$7,900,000 as of the Delivery Date. In making such determination of Fair Rental Value, consideration has been given to the uses and purposes which may be served by the Property and the benefits therefrom that will accrue to the County and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

Section 3.05. Payment Provisions. 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 Trustee, as the assignee of the Corporation at the Principal Office of the Trustee, or such other place or entity as the Trustee shall designate. Each Base Rental Payment shall be deposited with the Trustee, as the assignee of the Corporation, no later than the Base Rental Deposit Date preceding the Interest Payment Date on which such Base Rental Payment is due. Any Base Rental Payment which shall not be paid by the County when due and payable under the terms of this Lease Agreement shall bear interest from the date when the same is due hereunder until the same shall be paid a rate equal to the highest rate of interest evidenced by any of the Outstanding Certificates. Notwithstanding any dispute between the Corporation and the County, 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 such dispute. In the event of a determination that the County was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the County with the Trustee pursuant to this Section on any date shall be reduced to the extent of available amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund.

Section 3.06. Appropriations Covenant. The County shall take such action as may be necessary to include all Rental Payments due hereunder as a separate line item in its annual budgets and supplemental or revised budgets and to make necessary annual appropriations for all such Rental Payments. The covenants on the part of the County herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the County.

Section 3.07. Rental Abatement. (a) Except as otherwise specifically provided in this Section, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the County waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this Lease Agreement by virtue of any such interference, and this Lease Agreement shall continue in full

force and effect. The County and the Corporation shall, in a reasonable manner and in good faith, determine the amount of such abatement; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the County during such Rental Period. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed.

(b) Notwithstanding the foregoing, to the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments, Rental Payments shall not be abated as provided in subsection (a) of this Section but, rather, shall be payable by the County as a special obligation payable solely from such Net Proceeds.

Section 3.08. Prepayment. (a) The County may prepay all or a portion of the Base Rental Payments which are payable on or after October 1, 2028, from any source of available funds, on any date on or after October 1, 2027, by paying (i) all or a portion, as elected by the County, of the principal components of such Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment, without premium.

(b) The County may prepay, from any source of available funds, all or any portion of the Base Rental Payments by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in Article X of the Trust Agreement sufficient to make such Base Rental Payments when due or to make such Base Rental payments through a specified date on which the County has a right to prepay such Base Rental Payments pursuant to subsection (a) of this Section, and to prepay such Base Rental Payments on such prepayment date, at a prepayment price determined in accordance with subsection (a) of this Section.

(c) If less than all of the Base Rental Payments are prepaid pursuant to this Section then, as of the date of such prepayment pursuant to subsection (a) of this Section, or the date of a deposit pursuant to subsection (b) of this Section, the principal and interest components of the Base Rental Payments shall be recalculated in order to take such prepayment into account, which recalculated amounts the County shall provide to the Trustee in a Written Certificate of the County. The County agrees that if, following a partial prepayment of Base Rental Payments, the Property is damaged or destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the County shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and the County shall not be entitled to any reimbursement of such Base Rental Payments.

(d) If all of the Base Rental Payments are prepaid in accordance with the provisions of this Lease Agreement then, as of the date of such prepayment pursuant to subsection (a) of this Section, or deposit pursuant to subsection (b) of this Section, the term of this Lease Agreement shall be terminated.

(e) Prepayments of Base Rental Payments made pursuant to this Section shall be applied to the prepayment of Certificates as provided in Section 4.01(a) of the Trust Agreement.

(f) Before making any prepayment pursuant to this Article, the County shall give written notice to the Trustee specifying (i) the portion, which may be all, of the principal component of each Base Rental Payment to be prepaid, and (ii) the date on which the prepayment will be made, which date shall be not less than 45 days prior to the prepayment date, unless such notice shall be waived by the Trustee.

ARTICLE IV

QUIET ENJOYMENT; MAINTENANCE; ALTERATIONS; LIENS

Section 4.01. Quiet Enjoyment. The parties hereto mutually covenant that the County, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Corporation.

Section 4.02. Net-Net-Net Lease. This Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the County hereby agrees that the Rental Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever and notwithstanding any dispute between the County and the Corporation.

Section 4.03. Right of Entry. The Corporation shall have the right to enter upon and to examine and inspect the Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Corporation's rights or obligations under this Lease Agreement, and for all other lawful purposes.

Section 4.04. Maintenance and Utilities. Throughout the term of this Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the County, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof. In exchange for the Rental Payments, the Corporation agrees to provide only the Property.

Section 4.05. Additions to Property. Subject to Section 4.07 hereof, the County and any sublessee shall, at its own expense, have the right to make additions, modifications and improvements to the Property. To the extent that the removal of such additions, modifications or improvements would not cause material damage to the Property, such additions, modifications and improvements shall remain the sole property of the County or such sublessee, and the Corporation shall not have any interest therein. Such additions, modifications and improvements shall not in any way damage the Property or cause it to be used for purposes other than those

authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such additions, modifications and improvements.

Section 4.06. Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the County or such sublessee, and the Corporation shall have no interest therein. The County or such sublessee may remove or modify such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items; and the Property, upon completion of any installations, modifications or removals made pursuant to this Section, shall be of a value which is at least equal to the value of the Property immediately prior to the making of such installations, modifications or removals. Nothing in this Lease Agreement shall prevent the County or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 4.07. Mechanics', Etc. Liens. In the event the County shall at any time during the term of this Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Property and which may be secured by a mechanics', materialmen's or other lien against the Property or the Corporation's interest therein, and will 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, except that, if the County desires to contest any such lien, it may do so as long as such contest is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment.

Section 4.08. Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the County in conducting its business or utilizing the Property, and the Corporation at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Corporation shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Corporation shall have no liability

with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

ARTICLE V

INSURANCE; NET PROCEEDS; EMINENT DOMAIN

Section 5.01. Public Liability and Property Damage Insurance; Workers' Compensation Insurance. (a) The County shall maintain or cause to be maintained, throughout the term of this Lease Agreement, a standard comprehensive general liability insurance policy or policies in protection of the County, the Corporation and their respective board members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the County. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid. The County's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 5.04 hereof.

(b) The County shall maintain or cause to be maintained casualty insurance insuring the Property against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood) to the full insurable value of the Property, subject to a \$100,000 loss deductible provision. Full insurable value shall not be less than the aggregate amount of principal evidenced by the Outstanding Certificates. The Net Proceeds of such casualty insurance shall be applied as provided in Section 5.05 hereof. The County's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 5.04 hereof.

(c) The County shall maintain rental interruption insurance to cover the Corporation's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to subsection (b) of this Section in an amount not less than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period. The Net Proceeds of such rental interruption insurance shall be applied to the payment of Rental Payments during the period in which, as a result of the damage or destruction to the Property that resulted in the receipt of such Net Proceeds, there is substantial interference with the County's right to the use or occupancy of the Property. The County's obligations under this subsection may not be satisfied by self-insurance.

(d) The insurance required by this Section shall be provided by reputable insurance companies with claims paying abilities determined, in the reasonable opinion of the County's professionally certified risk manager or an Independent Insurance Consultant, to be adequate for the purposes hereof.

Section 5.02. Title Insurance. The County shall provide, at its own expense, one or more CLTA title insurance policies for the Property, in the aggregate amount of not less than the aggregate amount of principal evidenced by the Outstanding Certificates. Said policy or policies shall insure (a) the fee interest of the County in the Property (b) the Corporation's ground leasehold estate in the Property under the Ground Lease, and (c) the County's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. The Net Proceeds of such title insurance shall be applied as provided as provided in Section 5.06 hereof.

Section 5.03. Additional Insurance Provision; Form of Policies. (a) The County shall pay or cause to be paid when due the premiums for all insurance policies required by Section 5.01 hereof. All such policies shall contain a standard lessee clause in favor of the Trustee and the general liability insurance policies shall be endorsed to show the Trustee as an additional insured. All such policies shall provide that the Trustee shall be given 30 days' notice of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided thereby. 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 Trustee.

(b) The County shall cause to be delivered to the Trustee, on or before August 15 of each year, commencing August 15, 2018, a schedule of the insurance policies being maintained in accordance herewith and a Written Certificate of the County stating that such policies are in full force and effect and that the County is in full compliance with the requirements of this Article. The Trustee shall be entitled to rely upon said Written Certificate of the County as to the County's compliance with this Article. The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies.

