

SIGNATURE PAGE
FOR
GROUND LEASE
BETWEEN
COUNTY OF PLACER
AND
COSTCO WHOLESALE CORPORATION

IN WITNESS WHEREOF, Landlord and Tenant have executed this Ground Lease,
intending to be legally bound hereby as of the Effective Date.

LANDLORD:
COUNTY OF PLACER

By: _____
Name:
Title: Chairman, Placer County Board of
Supervisors

Date: _____

[Signatures continue on following page.]

\\Client\Folders\Costco (04210)\Auburn Lease (038)\Doc\Ground Lease\Ground Lease-Auburn-14.doc

SIGNATURE PAGE
FOR
GROUND LEASE
BETWEEN
COUNTY OF PLACER
AND
COSTCO WHOLESALE CORPORATION

IN WITNESS WHEREOF, Landlord and Tenant have executed this Ground Lease,
intending to be legally bound hereby as of the Effective Date.

TENANT:
COSTCO WHOLESALE CORPORATION, a
Washington corporation

By: _____

Name:

Title:

Date: _____

SIGNATURE PAGE
FOR
GROUND LEASE
BETWEEN
COUNTY OF PLACER
AND
COSTCO WHOLESALE CORPORATION

The undersigned Brokers execute this Lease solely for the purpose of acknowledging the provisions of Section 16.11 hereof. The execution or consent of the Brokers shall not be necessary to establish the Effective Date of this Lease or for a written amendment or modification of this Lease otherwise signed by Landlord and Tenant unless Section 16.11 is amended or modified thereby. Any Notice to be given to the Brokers under this Lease shall be given at the addresses set forth below.

BROKER

NWAP II, INC.

By: _____

Name: Jason Gallelli

Title:

Address: _____

Attention: _____

Fax No.: _____

By: _____

Name:

Title:

Address: _____

Attention: _____

Fax No.: _____

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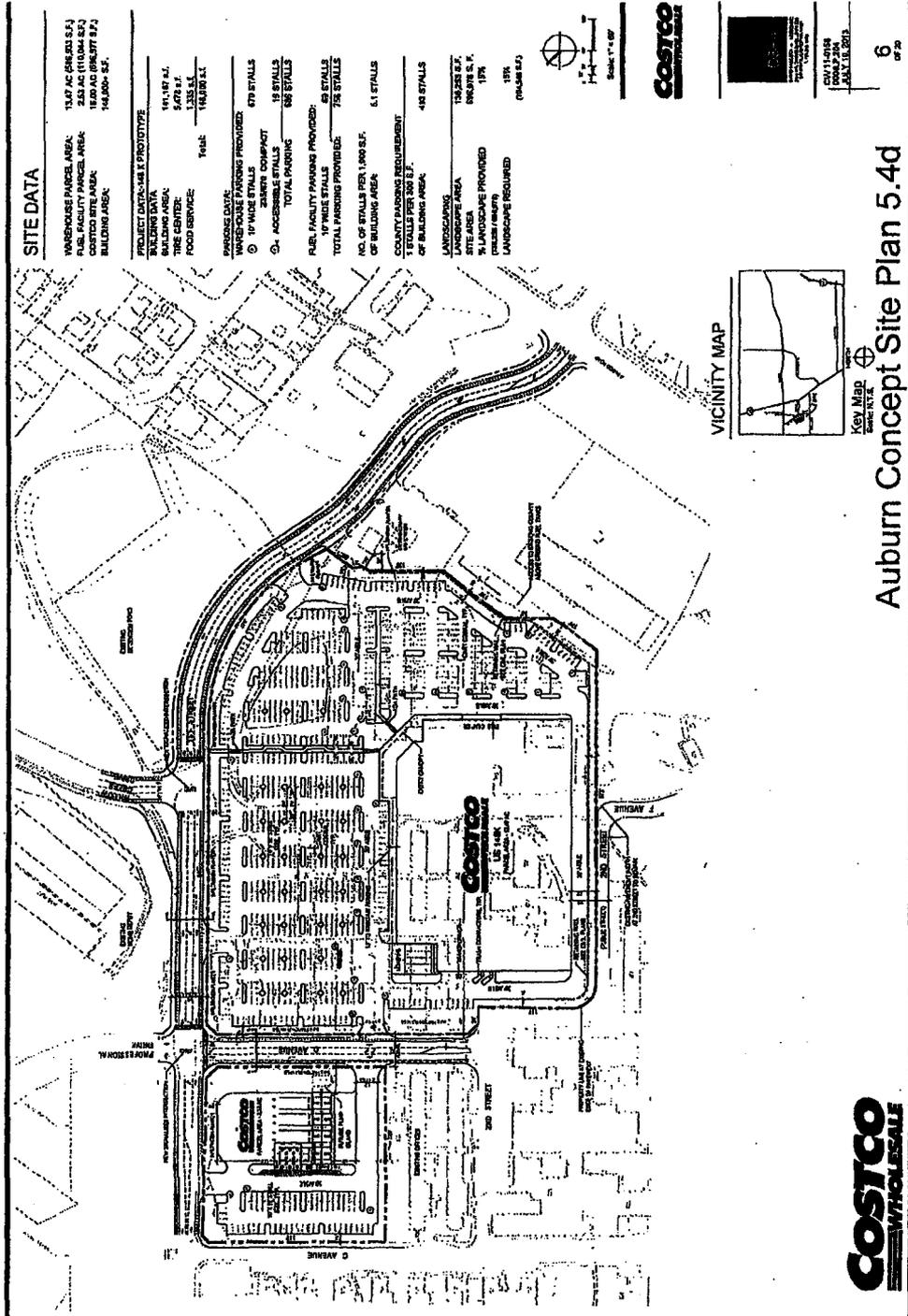
**EXHIBIT A
TO GROUND LEASE**

