

Quint & Thimmig LLP

09/06/07
09/26/07
10/03/07

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
575 Market Street, Suite 3600
San Francisco, CA 94105-2874
Attention: Brian D. Quint, Esq.

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.

SITE AND FACILITY LEASE

Dated as of December 1, 2007

by and between the

COUNTY OF PLACER, CALIFORNIA, as Lessor

and the

PLACER COUNTY PUBLIC FINANCING AUTHORITY, as Lessee

(2007 South Placer Justice Center Courthouse Financing Project)

SITE AND FACILITY LEASE

THIS SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of December 1, 2007, is by and between the COUNTY OF PLACER, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the PLACER COUNTY PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), as lessee;

WITNESSETH:

WHEREAS, the Authority intends to assist the County in undertaking the financing of the acquisition of an existing facility to be used as the South Placer Justice Center Courthouse (the "Project"), by leasing certain land and improvements to the County pursuant to a Lease Agreement, dated as of December 1, 2007, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"); and

WHEREAS, the County proposes to enter into this Site and Facility Lease with the Authority as a material consideration for the Authority's agreement to lease such land and improvements to the County;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site and Facility Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site and Facility Lease. The County hereby leases to the Authority and the Authority hereby leases from the County, on the terms and conditions hereinafter set forth, those certain parcels of real property situated in Placer County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements on the Site more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Facility").

Section 3. Term. The term of this Site and Facility Lease shall commence on the date of recordation of this Site and Facility Lease in the Office of the County Recorder of Placer County, State of California, and shall end on December 1, 2027, unless such term is extended or sooner terminated as hereinafter provided. If, on December 1, 2027, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid, or provision shall not have been made for their payment, then the term of this Site and Facility Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment. If, prior to December 1, 2027, all Lease Payments shall be fully paid or provision made for such payment in accordance with Section 4.4 or 10.1 of the Lease Agreement, the term of this Site and Facility Lease shall end ten (10) days thereafter.

Section 4. Advance Rental Payment. The County agrees to lease the Site and the Facility to the Authority in consideration of the payment by the Authority of an advance rental payment of _____ dollars (\$_____). The County and the Authority agree that by reason of the sale of the Certificates and deposit of proceeds pursuant to the provisions of the Trust Agreement, dated as of December 1, 2007, by and among the County, the Authority and The Bank of New York Trust Company, N.A., as trustee thereunder (the "Trust Agreement"), the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

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Section 5. Purpose. The Authority shall use the Site and the Facility solely for the purpose of leasing the Site and the Facility to the County pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the County under the Lease Agreement, the Authority and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. County's Interest in the Site and the Facility. The County covenants that it is the owner in fee of the Site and the Facility.

Section 7. Assignments and Subleases. Unless the County shall be in default under the Lease Agreement, the Authority may not assign its rights under this Site and Facility Lease or sublet the Site or the Facility, except as provided in the Lease Agreement, without the written consent of the County and the Municipal Bond Insurer.

Section 8. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Site and the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Authority agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Site and the Facility in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site and Facility Lease shall remain thereon and title thereto shall vest in the County.

Section 10. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the County may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the County shall have no right to terminate this Site and Facility Lease as a remedy for such default; *provided, however*, that so long as any Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Authority to the Trustee under the Assignment Agreement shall continue to be paid to the Trustee.

Section 11. Quiet Enjoyment. The Authority, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Site subject to the provisions of the Lease Agreement and the Trust Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Authority are solely liabilities of the Authority and the County hereby releases each and every, member, director, officer, employee and agent of the Authority of and from any personal or individual liability under this Site and Facility Lease. No member, director, officer, employee or agent of the Authority shall at any time or under any circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Authority hereunder.

Section 13. Taxes. All assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site and the Facility (including both land and improvements) will be paid in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Site or the Facility thereon is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid Certificates including the unpaid principal and interest with respect to any then outstanding such Certificates and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the County.

Section 15. Use of the Proceeds. The County and the Authority hereby agree that the lease to the Authority of the County's right and interest in the Site and the Facility pursuant to Section 1 serves the public purposes of the County by providing funds to enable the County to finance the Project. The County hereby agrees that the proceeds of the Certificates shall be used solely for the purpose of paying the costs of the Project, to be owned, held or controlled by the County for its public purposes, on or before the date three years following the date of execution and delivery of the Certificates, or to refinance prior obligations of the County incurred for such purposes.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the County, addressed to the County in care of the Treasurer-Tax Collector, County of Placer, 175 Fulweiler Avenue, Auburn, CA 95603, or if to the Authority, addressed to the Authority in care of the Treasurer-Tax Collector of the County, County of Placer, 175 Fulweiler Avenue, Auburn, CA 95603, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon the County and the Authority and their respective successors and assigns. The Municipal Bond Insurer shall be deemed to be a third party beneficiary of this Site and Facility Lease.

Section 19. Amendment. This Site and Facility Lease may not be amended except as permitted under Section 10.01 of the Trust Agreement.

Section 20. 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 Site and Facility Lease.

Section 21. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 22. Execution in Counterparts. This Site and Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

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

COUNTY OF PLACER, CALIFORNIA

By _____
County Executive Officer

Attest:

Clerk of the Board of Supervisors

PLACER COUNTY PUBLIC
FINANCING AUTHORITY

By _____
Chairman

Attest:

Secretary

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A
DESCRIPTION OF THE SITE

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

EXHIBIT B
DESCRIPTION OF THE FACILITY

The Facility consists of the following:

Situated on 7.6 acres of land in the Placer County Government Center in North Auburn, California, the Auburn Justice Center is a 96,200 square foot, two story facility and provides offices for the Sheriff/Coroner, Probation Department, and the District Attorney—Juvenile Division. The facility is comprised of two separate but interconnected buildings with the larger two story portion housing offices, conference rooms, public lobby and meeting space, emergency dispatch call center, and general staff functions. The one story portion houses sheriff evidence processing and storage, training facilities including classrooms and a shooting range, and vehicle maintenance and various types of specialty storage. The facility has structural design and emergency response capacities as required for an essential services building including duplicate backup heating and air conditioning systems and full sized generator with automatic transfer switching. These systems allow the building to be fully functional during emergencies and power outages. The facility is also state of the art with communications, data, security, and energy management systems. Evidence processing can now store materials in four separate areas with distinct climate controlled temperature settings meeting Department of Justice criteria. Also the training center has an 8 lane fully fixed and tactical movement shooting range with automatic target retrieval system and lead recovery equipment. The building is sited such that it completes the criminal justice complex portion of the DeWitt Center. It creates an internal secure area for staff and parking for the Main Jail, Juvenile Detention Center, and the Auburn Justice Center. Parking is provided for all staff, specialty vehicles such as search and rescue, evidence vans, and patrol cars. In addition, there is a public parking lot at the front entrance as well as a secure sheriff overflow parking lot for large vehicles used for unique operations.