Section 5.04. Self-Insurance. Any self-insurance maintained by the County pursuant to this Article shall comply with the following terms:

(a) the self-insurance program shall be approved in writing by the County's professionally certified risk manager or by an Independent Insurance Consultant;

(b) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on a bi-annual basis by the County's professionally certified risk manager or by an Independent Insurance Consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of the County's professionally certified risk manager or such Independent Insurance Consultant, as applicable; and

(c) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the County's professionally certified risk manager or by an Independent Insurance Consultant, shall be maintained.

Section 5.05. Damage or Destruction. (a) If the Property or any portion thereof shall be damaged or destroyed, the County shall, within 30 days of the occurrence of the event of damage or destruction, notify the Trustee in writing of the County's determination as to whether or not such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof.

(b) If the County determines that such damage or destruction will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, the County shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof.

(c) If the County determines that such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, then the County shall (i) apply sufficient funds from the Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of such damage or destruction and other legally available funds to the repair or replacement of the Property or the portions thereof which have been damaged or destroyed to the condition that existed prior to such damage or destruction, provided that, within 40 days of the occurrence of the event of damage or destruction, the County delivers to the Trustee a Written Certificate of the County (A) certifying that the County has sufficient funds to so complete such repair or replacement of the Property or such portions thereof and identifying such funds and the location thereof, and (B) stating that such funds will not be used for any other purpose until such repair or replacement is completed, (ii) within 60 days of the occurrence of the event of damage or destruction, cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, or (iii) within 60 days of the occurrence of the event of damage or destruction, deliver sufficient funds from such Net Proceeds and other legally available funds to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement (A) of all of the Outstanding Certificates, or (B) of such portion of the Outstanding Certificates as shall result in (I) the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to 105% of the maximum amount of the Base Rental Payments coming due in the then current Rental Period or any subsequent Rental Period, and (II) the fair replacement value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to the aggregate amount of principal evidenced by the Certificates then Outstanding.

Section 5.06. Title Insurance. (a) If a defect in title to the Property results in the creation of a right to receive Net Proceeds under any policy of title insurance with respect to the

Property or any portion thereof, the County shall, within 30 days of the creation of such right, notify the Trustee in writing of the County's determination as to whether or not such title defect will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof.

(b) If the County determines that such title defect will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, such Net Proceeds shall be remitted to the County and used for any lawful purpose thereof.

(c) If the County determines that such title defect will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, then the County shall (i) within 60 days of the creation of such right to receive such Net Proceeds, cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, or (ii) immediately upon receipt thereof, deliver or cause to be delivered such Net Proceeds to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates.

Section 5.07. Eminent Domain. (a) If all or a portion of the Property shall be taken under the power of eminent domain, the County shall, no later than 45 days prior to the day that possession thereof shall be so taken, notify the Trustee in writing of the County's determination as to whether or not such taking will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof.

(b) If the County determines that such taking will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, any award made in eminent domain proceedings for such taking shall be remitted to the County and used for any lawful purpose thereof.

(c) If the County determines that such taking will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to Section 3.07 hereof, then the County shall (i) no later than 45 days prior to the day that possession thereof shall be so taken, cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of, Section 8.03 hereof, or (ii) immediately upon receipt thereof, deliver or cause to be delivered any award made in eminent domain proceedings for such taking to the Trustee for the application to the prepayment, pursuant to Section 4.01(a) of the Trust Agreement, of all or a portion of the Outstanding Certificates.

ARTICLE VI

REPRESENTATIONS; COVENANTS

Section 6.01. Representations of the County. The County represents and warrants (a) that the County has the full power and authority to enter into, to execute and to deliver this Lease Agreement and the Trust Agreement and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement and the Trust Agreement, and (b) the Property will be used in the performance of essential governmental functions.

Section 6.02. Representation of the Corporation. The Corporation represents and warrants that the Corporation has the full power and authority to enter into, to execute and to deliver this Lease Agreement and the Trust Agreement, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement and the Trust Agreement.

Section 6.03. Recordation. The County shall record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement, the Ground Lease and the Assignment Agreement, or memoranda thereof.

Section 6.04. Use of the Property. The County will not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, 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 Corporation, adversely affect the estate of the Corporation in and to any of the Property or its interest or rights under this Lease Agreement.

Section 6.05. Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the County in conducting its business or utilizing the Property, and the Corporation at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Corporation shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained herein, or from its obligation hereunder to perform such agreements and covenants. The Corporation shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

Section 6.06. Taxes. (a) The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of this Lease Agreement as and when the same become due.

(b) After giving notice to the Corporation, the County or any sublessee may, at the County's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the County or such sublessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the County or such sublessee shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

Section 6.07. No Liability; Indemnification. (a) The Corporation and its directors, officers, agents and employees, shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the County shall, at its expense, indemnify and hold the Corporation and the Trustee and all directors, members, officers, employees and agents thereof harmless against and from any and all claims by or on behalf of Person arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity. The County also covenants and agrees, at its expense, to pay and indemnify and save the Corporation and the Trustee and all directors, officers, employees and agents thereof harmless against and from any and all claims arising from (i) any condition of the Property and the adjoining sidewalks and passageways, (ii) any breach or default on the part of the County in the performance of any covenant or agreement to be performed by the County pursuant to this Lease Agreement, (iii) any act or negligence of licensees in connection with their use, occupancy or operation of the Property, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section, but excepting the negligence or willful misconduct of the person or entity seeking indemnity. In the event that any action or proceeding is brought against the Corporation or the Trustee or any director, member, officer or employee thereof, by reason of any such claim, the County, upon notice from the Corporation or the Trustee or such director, member, officer or employee thereof, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Corporation or the Trustee or such director, member, officer or employee thereof.

(b) In no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease Agreement or the County's use of the Property.

Section 6.08. Further Assurances. The County shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Lease Agreement and for the better assuring and confirming unto the Corporation of the rights and benefits provided in this Lease Agreement.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Defaults and Remedies. (a) If (i) the County shall fail (A) to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement, or (B) to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the County, if such failure to so keep, observe or perform shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Corporation, the Trustee, or the Owners of not less than 5% of the aggregate amount of principal evidenced by the Certificates at the time Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default hereunder if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, which period, unless otherwise consented to by the Corporation, shall not exceed 180 days after written notice thereof shall have been given to the County, (ii) the County's interest in this Lease Agreement or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Corporation, (iii) the County shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute, or (iv) the County shall fail to observe and perform any of the covenants, agreements or conditions on its part in the Trust Agreement contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Corporation or the Owners of not less than 5% of the aggregate amount of principal evidenced by the Certificates at the time Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default hereunder if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, which period, unless otherwise consented to by the Corporation, shall not exceed 180 days after written notice thereof shall have been given to the County, then such failure or event shall constitute an Event of Default under this Lease Agreement.

(b) Upon the occurrence of any Event of Default hereunder, the Corporation, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(i) To terminate this Lease Agreement in the manner hereinafter provided on account of such Event of Default, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (ii) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the County. In the event of such termination, the County agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of such Event of Default, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Corporation nor any proceeding in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of an Event of Default hereunder shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Corporation shall have given written notice to the County of the election on the part of the Corporation to terminate this Lease Agreement. The County covenants and agrees that no surrender of the Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated by the Corporation by such written notice.

(ii) Without terminating this Lease Agreement, (A) to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the County, regardless of whether or not the County has abandoned the Property, or (B) to exercise any and all rights of entry and re-entry upon the Property. In the event the Corporation does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (i) hereof, the County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the County and, if the Property is not re-let, to pay the full amount of the Rental Payments to the end of the term of this Lease Agreement or, in the event that the Property is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by the Corporation or suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Corporation elect to re-enter as herein provided, the County hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the County to re-let the Property, or any part thereof, from time to

time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the County, and the County hereby indemnifies and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The County agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, upon the occurrence of an Event of Default hereunder, the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subparagraph (i) hereof. The County further agrees to pay the Corporation the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the County of the completion and installation of such additions or alterations.

The County hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Property.