LEGAL DESCRIPTION OF PROPERTY

[To Be Inserted Upon Execution]

**EXHIBIT B
TO GROUND LEASE**

SKETCH OF PROPERTY



SITE DATA

WAREHOUSE PARCEL AREA: 13.67 AC (586,303 S.F.)
 P.U.B. FACILITY PARCEL AREA: 2.53 AC (10,984 S.F.)
 CREDITED SITE AREA: 18.20 AC (796,187 S.F.)
 BUILDING AREA: 142,000 S.F.

PROJECT DATA: CASE I PROTOTYPE
 BUILDING DATA: 114,410 S.F.
 TRUCK SERVICE: 5,478 S.F.
 FOOD SERVICE: 1,132 S.F.
 TOTAL: 121,020 S.F.

PARKING DATA: VEHICLE PARKING PROVIDED: 678 STALLS
 10 WIDE STALLS
 28 STALLS COMPACT
 ACCESSIBLE STALLS: 19 STALLS
 TOTAL PARKING: 698 STALLS

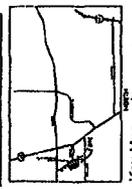
P.U.B. FACILITY PARKING PROVIDED: 45 STALLS
 10 WIDE STALLS
 TOTAL PARKING PROVIDED: 743 STALLS

NO. OF STALLS PER 1,000 S.F. OF BUILDING AREA: 6.1 STALLS
 COUNTY PARKING REQUIREMENT: 15 STALLS PER 100 S.F. OF BUILDING AREA: 418 STALLS

LANDSCAPING: 13,252 S.F.
 SITE AREA: 18,200 S.F. 18%
 % LANDSCAPE PROVIDED: 18%
 LANDSCAPE REQUIRED: 18% (74,308 S.F.)