(c) In addition to the other remedies set forth in this Section, upon the occurrence of an Event of Default hereunder, the Corporation shall be entitled to proceed to protect and enforce the rights vested in the Corporation by this Lease Agreement or by law. The provisions of this Lease Agreement and the duties of the County and of its board, officers or employees shall be enforceable by the Corporation by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Corporation shall have the right to bring the following actions:

(i) *Accounting.* By action or suit in equity to require the County and its board, officers and employees and its assigns to account as the trustee of an express trust.

(ii) *Injunction.* By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation.

(iii) *Mandamus.* By mandamus or other suit, action or proceeding at law or in equity to enforce the Corporation's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and

obligations under the law and its covenants and agreements with the County as provided herein.

(d) Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Corporation to the further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Property. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

(e) In the event the Corporation shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Corporation in attempting to enforce any of the remedies available to the Corporation hereunder.

(f) Notwithstanding anything to the contrary contained in this Lease Agreement, the Corporation shall have no right upon a default by the County hereunder, an Event of Default hereunder or otherwise to accelerate Rental Payments.

(g) Notwithstanding anything herein to the contrary, the termination of this Lease Agreement by the Corporation on account of an Event of Default hereunder shall not effect or result in a termination of the lease of the Property by the County to the Corporation pursuant to the Ground Lease.

Section 7.02. Waiver. Failure of the Corporation to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Corporation to insist upon performance by the County of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease Agreement.

ARTICLE VIII

AMENDMENTS; ASSIGNMENT AND SUBLEASING; SUBSTITUTION OR RELEASE

Section 8.01. Amendments. (a) This Lease Agreement and the Ground Lease, and the rights and obligations of the Corporation and the County hereunder and thereunder, may be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the County and the Corporation, but only with the prior written consent of the Owners of a majority of the aggregate amount of principal evidenced by the Certificates then Outstanding, provided that no such amendment shall (i) extend the payment date of any Base

Rental Payment or reduce any Base Rental Payment, without the prior written consent of the Owner of each Certificate so affected, or (ii) reduce the percentage of the aggregate amount of principal evidenced by the Certificates then Outstanding, the consent of the Owners of which is required for the execution of any amendment of this Lease Agreement or the Ground Lease, without the prior written consent of the Owners of all the Certificates then Outstanding.

(b) This Lease Agreement and the Ground Lease, and the rights and obligations of the County and the Corporation hereunder and thereunder, may also be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the County and the Corporation, without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the Corporation or the County to be observed or performed herein or therein 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 or therein to or conferred herein or therein on the Corporation or the County;

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

(iii) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest evidenced by the Certificates;

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Section 8.03 hereof;

(v) to provide for Additional Certificates pursuant to Sections 2.11 and 2.12 of the Trust Agreement; or

(vi) to make such other changes herein or therein or modifications hereto or thereto as the Corporation or the County may deem desirable or necessary, and which shall not materially adversely affect the interests of the Owners.

Section 8.02. Assignment and Subleasing. Neither this Lease Agreement nor any interest of the County hereunder shall be sold, mortgaged, pledged, assigned or transferred by the County by voluntary act or by operation of law or otherwise; provided, however, that the Property may be subleased in whole or in part by the County, provided that any such sublease shall be subject to all of the following conditions:

(a) this Lease Agreement and the obligation of the County to make all Rental Payments hereunder shall remain the primary obligation of the County;

(b) the County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation a true and complete copy of such sublease;

(c) any sublease of the Property by the County shall explicitly provide that such sublease is subject to all rights of the Corporation under this Lease Agreement, including, the right to re-enter and re-let the Property or terminate this Lease Agreement upon an Event of Default hereunder; and

(d) the County shall furnish the Corporation with an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes.

Section 8.03. Substitution or Release of the Property. The County shall have the right to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Lease Agreement. All costs and expenses incurred in connection with such substitution or release shall be borne by the County. Notwithstanding any substitution or release pursuant to this Section, there shall be no reduction in or abatement of the Base Rental Payments due from the County hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution or release:

(a) an independent certified real estate appraiser selected by the County shall have found (and shall have delivered a certificate to the County and the Corporation setting forth its findings) that the Property, as constituted after such substitution or release (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of the Base Rental Payments coming due in the then current Rental Period or any subsequent Rental Period, (ii) has a replacement value at least equal to the aggregate amount of principal evidenced by the Certificates then Outstanding, and (iii) has a remaining useful life equal to or greater than the remaining term of this Lease Agreement;

(b) the County shall have obtained or caused to be obtained a CLTA title insurance policy or policies with respect to any substituted property in the amount of the fair market value of such substituted property (which fair market value shall have been determined by an independent certified real estate appraiser), of the type and with the endorsements described in Section 5.02 hereof;

(c) the County shall have certified to the Corporation that the substituted real property is of approximately the same degree of essentiality to the County as the portion of the Property for which it is being substituted;

(d) the County shall have provided the Corporation with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest evidenced by the Certificates to be included in gross income for federal income tax purposes; and

(e) the County and the Corporation shall have executed, and the County shall have caused to be recorded with the Monterey County Recorder, any document necessary to reconvey to the County the portion of the Property being substituted or released and to include

any substituted real property in the description of the Property contained herein and in the Ground Lease.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Assignment to Trustee. The County understands and agrees that, upon the execution and delivery of the Assignment Agreement (which is occurring simultaneously with the execution and delivery hereof), all right, title and interest of the Corporation in and to this Lease Agreement (other than the Corporation's rights to indemnification and to payment or reimbursement of its reasonable costs and expenses hereunder) will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Certificates. The County hereby consents to such sale, assignment and transfer. Upon the execution and delivery of the Assignment Agreement, references in the operative provisions hereof to the Corporation shall be deemed to be references to the Trustee, as assignee of the Corporation.

Section 9.02. Validity and Severability. If for any reason this Lease Agreement shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Corporation or by the County, or if for any reason it is held by such a court that any of the covenants and conditions of the County hereunder, including the covenant to pay Rental Payments, is unenforceable for the full term hereof, then and in such event this Lease Agreement is and shall be deemed to be a Lease Agreement under which the Rental Payments are to be paid by the County annually in consideration of the right of the County to possess, occupy and use the Property, and all of the terms, provisions and conditions of this Lease Agreement, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 9.03. Notices. All written notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder shall be given 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 County: County of Monterey
First Floor
168 West Alisal Street
Salinas, California 93901
Attention: Treasurer

If to the Corporation: County of Monterey Public Improvement Corporation
c/o County of Monterey
Third Floor
168 West Alisal Street
Salinas, California 93901
Attention: President

If to the Trustee: U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust Department

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier, electronic mail or other electronic communication, upon the sender's receipt of an appropriate answerback or other written acknowledgment or electronic confirmation of receipt, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

Section 9.04. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 9.05. 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 Agreement.

Section 9.06. Governing Laws. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

Section 9.07. Execution in Counterparts. This Lease Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

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

**COUNTY OF MONTEREY PUBLIC
IMPROVEMENT CORPORATION,**
as Sublessor

By: Michael J. Miller
President
Michael J. Miller
AKA Michael James Miller

COUNTY OF MONTEREY,
as Sublessee

By: Lew Bauman
County Administrative Officer
Lew Bauman AKA Lew Cary
Bauman

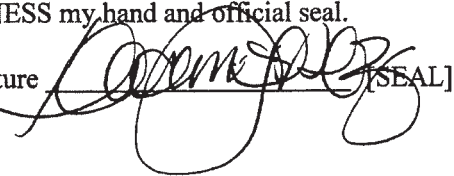
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

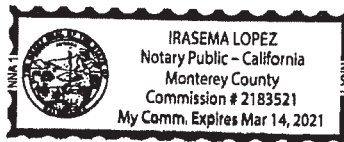
STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On September 28, 2017, 2017, before me, Irascema LOPEZ, Notary Public, personally appeared Michael James Miller, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature  [SEAL]



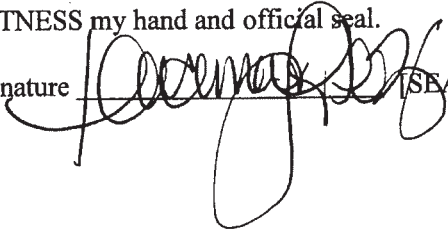
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

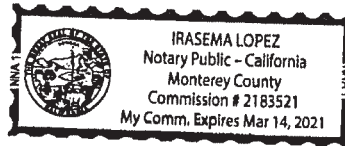
STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On September 28, 2017, before me, Irasema Lopez, Notary Public, personally appeared Lew Cary Bauman, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

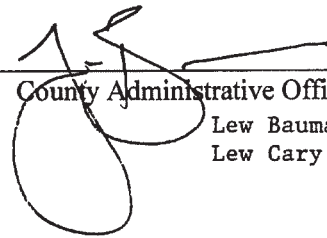
Signature  [SEAL]



CERTIFICATE OF ACCEPTANCE
(Government Code Section 27281)

This is to certify that the interest in real property conveyed by the foregoing Lease Agreement from the County of Monterey Public Improvement Corporation to the County Monterey, a political subdivision of the State of California (the "County") is hereby accepted by order of the Board of Supervisors of the County of Monterey on October 5, 2017, and the County consents to recordation thereof by its duly authorized officer.