VICTINITY MAP



Key Map
 SHOWING SITE
 LOCATION

Auburn Concept Site Plan 5.4d



**EXHIBIT C
TO GROUND LEASE**

PROPERTY ENCUMBRANCES

[To Be Inserted Upon Execution]

**EXHIBIT D
TO GROUND LEASE**

ENVIRONMENTAL REPORTS

- Tank Removal and Soil Assessment Report CTSA Yard, Auburn, California by Kleinfelder October 8, 1992
- Dewitt Center Existing Conditions Report prepared by URS September 2002
- Dewitt Center Existing Conditions Report Appendix prepared by URS September 2002.

**EXHIBIT E
TO GROUND LEASE**

SUBORDINATION AGREEMENT

This instrument prepared by and
upon recordation return to:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027
Attn: Legal Department

**CONSENT, SUBORDINATION
AND ATTORNMENT AGREEMENT**

THIS AGREEMENT is made as of the ____ day of _____, 200__ by and among COSTCO WHOLESALE CORPORATION, a Washington corporation, ("Tenant"), the County of Placer, a political subdivision of the State of California ("Landlord") and _____ ("Mortgagee"). Tenant, Landlord and Mortgagee are sometimes hereinafter referred to collectively as the "Parties" and individually, as a "Party."

RECITALS

WHEREAS, by that certain [Mortgage and Security Agreement] dated as of _____ recorded as document _____ in the official records of _____ between Landlord and Mortgagee (the "Mortgage"), Landlord mortgaged its interest in the property to Mortgagee (as used herein, the term "Mortgage" means the [Mortgage and Security Agreement] and all amendments, supplements, extensions, replacements and other modifications thereof now or hereafter in effect);

WHEREAS, by that certain Ground Lease dated as of _____, between Landlord, as landlord, and Tenant, as tenant, a Memorandum of which was recorded as document _____, in the official records of Placer County, California, Landlord demised the Property legally described on Exhibit "A" attached hereto (the "Premises") to Tenant for an initial term of twenty (20) years and three (3) optional renewal periods of ten (10) years each, as provided in the Lease (as used herein, the term "Lease" means such Lease and all amendments, supplements, extensions, replacements and other modifications thereof and the term "Lease Term" means the initial term and any renewal periods under the Lease);

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WHEREAS, subject to the terms of this Agreement, Mortgagee agrees to subordinate the Mortgage and its interest in the Mortgage to the Lease and Tenant agrees with Mortgagee as to certain matters set forth herein.

NOW THEREFORE, in consideration of the foregoing, Mortgagee, Landlord and Tenant agree as follows:

1. APPROVAL OF LEASE; OWNERSHIP OF MORTGAGE. Mortgagee acknowledges that prior to the execution hereof it has had the opportunity to examine the terms and conditions of the Lease and consents thereto. Mortgagee represents and warrants it is the sole owner and holder of the Mortgage.

2. MORTGAGE SUBORDINATION AND TENANT ATTORNMENT. Mortgagee hereby absolutely and unconditionally subordinates the lien of the Mortgage and the obligations set forth therein to the Lease and Tenant's rights thereunder. This Agreement is a present subordination and not an agreement to subordinate in the future. Mortgagee further agrees that in any action to foreclose the Mortgage, Tenant will not be named as a party defendant, nor will any other action be taken which would terminate the Lease, except for any action taken pursuant to and in accordance with the terms and conditions set forth in the Lease. Notwithstanding the foregoing, if Mortgagee or any other person or entity acquires Landlord's interest in the Premises pursuant to the exercise of any remedy provided for in, or otherwise available with respect to, the Mortgage or by any conveyance in lieu of foreclosure (Mortgagee (including Mortgagee as a mortgagee in possession), a purchaser at a foreclosure sale, a receiver appointed prior to or in connection with a foreclosure or any such other person being hereinafter referred to as "Mortgagee Landlord"), Tenant shall attorn to Mortgagee Landlord as its new landlord, and the Lease shall continue in full force and effect as a direct lease between Mortgagee Landlord and Tenant upon all of the terms, covenants, conditions and agreements set forth in the Lease. The foregoing attornment shall be effective upon the transfer of Landlord's interest in the Lease to Mortgagee Landlord; provided, however, Tenant shall be under no obligation to pay rent to Mortgagee Landlord until Tenant receives written notice from Mortgagee Landlord requiring payment to Mortgagee Landlord (which notice Landlord irrevocably authorizes Tenant to rely on without any duty on the part of Tenant to confirm, controvert or challenge same). Prior to the date Mortgagee succeeds to Landlord's interest in the Lease, all such payments made to Mortgagee shall be subject to any right of set-off, abatement, defense or counterclaim of Tenant under the Lease. Tenant shall receive full credit against amounts owed to Landlord under the Lease for all such payments made to Mortgagee to the same extent as if such payments had been made directly to Landlord. The foregoing attornment shall be self-operative; however, Tenant shall execute and deliver such documents that Mortgagee Landlord may reasonably request to evidence the foregoing attornment.