COUNTY OF MONTEREY,
as Sublessee

By:  _____
County Administrative Officer
Lew Bauman, AKA
Lew Cary Bauman

Attest:

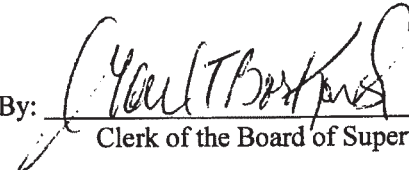
By:  _____
Clerk of the Board of Supervisors
Gail T. Borkowski

EXHIBIT A

DESCRIPTION OF THE PROPERTY

County Administration Building

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

Being a portion of the lands of Monterey County and being a portion of that certain parcel of land designated as "A.P.N. 002-253-027" on that certain map entitled "Record of Survey of Blocks B5, B6, & B7 of Riker & Jackson Survey, and Block 10 of Stone's Addition", filed for record August 15, 2003, in Volume 26 of Surveys, at Page 98, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the easterly line of Capitol Street (a City Street, 60 feet wide) from which the southwesterly corner of said designated parcel bears S. 09° 22' 09" E., 191.26 feet distant; thence from said point of beginning and along said westerly line of Capitol Street

- 1) N. 09° 22' 09" W., 193.40 feet; thence leaving said easterly street line,
- 2) N. 80° 43' 19" E., 289.01 feet; thence
- 3) S. 09° 16' 41" E., 193.40 feet; thence
- 4) S. 80° 43' 19" W., 288.71 feet to the point of beginning.

Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036398, Monterey County Records.

Sherriff's Public Safety Building

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

Parcel A, as shown on that certain Parcel Map filed for record in Volume 16 of Parcel Maps, at Page 121, Monterey County Records.

Salinas Courthouse North Wing Building

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

Being a portion of the lands of Monterey County and being a portion of that certain parcel of land designated as "A.P.N. 002-253-027" on that certain map entitled "Record of Survey of Blocks B5, B6, & B7 of Riker & Jackson Survey, and Block 10 of Stone's Addition", filed for record August 15, 2003, in Volume 26 of Surveys, at Page 98, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the westerly line of Church Street (a City street, 60 feet wide) from which the southeasterly corner of said designated parcel bears S. 09° 22' 54" E., 183.53 feet distant; thence from said point of beginning and along said westerly line of Church Street

- 1) N. 09° 22' 54" W., 183.50 feet; thence leaving said westerly street line,
- 2) N. 80° 41' 34" W., 75.72 feet; thence
- 3) S. 09° 47' 28" E., 32.06 feet; thence
- 4) S. 80° 23' 14" W., 195.42 feet; thence
- 5) N. 09° 20' 59" W., 57.72 feet; thence
- 6) S. 79° 35' 16" W., 19.96 feet; thence
- 7) S. 09° 16' 41" E., 188.84 feet; thence
- 8) N. 82° 43' 25" E., 35.23 feet; thence
- 9) S. 09° 31' 28" E., 10.64 feet; thence
- 10) N. 80° 55' 55" E., 165.35 feet; thence
- 11) S. 09° 51' 54" E., 6.22 feet; thence
- 12) N. 80° 45' 41" E., 90.54 feet to the point of beginning.

Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036399, Monterey County Records.

County Jail Complex

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

That certain real property situate in Rancho El Sausal, City of Salinas, Monterey County, California, being a portion of that certain 20 acre parcel of land conveyed from Stanley Sherwood to the County of Monterey by that certain Deed recorded April 5, 1946 in Book 879, at Page 345 of Official Records, also being a portion of Parcel 1, as described in that certain Deed from James Bundgard, et ux, to the County of Monterey, recorded July 23, 1948 in Book 1075, at Page 281 of Official Records, also being a portion of that certain parcel of land described as Parcel 1 in that certain Deed from Howard J. Darington, et ux, to the County of Monterey, recorded November 5, 1958 in Book 1907, at Page 170 of Official Records, and being more particularly described as follows:

Beginning at the most Southerly corner of Lot 28, Block 3, as shown on that certain map entitled "Tract No. 656, Unit No. 5, Monta Vista Park Addition No. 1" filed March 22, 1972 in Book 11 of Maps, "Cities and Towns", at Page 33, Records of Monterey County, said point also being the most Southerly corner of that certain 5.855 acre tract conveyed from Stanley Sherwood to Eugene N. Sherwood by that certain Deed recorded September 16, 1921 in Book 183 of Deeds, at Page 441, Records of Monterey County; thence from said point of beginning

- 1) S. 61°00'39" W. 155.53 feet ;thence
- 2) S. 26°57'55" W. 388.27 feet; thence
- 3) S. 12°47'57" W. 378.71 feet; thence
- 4) N. 66°56'30" W. 373.16 feet; thence
- 5) S. 23°22'24" W. 108.00 feet; thence
- 6) N. 66°37'36" W. 150.00 feet; thence
- 7) N. 23°22'24" E. 403.30 feet; thence
- 8) N. 66°37'36" W. 170.70 feet; thence
- 9) N. 23°22'24" E. 214.00 feet; thence
- 10) S. 66°37'36" E. 52.15 feet; thence
- 11) N. 23°22'24" E. 291.80 feet to an angle point in the Southerly boundary of Parcel "A", as shown on that certain Parcel Map filed December 17, 1985 in Book 16 of Parcel Maps, at Page 121, Records of Monterey County; thence along said Southerly boundary
- 12) N. 75°27'20" E. 67.96 feet (N. 73°43'10" E. 68.03, map); thence
- 13) N. 26°30'48" E. 70.04 feet (N. 24°56'30" E. 70.03, map); thence
- 14) S. 66°35'04" E. 302.74 feet (S. 68°15' E. 303.12, map); thence
- 15) N. 22°37'26" E. 128.89 feet (N. 20°57'30" E. 129.05, map) to a point on the Southwesterly boundary of Lot 23 of Block 3, as shown on that certain map entitled "Tract No. 619, Unit No. 4,

Monta Vista Park Addition No. 1" filed January 20, 1971 in Book 10 of Maps, "Cities and Towns", at Page 46, Records of Monterey County; thence leaving said Southerly parcel boundary and along said Southwesterly boundary of Lots 23, Lot 24 and Lot 25 of said Block 3, and along the Southwesterly boundary of Lots 26, 27 and 28 of said Block 3 of Tract No. 656

16) S. 41°27'35" E. 367.92 feet (S. 4° 07'30" E., map) to the point of beginning.

Said legal description is also shown as Parcel 3 and fully described in that certain Certificate of Compliance recorded June 7, 2013 as Series No. 2013036394 of Official Records, Monterey County.