3. LIMITATION ON LIABILITY.

a. Notwithstanding anything to the contrary in the Lease or this Agreement, if Mortgagee Landlord succeeds to the interest of Landlord under the Lease (whether by virtue of a direct lease pursuant to Section 2 above or pursuant to the exercise of any remedy provided for

in or otherwise available with respect to the Mortgage or by any conveyance in lieu of foreclosure), such Mortgagee Landlord:

(i) shall not be bound by any payment of rent or additional rent made by Tenant to Landlord for more than one month in advance except as required by the terms of the Lease;

(ii) shall not be liable for any security or other deposit under the Lease, except to the extent actually received by Mortgagee Landlord;

(iii) shall not be subject to any defense, counterclaim, setoff, credit or deduction that Tenant has against Landlord, except any offset against rent that Tenant may be entitled to take in accordance with the provisions of the Lease and any default pursuant to Section (iv) below;

(iv) shall not be liable for any default by Landlord under the Lease or for any other act or omission of Landlord except for defaults of an ongoing or continuing nature of which Mortgagee has been given notice pursuant to Section 4;

(v) shall not be obligated to restore any part of the Premises in the event of damage thereto or destruction thereof by fire or other casualty, or in the event of a partial condemnation; provided, however, Mortgagee Landlord (to the extent it has any interest therein) shall make the proceeds of any insurance or condemnation available for restoration or repair as provided in the Lease, including without limitation, the insurance and condemnation provisions in Sections 6 and 8 of the Lease;

(vi) shall not be bound by any modification of or amendment to the Lease that has the effect of reducing the rent, decreasing the term or canceling the Lease prior to its scheduled expiration date, except as the result of (i) the exercise of a right to terminate as set forth in the Lease or as provided by law; or (ii) the exercise of any right to extend or renew the Lease as set forth in the Lease; and

(vii) shall not be personally liable under or with respect to the Lease, this Agreement or the Premises beyond Mortgagee Landlord's interest in the Premises and any judgment against Mortgagee Landlord relating to the Lease, this Agreement or the Premises shall be enforced against Mortgagee Landlord solely out of the proceeds of the sale of its interest in the Premises or other realization proceedings against Mortgagee Landlord's interest in the Premises, provided that the foregoing provisions shall not be deemed to limit Mortgagee Landlord's obligations under the Lease as modified by this Agreement, but only to limit the personal liability of Mortgagee Landlord in case of enforcement thereof against Mortgagee Landlord, nor shall the foregoing provisions of this clause be deemed to limit Tenant's rights subject to the

provisions of this Agreement to obtain injunctive relief or to specific performance.

b. Tenant agrees that, as long as the Mortgage is in effect:

(i) Tenant shall not pay any rent or other amount payable under the Lease more than one month in advance except as required by the terms of the Lease; and

(ii) Mortgagee shall have the benefit of each provision of the Lease that benefits Landlord's mortgagee and all notices of default to be given to Landlord under the Lease shall also be given to Mortgagee as provided in Section 5 hereof.