County Health Department's Administration Building

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

That certain real property situate in Rancho Sausal, in the City of Salinas, County of Monterey, State of California, being a portion of that certain parcel of land described as "Parcel No. 1" in deed from Arthur G. Panziera, et al, to the County of Monterey, dated January 16, 1956 and recorded February 7, 1956, in Book 1679 of Official Records, at Page 148, Records of Monterey County, also being a portion of that certain 62.389 acre parcel of land conveyed from Eugene Sherwood to the County of Monterey by deed dated September 2, 1985 and recorded September 7, 1985 in Book 10 of Deeds, at Page 32, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the northerly line of East Laurel Drive, a City Street of variable width, from which the most southerly corner of that certain parcel of land described as "Parcel 2819" in deed from the County of Monterey to the City of Salinas, dated February 13, 1973 and recorded September 4, 1973 in Reel 868 of Official Records, at Page 619, Records of Monterey county, bears N. 72° 52' 02" W., 375.32 feet distant; thence from said point of beginning and leaving said northerly road line

1) N. 24° 01' 59" W., 442.38 feet to a point on the southeasterly line of said Parcel 2820, being the southeasterly

line of Natividad Road, a City Street, 106 feet wide; thence along said southeasterly road line

2) N. 40° 41' 29" E., 336.91 feet, at 331.76 feet, a point on the southwesterly line of the aforesaid 62.389 acre conveyed parcel, said point also being the most easterly corner of "Parcel 2819" as said parcel is described in the aforesaid deed to the City of Salinas, 336.91 feet; thence leaving said southeasterly road line

3) S. 49° 33' 57" E., 95.01 feet; thence

4) S. 60° 51' 16" E., 322.35 feet; thence

5) S. 30° 55' 52" W., 23.74; thence tangentially curving

6) Southerly along a circular curve to the left (the center of which bears S. 59° 04' 08" E., 130.00 feet distant) through a central angle of 55° 37' 35" for an arc distance of 126.21 feet; thence leaving said curve and tangent thereto

7) S. 24° 41' 43" E., 102.45 feet; thence tangentially curving

8) Southeasterly along a circular curve to the left (the center of which bears N. 65° 18' 17" E., 350.00 feet distant) through a central angle of 2° 51' 39" for an arc distance of 17.48 feet; thence leaving said curve but not tangent thereto

9) S. 65° 50' 53" W., 465.82 feet to the point of beginning. Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036389, Official Records of Monterey County.

EXHIBIT B**BASE RENTAL PAYMENT SCHEDULE**

<u>Interest Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Base Rental Payment</u>
4/1/2018		\$1,842,108.89	\$1,842,108.89
10/1/2018	\$3,670,000.00	1,883,975.00	5,553,975.00
4/1/2019		1,828,925.00	1,828,925.00
10/1/2019	4,030,000.00	1,828,925.00	5,858,925.00
4/1/2020		1,748,325.00	1,748,325.00
10/1/2020	4,120,000.00	1,748,325.00	5,868,325.00
4/1/2021		1,645,325.00	1,645,325.00
10/1/2021	4,395,000.00	1,645,325.00	6,040,325.00
4/1/2022		1,535,450.00	1,535,450.00
10/1/2022	4,605,000.00	1,535,450.00	6,140,450.00
4/1/2023		1,420,325.00	1,420,325.00
10/1/2023	4,315,000.00	1,420,325.00	5,735,325.00
4/1/2024		1,312,450.00	1,312,450.00
10/1/2024	4,565,000.00	1,312,450.00	5,877,450.00
4/1/2025		1,198,325.00	1,198,325.00
10/1/2025	4,770,000.00	1,198,325.00	5,968,325.00
4/1/2026		1,079,075.00	1,079,075.00
10/1/2026	5,000,000.00	1,079,075.00	6,079,075.00
4/1/2027		954,075.00	954,075.00
10/1/2027	5,230,000.00	954,075.00	6,184,075.00
4/1/2028		823,325.00	823,325.00
10/1/2028	5,450,000.00	823,325.00	6,273,325.00
4/1/2029		687,075.00	687,075.00
10/1/2029	5,070,000.00	687,075.00	5,757,075.00
4/1/2030		560,325.00	560,325.00
10/1/2030	5,345,000.00	560,325.00	5,905,325.00
4/1/2031		426,700.00	426,700.00
10/1/2031	5,490,000.00	426,700.00	5,916,700.00
4/1/2032		289,450.00	289,450.00
10/1/2032	6,100,000.00	289,450.00	6,389,450.00
4/1/2033		136,950.00	136,950.00
10/1/2033	235,000.00	136,950.00	371,950.00
4/1/2034		133,425.00	133,425.00
10/1/2034	1,990,000.00	133,425.00	2,123,425.00
4/1/2035		83,675.00	83,675.00
10/1/2035	2,090,000.00	83,675.00	2,173,675.00
4/1/2036		31,425.00	31,425.00
10/1/2036	2,095,000.00	31,425.00	2,126,425.00

RECORDING REQUESTED BY:
Chicago Title Company

Stephen L. Vagnini
Monterey County Recorder

CRMARIA
10/04/2017
02:40 PM

When Recorded Mail Document To:
NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, CA 90071
Attn: Charles C. Wolf, Esq.

CHICAGO TITLE-ER SIMPLIFILE

DOCUMENT: **2017054364**



Titles:	1	Pages:	16
Fees00
Taxes00
Other00
AMT PAID			\$.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GROUND LEASE

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attention: Charles C. Wolf, Esq.

DOCUMENTARY TRANSFER TAX \$ <u>0</u>
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED.
OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE.
<i>J. Anderson</i>
Signature of Declarant or Agent determining tax. Firm Name

City of Salinas
Transfer to a Government Agency and is
exempt from transfer tax

GROUND LEASE

by and between

COUNTY OF MONTEREY,
as Lessor

and the

COUNTY OF MONTEREY
PUBLIC IMPROVEMENT CORPORATION,
as Lessee

Related to
\$78,565,000
County of Monterey
Certificates of Participation
(2017 Public Facilities Refunding)

Dated as of August 1, 2017

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE

GROUND LEASE

THIS GROUND LEASE (this "Ground Lease"), executed and entered into as of August 1, 2017, is by and between the COUNTY OF MONTEREY, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the COUNTY OF MONTEREY PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), as lessee.

RECITALS

WHEREAS, pursuant to a Trust Agreement, dated as of May 1, 2007, by and between the County of Monterey and U.S. Bank National Association as successor trustee (the "2007 Trustee"), the County executed and delivered \$152,680,000 aggregate principal amount of County of Monterey Certificates of Participation (2007 Refunding and Public Facilities Financing) (the "Refunded Certificates");

WHEREAS, the proceeds of the Refunded Certificates were used to (i) finance the acquisition, construction, rehabilitation and installation of certain capital facilities of the County, (ii) refinance certain lease payment obligations in connection with then outstanding certificates of participation and (iii) pay the costs of issuance in connection with the execution and delivery of the Refunded Certificates;

WHEREAS, the County desires to prepay lease payments to be made by the County pursuant to the Lease Agreement, dated as of May 1, 2007, by and between the County and the Corporation, (the "Prior Lease Agreement") which was executed in connection with the execution and delivery of the Refunded Certificates;

WHEREAS, in order to prepay the lease payments under the Prior Lease Agreement, the County will lease certain real property and the improvements thereto (the "Property") to the Corporation pursuant this Ground Lease, and the County will sublease the Property back from the Corporation pursuant to a Lease Agreement, dated as of the date hereof (the "Lease Agreement"), a memorandum of which is recorded concurrently herewith;

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, the County and the Corporation have determined that it would be in the best interests of the County and the Corporation to prepay lease payments to be made by the County pursuant to the Prior Lease Agreement through the sale and delivery of County of Monterey Certificates of Participation (2017 Public Facilities Refunding), evidencing direct, fractional undivided interests in the base rental payments to be made by the County under the Lease Agreement; 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 Ground 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 Ground Lease;

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:

ARTICLE I

DEFINITIONS

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Section 1.01 of the Lease Agreement shall have the same meanings in this Ground Lease.

ARTICLE II

LEASE OF THE PROPERTY; RENTAL

Section 2.01. Lease of Property. The County hereby leases to the Corporation, and the Corporation hereby leases from the County, for the benefit of the Owners of the Certificates, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Ground Lease.

Section 2.02. Rental. (a) The County of Monterey Public Improvements Corporation shall pay, or cause to be paid, to the County as and for rental of the Property hereunder, the sum of not to exceed \$93,843,938.42 (the "Ground Lease Payment"). The Ground Lease Payment shall be paid from the proceeds of the Certificates; provided, however, that in the event the available proceeds of the Certificates are not sufficient to enable the Corporation to pay such amount in full, the remaining amount of the Ground Lease Payment shall be reduced to an amount equal to the amount of such available proceeds.

(b) The 2007 Trustee shall apply the Ground Lease Payment to prepay the lease payments under the Prior Lease Agreement in order to prepay the Refunded Certificates. The Corporation and the County hereby find and determine that the amount of the Ground Lease Payment does not exceed the fair market value of the leasehold interest in the Property which is conveyed hereunder by the County to the Corporation. No other amounts of rental shall be due and payable by the Corporation for the use and occupancy of the Property under this Ground Lease.