4. NOTICES OF DEFAULT.

a. Before any termination due to a breach under the Lease shall be declared by Tenant, Tenant shall give notice in writing to Mortgagee of the specific breach(es) of the Lease. Notice shall be given at least thirty (30) days (or such longer period as provided in the Lease for Landlord or provided in this Section 4(a) below for Mortgagee to cure the default) before Tenant shall terminate the Lease. Within thirty (30) days after receipt of such notice from Tenant, Mortgagee may, in addition to any other remedies provided in the Mortgage, elect to make such payments and cure such defaults on behalf of Landlord and in connection therewith, do all work and make all payments necessary to cure such default.

Notwithstanding anything in the Lease, in this Agreement or under applicable law to the contrary, Tenant shall not exercise any right it may have to terminate the Lease by reason of any monetary default by Landlord under the Lease, provided that, within thirty (30) days after Mortgagee's receipt of notice from Tenant of such default, Mortgagee or a Mortgagee Landlord holding under Mortgagee pays the amount in question.

Notwithstanding anything in the Lease, in this Agreement or under applicable law to the contrary, Tenant shall not exercise any right it may have to terminate the Lease by reason of any other (non-monetary) default by Landlord under the Lease, provided that (a) within thirty (30) days after Mortgagee's receipt of notice from Tenant of such default, Mortgagee gives Tenant notice of Mortgagee's intention to obtain possession of the property and agrees thereafter to cure the default in question, (b) within thirty (30) days after giving such notice, subject to any applicable stay under applicable law, Mortgagee commences proceedings to obtain possession of the Property, (c) thereafter, subject to any such stay, Mortgagee diligently continues such proceedings to conclusion, and (d) after obtaining possession Mortgagee or a Mortgagee Landlord holding under Mortgagee, promptly cures such default.

b. Upon the occurrence of an event of default under the Mortgage, and at any time thereafter during the continuance thereof, Mortgagee may, at its option, send a notice to Tenant, which notice shall: (i) indicate that an event of default has occurred and that Mortgagee has revoked Landlord's right or license to collect rent under the Lease; (ii) indicate that

Mortgagee has elected to exercise its right under this Section; (iii) direct Tenant thereafter to make all payments of rent and to perform all obligations under the Lease to or for the benefit of Mortgagee or as Mortgagee shall direct; and (iv) contain the Mortgagee's employer identification number. Following receipt of any such notice from Mortgagee, Tenant shall comply with the provisions of such notice, make all payments of rent and perform all obligations under the Lease to and for the benefit of Mortgagee or as Mortgagee shall direct. Such notice and direction shall remain effective until the first to occur of: (A) the receipt by Tenant of a subsequent notice from Mortgagee to the effect that such event of default has been cured, (B) the receipt by Tenant of a subsequent notice that Mortgagee has appointed another person to act as agent for Mortgagee, in which event Tenant shall thereafter make payments of rent and perform all obligations under the Lease as may be directed by such other person, (C) the appointment of a receiver, in which event Tenant shall thereafter make payments of rent and perform all obligations under the Lease as may be directed by such receiver, or (D) the issuance of a court order directing Tenant to pay rent and perform obligations in a manner not consistent with the notice. Tenant shall be entitled to rely upon any notice from Mortgagee and shall be protected with respect to any payment made pursuant to such notice, irrespective of whether a dispute exists between Landlord and Mortgagee with respect to the existence of any event of default or the rights of Mortgagee hereunder. If Tenant receives a notice from Mortgagee pursuant to this Section 4, Tenant shall not be required to investigate or determine the validity or accuracy of such notice or the validity or enforceability of this Agreement. Mortgagee hereby agrees to indemnify, defend and hold Tenant harmless from and against any and all loss, claims, damage or liability arising from or related to any payment of rent or performance of obligations under the Lease by Tenant made in good faith in reliance on and pursuant to such notice. The provisions of this Section 4.b. may be exercised by Mortgagee exercising its rights under any assignment of leases or rents held by it, by Mortgagee as a mortgagee in possession or by a receiver appointed prior to or in connection with the foreclosure.