ARTICLE III

QUIET ENJOYMENT

The parties intend that the Property will be leased back to the County pursuant to the Lease Agreement for the term thereof. Subject to any rights the County may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Property, the County hereby covenants and agrees that it will not take any action to prevent the Corporation from having quiet and peaceable possession and enjoyment of the Property during the term hereof and will, at the request of the Corporation and at the County's cost, to the extent

that it may lawfully do so, join in any legal action in which the Corporation asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01. Waste. The Corporation agrees that at all times that it is in possession of the Property, it will not commit, suffer or permit any waste on the Property, and that it will not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Section 4.02. Further Assurances and Corrective Instruments. The County and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement.

Section 4.03. Waiver of Personal Liability. (a) All liabilities under this Ground Lease on the part of the Corporation shall be solely liabilities of the Corporation as a nonprofit public benefit corporation, and the County hereby releases each and every director, officer and employee of the Corporation of and from any personal or individual liability under this Ground Lease. No director, officer or employee of the Corporation shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

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

Section 4.04. 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 Property.

Section 4.05. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Section 4.06. Representations of the County. The County represents and warrants to the as follows:

(a) the County has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the County;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full; and

(d) the Property is necessary to the County in order for the County to perform its governmental functions.

Section 4.07. Representations of the Corporation. The Corporation represents and warrants that the Corporation has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Ground Lease.

ARTICLE V

ASSIGNMENT, SELLING AND SUBLEASING

Section 5.01. Assignment, Selling and Subleasing. This Ground Lease may be assigned or sold, and the Property may be subleased, as a whole or in part, by the Corporation, without the necessity of obtaining the consent of the County, if an event of default occurs under the Lease Agreement. The Corporation shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the County a true and correct copy of such assignment, sublease or sale, as the case may be.

Section 5.02. Restrictions on County. The County agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Ground Lease.

ARTICLE VI

IMPROVEMENTS

Title to all improvements made on the Property during the term hereof shall vest in the County.

ARTICLE VII

TERM; TERMINATION

Section 7.01. Term. The term of this Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including October 1, 2036, unless such term is extended or sooner terminated as hereinafter provided.

Section 7.02. Extension; Early Termination. If, on October 1, 2036, the Certificates shall not be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, or the Trust Agreement shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Ground Lease shall be automatically extended until the date upon which all Certificates shall be fully paid, or provision therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms, except that the term of this Ground Lease shall in no event be extended more than ten years. If, prior to October 1, 2036, all Certificates shall be fully paid, or provisions therefor made in accordance with Article X of the Trust Agreement, and the Trust Agreement shall be discharged by its terms, the term of this Ground Lease shall end simultaneously therewith.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the County, the Corporation and their respective successors and assigns.

Section 8.02. Severability. In the event any provision of this Ground 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 8.03. Amendments; Substitution and Release. This Ground Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of Section 8.01 of the Lease Agreement. The County shall have the right to substitute alternate real property for the Property or to release portions of the Property as provided in Section 8.03 of the Lease Agreement.

Section 8.04. Assignment. The Corporation and County acknowledge that the Corporation has assigned its right, title and interest in and to this Ground Lease to the Trustee pursuant to the Assignment Agreement, dated as of the date hereof, and recorded concurrently herewith. The County consents to such assignment.

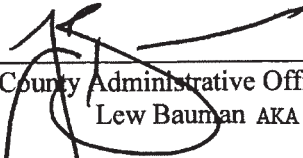
Section 8.05. Captions. The captions or headings in this Ground Lease are for convenience only and in no way define or limit the scope or intent of any provision of this Ground Lease.

Section 8.06. Governing Laws. This Ground Lease shall be governed by and construed in accordance with the laws of the State of California.


Section 8.07. Execution in Counterparts. This Ground Lease may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

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

COUNTY OF MONTEREY,
as Lessor

By: 
County Administrative Officer
Lew Bauman AKA Lew Cary
Bauman

**COUNTY OF MONTEREY PUBLIC
IMPROVEMENT CORPORATION,**
as Lessee

By: 
President
Michael J. Miller AKA Michael
James Miller

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

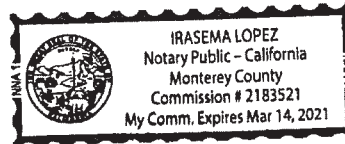
STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On September 28 2017, before me, Irasedma Lopez, Notary Public, personally appeared Lew Cary Bowman, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal

Signature *Irasedma Lopez* [SEAL]



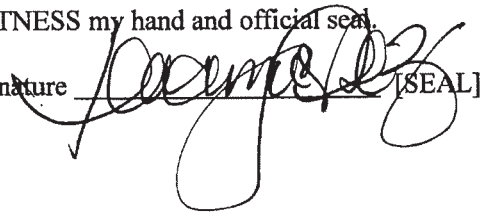
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On September 28, 2017, before me, Irasema LOPEZ, Notary Public, personally appeared Michael James Miller, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature  [SEAL]

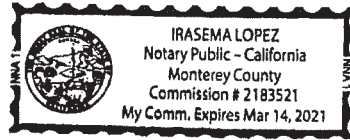


EXHIBIT A

DESCRIPTION OF THE PROPERTY

County Administration Building

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

Being a portion of the lands of Monterey County and being a portion of that certain parcel of land designated as "A.P.N. 002-253-027" on that certain map entitled "Record of Survey of Blocks B5, B6, & B7 of Riker & Jackson Survey, and Block 10 of Stone's Addition", filed for record August 15, 2003, in Volume 26 of Surveys, at Page 98, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the easterly line of Capitol Street (a City Street, 60 feet wide) from which the southwesterly corner of said designated parcel bears S. 09° 22' 09" E., 191.26 feet distant; thence from said point of beginning and along said westerly line of Capitol Street

- 1) N. 09° 22' 09" W., 193.40 feet; thence leaving said easterly street line,
- 2) N. 80° 43' 19" E., 289.01 feet; thence
- 3) S. 09° 16' 41" E., 193.40 feet; thence
- 4) S. 80° 43' 19" W., 288.71 feet to the point of beginning.

Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036398, Monterey County Records.

Sherriff's Public Safety Building

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

Parcel A, as shown on that certain Parcel Map filed for record in Volume 16 of Parcel Maps, at Page 121, Monterey County Records.

Salinas Courthouse North Wing Building

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

Being a portion of the lands of Monterey County and being a portion of that certain parcel of land designated as "A.P.N. 002-253-027" on that certain map entitled "Record of Survey of Blocks B5, B6, & B7 of Riker & Jackson Survey, and Block 10 of Stone's Addition", filed for record August 15, 2003, in Volume 26 of Surveys, at Page 98, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the westerly line of Church Street (a City street, 60 feet wide) from which the southeasterly corner of said designated parcel bears S. 09° 22' 54" E., 183.53 feet distant; thence from said point of beginning and along said westerly line of Church Street

- 1) N. 09° 22' 54" W., 183.50 feet; thence leaving said westerly street line,
- 2) N. 80° 41' 34" W., 75.72 feet; thence
- 3) S. 09° 47' 28" E., 32.06 feet; thence
- 4) S. 80° 23' 14" W., 195.42 feet; thence
- 5) N. 09° 20' 59" W., 57.72 feet; thence
- 6) S. 79° 35' 16" W., 19.96 feet; thence
- 7) S. 09° 16' 41" E., 188.84 feet; thence
- 8) N. 82° 43' 25" E., 35.23 feet; thence
- 9) S. 09° 31' 28" E., 10.64 feet; thence
- 10) N. 80° 55' 55" E., 165.35 feet; thence
- 11) S. 09° 51' 54" E., 6.22 feet; thence
- 12) N. 80° 45' 41" E., 90.54 feet to the point of beginning.

Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036399, Monterey County Records.