5. NOTICES. All notices, demands, requests, or other writings (each a "Notice") provided by the terms of this Lease to be given or made or sent, or which may be given or made or sent by any party hereto to any other shall be in writing, shall be given by (a) personal delivery, (b) delivery by a nationally recognized overnight delivery service, (c) mailing or depositing same in the United States mail, registered or certified, return receipt requested, postage prepaid, or (d) facsimile (if a copy of such notice also is delivered by any other permitted method of delivery along with evidence that the facsimile was transmitted successfully), and in all cases shall be properly addressed to the parties at the following addresses:

To Mortgagee at: _____

With a copy to: _____

To Tenant at: Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attn.: Property Management (Legal Dept.)
Facsimile No.: 425-313-8105

With a copy to: _____

To Landlord at: _____

With a copy to: _____

or to such other address as either party may from time to time designate by Notice to the other or to any Leasehold Mortgagee. All Notices shall be deemed duly given upon actual receipt or refusal to accept delivery. Notices may be sent by the parties' respective counsel.

6. RECORDATION. Landlord agrees that Landlord (i) shall promptly cause this Agreement to be recorded in each office where the Mortgage is recorded, and (ii) shall indemnify Mortgagee and Tenant against any expenses including taxes in connection with such recording.

7. SUCCESSORS AND ASSIGNS. This Agreement and the covenants herein shall be deemed to be covenants running with the land and shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns.

8. ENTIRE AGREEMENT; MODIFICATION. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the Mortgage and the obligations set forth therein to the Lease and to Tenant's rights thereunder, and shall supersede and cancel any prior agreements as to such. This Agreement

shall not be modified, waived or terminated except by an agreement in writing executed by the Party against whom enforcement of such modification, waiver or termination is sought. Terms not otherwise defined herein shall have the meaning set forth in the Lease.

9. GOVERNING LAW. This Agreement shall be governed by and construed with the law of the State of _____.

IN WITNESS WHEREOF, this Consent, Subordination and Attornment Agreement has been executed as of the date first above written.

MORTGAGEE:

By: _____

Name:

Title:

LANDLORD:

By: _____

Name:

Title:

TENANT:

COSTCO WHOLESALE CORPORATION

By: _____

Name:

Title:

**EXHIBIT F
TO GROUND LEASE**

TAXATION CODE SECTION 107.6

107.6. (a) The state or any local public entity of government, when entering into a written contract with a private party whereby a possessory interest subject to property taxation may be created, shall include, or cause to be included, in that contract, a statement that the property interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest.

(b) Failure to comply with the requirements of this section shall not be construed to invalidate the contract. The private party may recover damages from the contracting state or local public entity, where the private party can show that without the notice, he or she had no actual knowledge of the existence of a possessory interest tax.

The private party is rebuttably presumed to have no actual knowledge of the existence of a possessory interest tax.

In order to show damages, the private party need not show that he or she would not have entered the contract but for the failure of notice.

(c) For purposes of this section:

(1) "Possessory interest" means any interest described in Section 107.

(2) "Local public entity" shall have the same meaning as that set forth in Section 900.4 of the Government Code and shall include school districts and community college districts.

(3) "State" means the state and any state agency as defined in Section 11000 of the Government Code and Section 89000 of the Education Code.

(4) "Damages" mean the amount of the possessory interest tax for the term of the contract.