County Jail Complex

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

That certain real property situate in Rancho El Sausal, City of Salinas, Monterey County, California, being a portion of that certain 20 acre parcel of land conveyed from Stanley Sherwood to the County of Monterey by that certain Deed recorded April 5, 1946 in Book 879, at Page 345 of Official Records, also being a portion of Parcel 1, as described in that certain Deed from James Bundgard, et ux, to the County of Monterey, recorded July 23, 1948 in Book 1075, at Page 281 of Official Records, also being a portion of that certain parcel of land described as Parcel 1 in that certain Deed from Howard J. Darington, et ux, to the County of Monterey, recorded November 5, 1958 in Book 1907, at Page 170 of Official Records, and being more particularly described as follows:

Beginning at the most Southerly corner of Lot 28, Block 3, as shown on that certain map entitled "Tract No. 656, Unit No. 5, Monta Vista Park Addition No. 1" filed March 22, 1972 in Book 11 of Maps, "Cities and Towns", at Page 33, Records of Monterey County, said point also being the most Southerly corner of that certain 5.855 acre tract conveyed from Stanley Sherwood to Eugene N. Sherwood by that certain Deed recorded September 16, 1921 in Book 183 of Deeds, at Page 441, Records of Monterey County; thence from said point of beginning

- 1) S. 61°00'39" W. 155.53 feet ;thence
- 2) S. 26°57'55" W. 388.27 feet; thence
- 3) S. 12°47'57" W. 378.71 feet; thence
- 4) N. 66°56'30" W. 373.16 feet; thence
- 5) S. 23°22'24" W. 108.00 feet; thence
- 6) N. 66°37'36" W. 150.00 feet; thence
- 7) N. 23°22'24" E. 403.30 feet; thence
- 8) N. 66°37'36" W. 170.70 feet; thence
- 9) N. 23°22'24" E. 214.00 feet; thence
- 10) S. 66°37'36" E. 52.15 feet; thence
- 11) N. 23°22'24" E. 291.80 feet to an angle point in the Southerly boundary of Parcel "A", as shown on that certain Parcel Map filed December 17, 1985 in Book 16 of Parcel Maps, at Page 121, Records of Monterey County; thence along said Southerly boundary
- 12) N. 75°27'20" E. 67.96 feet (N. 73°43'10" E. 68.03, map); thence
- 13) N. 26°30'48" E. 70.04 feet (N. 24°56'30" E. 70.03, map); thence
- 14) S. 66°35'04" E. 302.74 feet (S. 68°15' E. 303.12, map); thence
- 15) N. 22°37'26" E. 128.89 feet (N. 20°57'30" E. 129.05, map) to a point on the Southwesterly boundary of Lot 23 of Block 3, as shown on that certain map entitled "Tract No. 619, Unit No. 4,

Monta Vista Park Addition No. 1" filed January 20, 1971 in Book 10 of Maps, "Cities and Towns", at Page 46, Records of Monterey County; thence leaving said Southerly parcel boundary and along said Southwesterly boundary of Lots 23, Lot 24 and Lot 25 of said Block 3, and along the Southwesterly boundary of Lots 26, 27 and 28 of said Block 3 of Tract No. 656

16) S. $41^{\circ}27'35''$ E. 367.92 feet (S. $4^{\circ}07'30''$ E., map) to the point of beginning.

Said legal description is also shown as Parcel 3 and fully described in that certain Certificate of Compliance recorded June 7, 2013 as Series No. 2013036394 of Official Records, Monterey County.

County Health Department's Administration Building

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

That certain real property situate in Rancho Sausal, in the City of Salinas, County of Monterey, State of California, being a portion of that certain parcel of land described as "Parcel No. 1" in deed from Arthur G. Panziera, et al, to the County of Monterey, dated January 16, 1956 and recorded February 7, 1956, in Book 1679 of Official Records, at Page 148, Records of Monterey County, also being a portion of that certain 62.389 acre parcel of land conveyed from Eugene Sherwood to the County of Monterey by deed dated September 2, 1985 and recorded September 7, 1885 in Book 10 of Deeds, at Page 32, Records of Monterey County, and being more particularly described as follows:

Beginning at a point on the northerly line of East Laurel Drive, a City Street of variable width, from which the most southerly corner of that certain parcel of land described as "Parcel 2819" in deed from the County of Monterey to the City of Salinas, dated February 13, 1973 and recorded September 4, 1973 in Reel 868 of Official Records, at Page 619, Records of Monterey county, bears N. 72° 52' 02" W., 375.32 feet distant; thence from said point of beginning and leaving said northerly road line

1) N. 24° 01' 59" W., 442.38 feet to a point on the southeasterly line of said Parcel 2820, being the southeasterly

line of Natividad Road, a City Street, 106 feet wide; thence along said southeasterly road line

2) N. 40° 41' 29" E., 336.91 feet, at 331.76 feet, a point on the southwesterly line of the aforesaid 62.389 acre conveyed parcel, said point also being the most easterly corner of "Parcel 2819" as said parcel is described in the aforesaid deed to the City of Salinas, 336.91 feet; thence leaving said southeasterly road line

3) S. 49° 33' 57" E., 95.01 feet; thence

4) S. 60° 51' 16" E., 322.35 feet; thence

5) S. 30° 55' 52" W., 23.74; thence tangentially curving

6) Southerly along a circular curve to the left (the center of which bears S. 59° 04' 08" E., 130.00 feet distant) through a central angle of 55° 37' 35" for an arc distance of 126.21 feet; thence leaving said curve and tangent thereto

7) S. 24° 41' 43" E., 102.45 feet; thence tangentially curving

8) Southeasterly along a circular curve to the left (the center of which bears N. 65° 18' 17" E., 350.00 feet distant) through a central angle of 2° 51' 39" for an arc distance of 17.48 feet; thence leaving said curve but not tangent thereto

9) S. 65° 50' 53" W., 465.82 feet to the point of beginning. Certificate of Compliance recorded June 7, 2013, Instrument No. 2013036389, Official Records of Monterey County.

EXHIBIT C

SYSTEM DESCRIPTION

1. **System Location:** 1414 Natividad Rd., Salinas, 93906, CA
2. **Estimated System Size (DC kW):** 389 kW (DC)*
3. **System Description (Ground mount, rooftop, car port, etc.):** Rooftop

PV System including modules and inverters.

4. **Host Utility:** PG&E (“Utility”)
5. **Delivery Point and Premises:** See Exhibit A to this Lease which contains one or more drawings or images depicting:
 - a. Premises, including the Improvements (as applicable);
 - b. Proposed System location;
 - c. Delivery point for electricity generated by the System
 - d. Access points needed for Seller to install and service the System (building. access, electrical room, stairs etc.); and
 - e. Construction assumptions (if any).

EXHIBIT D

INSURANCE REQUIREMENTS

(a) Lessee shall obtain and maintain the following insurance policies:

(i) Comprehensive general liability insurance against liability for injury to or death of any Person or damage to property in connection with the use, operation or condition of the System of not less than one million dollars (\$1,000,000) combined single limit per occurrence and annual aggregate. Lessor shall be named as an additional insured under this liability insurance, provided however that Lessee shall in no event be obligated to repair or replace Lessor's buildings or Premises; and

(ii) Lessee may satisfy the insurance requirements contained in this Lease though any combination of primary and/or excess coverage.

(b) Lessor shall obtain and maintain the following insurance policies:

(i) Comprehensive general liability insurance against liability for injury to or death of any Person or damage to property in connection with the use, operation or condition of the Premises of not less than one million dollars (\$1,000,000) combined single limit per occurrence and annual aggregate. Lessee shall be named as an additional insured under this liability insurance;

(ii) All-risk property insurance with coverage equal to the replacement value of the Premises; and

(iii) Lessor may satisfy the insurance requirements contained in this Lease though any combination of self-insurance, primary and/or excess coverage.

Exhibit E
FORM OF MEMORANDUM OF LEASE

After recording return to:
Monterey Solar 1 LLC
111 Mission Street
Santa Cruz, CA 95060

MEMORANDUM OF LEASE

This Memorandum of Rooftop System Site Lease Agreement (“Memorandum”) is made as of this ___ day of _____, 202_, pursuant to and in connection with that certain Rooftop System Site Lease Agreement dated as of the same date hereof (the “Effective Date”) by and between Monterey Solar 1 LLC (“Lessee”) and the County of Monterey, a political subdivision of the State of California (“Lessor”) (the “Lease”).

This Memorandum is being recorded in the Monterey County Clerk Recorder’s Office to provide notice of the Lease between Lessee and Lessor relating to the real property situated in the County of Monterey, State of California as described on the attached Exhibit A hereto and any building or area associated therewith (the “Property”). The Property shall include the Project Site and related easements as shall be necessary for the construction, installation, operation and maintenance of the System and the interconnection of the System with the delivery point.