**EXHIBIT G
TO GROUND LEASE**

PERMITTED EXCEPTIONS

[To Be Inserted Upon Execution]

**EXHIBIT H
TO GROUND LEASE**

GOVERNMENT CENTER ROAD SYSTEM

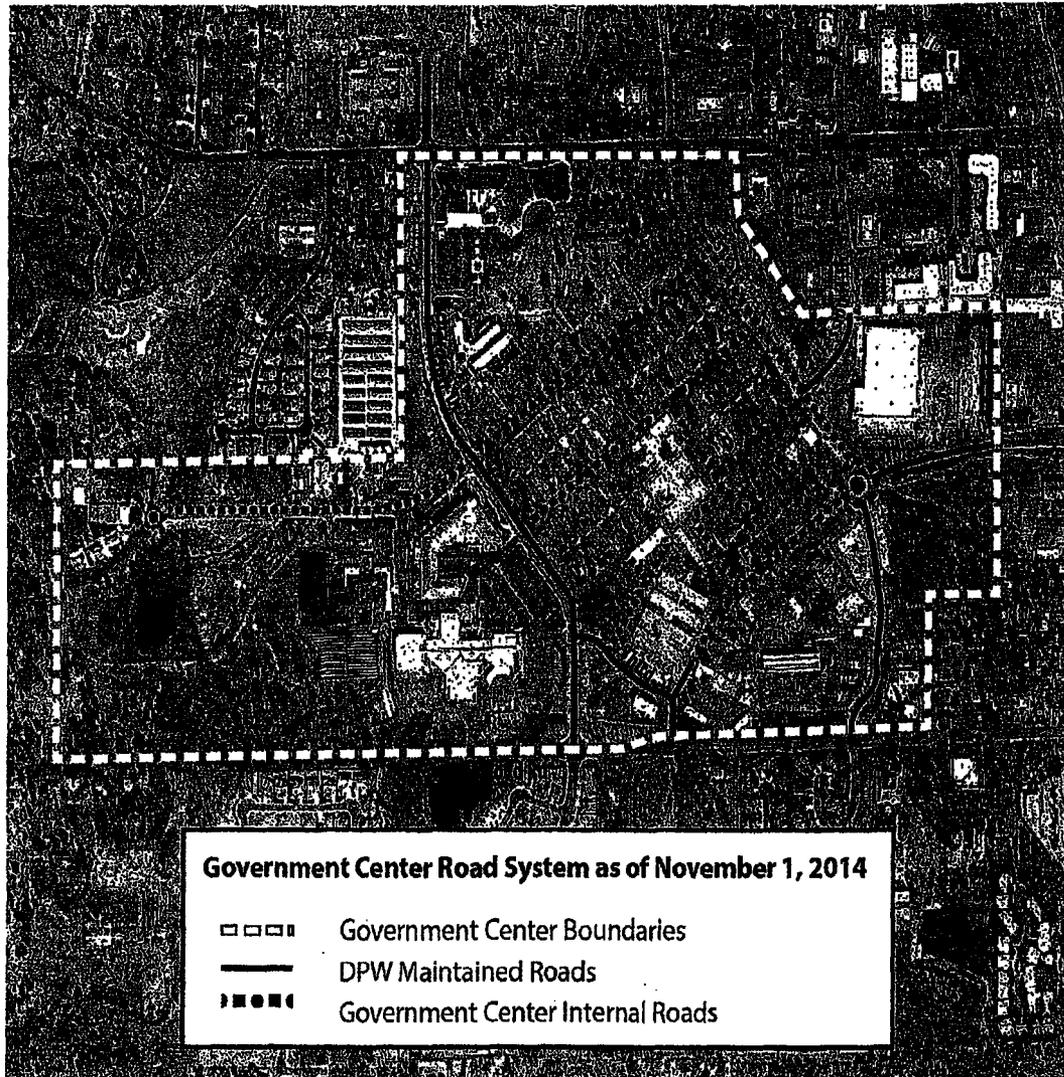


EXHIBIT D

MEMORANDUM OF OPTION

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attn: Legal Department

(Space Above for Recorder's Use Only)

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION (this "Memorandum") is made and entered into as of December __, 2014, by and between PLACER COUNTY, a political subdivision of the State of California ("County") and COSTCO WHOLESALE CORPORATION, a Washington corporation ("Costco").