Subject to the terms and conditions of the Lease, the term of the Lease is effective on the Effective Date of the Lease and shall be coterminous with the term of the Solar Power Purchase Agreement, dated as of June 13, 2023, by and between Lessee and Lessor (the “Term”).

This Memorandum contains only portions of the Lease and reference is made to the full text of the Lease, as may be amended from time to time. All capitalized words which are not typically capitalized, or are not defined in this Memorandum shall have the meaning given them in the Lease. Provisions in this Memorandum shall not be used in interpreting the Lease provisions. The provisions set forth in the Lease are hereby incorporated into this Memorandum as if set out in full herein. In the event of any conflict or inconsistency between the terms of this Memorandum and the terms of the Lease, the terms of the Lease shall govern and control for all purposes. In the event of a conflict between this Memorandum and the Lease, the Lease shall control. The terms, covenants and conditions contained in this Memorandum, as further set forth in the Lease, shall be binding upon, and shall inure to the benefit of, the parties hereto, their respective heirs, legal representatives, successors and assigns. This Memorandum may be executed in any number of counterpart originals, each of which will be deemed an original instrument for all purposes, but all of which will comprise one and the same instrument.

Lessee and Lessor covenant and agree that notwithstanding anything contained in the Lease or this Memorandum to the contrary, this Memorandum shall automatically terminate without further notice or demand whenever (i) Landlord shall file of record in the Recorder’s Office, in and for Monterey County, California a Notice of Termination with respect to this Memorandum of Lease, which shall be certified under oath by the Lessor that either (a) the Lease is no longer in effect as a result of a termination of the Lease by either the Lessor and the Lessee; or (b) the Lessor has

terminated the Lease and recovered possession of the Project Site as a result of an uncured Lessee Default (as defined in the Lease) by Lessee under the terms of the Lease; or (ii) the Term (as may be extended) expires, whichever occurs first.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum.

“Lessor”

County of Monterey
a political subdivision of the State of California

By: _____

Name: _____

Title: _____

Date: _____

“Lessee”

Monterey Solar 1 LLC, a California limited liability company

By: _____

Name: _____

Title: _____

Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California)
County of)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature:
My Commission Expires:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of California)
County of)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature:
My Commission Expires:

EXHIBIT A
PREMISES; PROJECT SITE

Legal Description of Premises, APN 003-851-014

For APN/Parcel ID(s): 003-851-014

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

Parcel A, as shown on that certain Parcel Map filed for record in Volume 18 of Parcel Maps, at Page 121, Monterey County Records.

Project Site:

1414 Natividad Rd, Salinas, CA
Site and Facility Descriptions

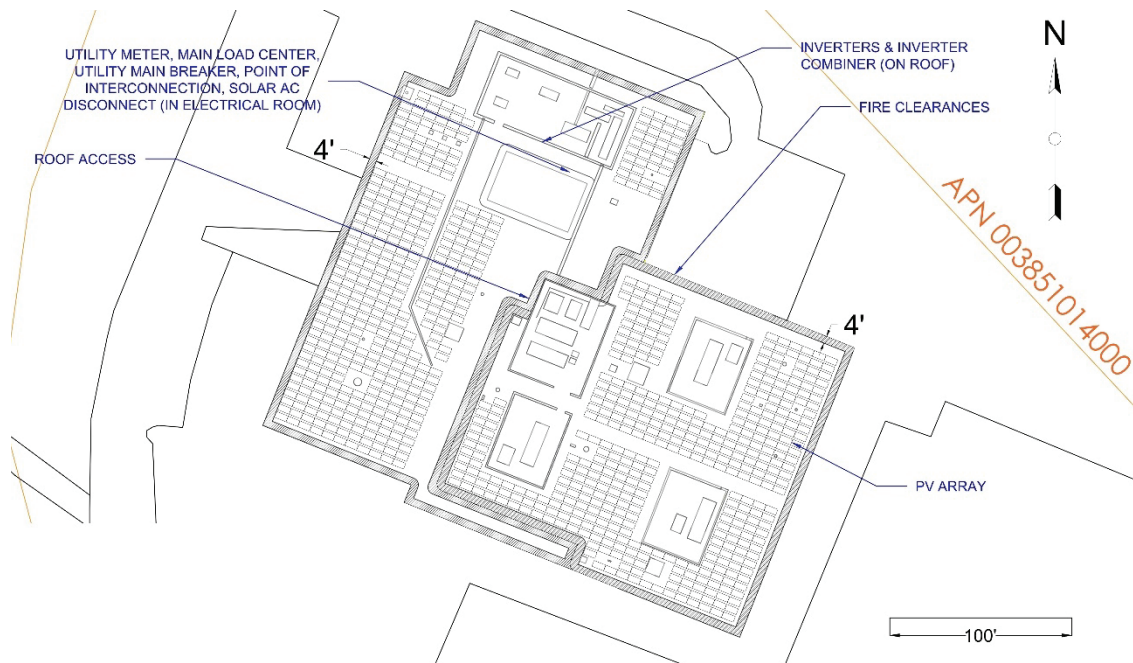


Exhibit E

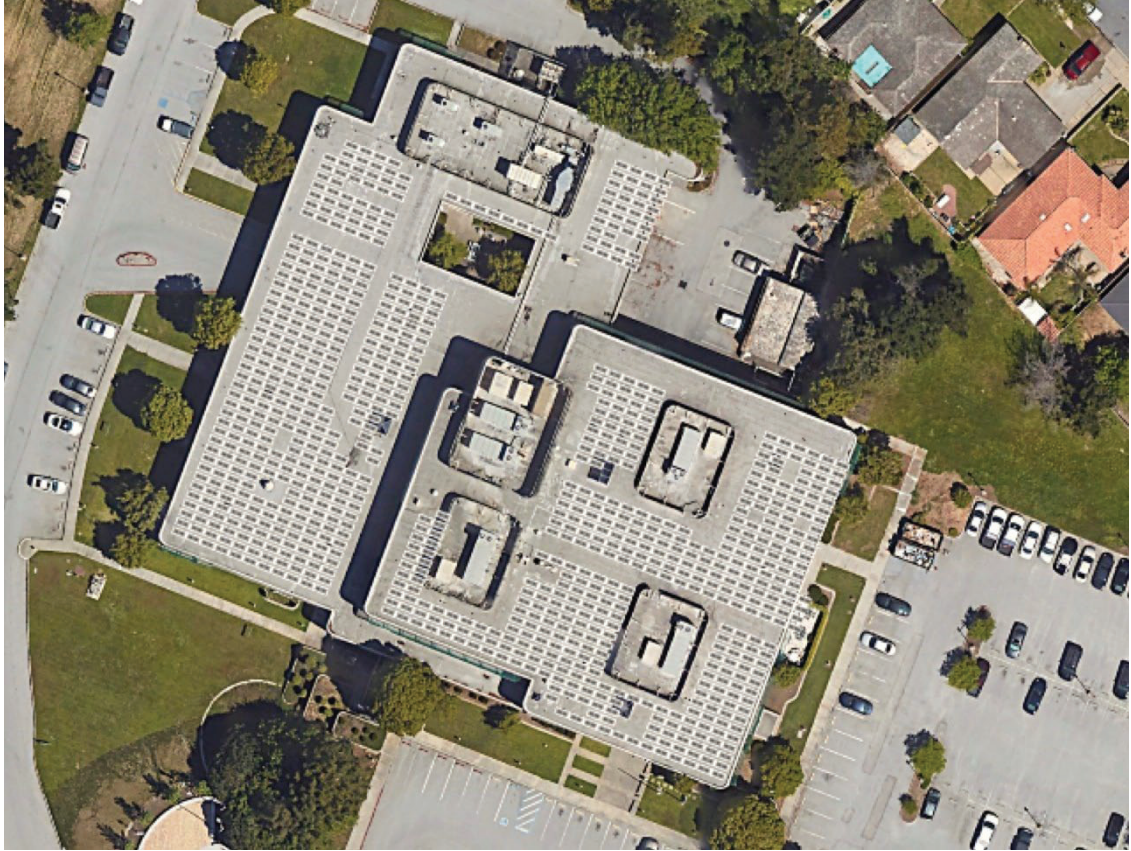


Exhibit E