A. **TERM AND PREMISES.** For the Option Term and upon the provisions set forth in that certain written Option to Ground Lease, of even date herewith, between County and Costco (the "Agreement"), all of which provisions are specifically made a part hereof as though fully and completely set forth herein, County has granted to Costco an option to lease that certain real property (the "Premises") located in Placer County, California, more particularly described in Exhibit "A" attached hereto.

B. **TERM.** The term of the Option commenced on December __, 2014 (the "Option Effective Date"), and shall terminate at 8:00 p.m. Pacific Time on the third anniversary of the Option Effective Date, unless the Agreement is extended or sooner terminated as provided in the Agreement. The Option Term can be extended as provided in the Agreement.

C. **GROUND LEASE.** Reference is particularly made to Section 3.1 of the Agreement and Exhibit C to the Agreement which describes the terms and conditions of the Ground Lease between County and Costco concerning the Premises.

EXHIBIT D

Page 1 of 4

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D. **PURPOSE OF MEMORANDUM OF OPTION.** This Memorandum is prepared for the purpose of recording and in no way modifies the express provisions of the Agreement.

E. **FOR THE BENEFIT OF THE PREMISES.** County and Costco intend that the covenants, conditions and restrictions described and referred to herein shall be both personal to County and Costco and binding on their successors and assigns. Each successive owner of the Premises or of any portion thereof, and each person having any interest therein derived through any owner thereof, shall be bound by such covenants, conditions and restrictions for the benefit of the Premises.

F. **CAPITALIZED TERMS.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

IN WITNESS WHEREOF this Memorandum of Option has been executed as of the date first written above.

"COUNTY"

PLACER COUNTY

By: _____
Jack Duran
Chairman, Placer County Board of
Supervisors

Date: December ____, 2014

"COSTCO"

COSTCO WHOLESALE
CORPORATION, a Washington
corporation

By: _____

Date: December ____, 2014

STATE OF CALIFORNIA)
)
COUNTY OF PLACER) ss.

On this ___ day of _____, 201_, before me, _____, the undersigned Notary Public, personally appeared _____, personally known to me (or 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.

WITNESS my hand and official seal.

Notary Public

STATE OF WASHINGTON)
)
COUNTY OF KING)

On this ____ day of _____, 201_, before me personally appeared _____, to me known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and an oath stated that he/she/they was/were authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public in and for the
State of Washington
Residing at _____
My Commission expires: _____

EXHIBIT E

MEMORANDUM OF INSURANCE

10/27/2014

Memorandum of Insurance (MOI)

Memorandum of Insurance

MEMORANDUM OF INSURANCE					DATE 27-Oct-2014	
<p>This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of this Memorandum. This Memorandum does not amend, extend or alter the coverage described below. This Memorandum may only be copied, printed and distributed within an authorized viewer and may only be used and viewed by an authorized viewer for its internal use. Any other use, duplication or distribution of this Memorandum without the consent of Marsh is prohibited. "Authorized viewer" shall mean an entity or person which is authorized by the Insurer named herein to access this Memorandum via https://online.marsh.com/marshconnectpublic/marsh2/public/moi?client=847. The information contained herein is as of the date referred to above. Marsh shall be under no obligation to update such information.</p>						
PRODUCER Marsh USA Inc. ("Marsh")			COMPANIES AFFORDING COVERAGE			
INSURED Costco Wholesale Corporation 999 Lake Drive Issaquah Washington 98027 United States			co. A Greenwich Insurance Company co. B XL Specialty Insurance Company co. C National Union Fire Insurance Co. of PA co. D Factory Mutual Insurance Company			
COVERAGES						
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS LIMITS IN USD UNLESS OTHERWISE INDICATED	
A	GENERAL LIABILITY Commercial General Liability Occurrence Owners and Contract Prot.	RGE9437284-08	01-SEP-2014	05-SEP-2015	GENERAL AGGREGATE	USD 2,000,000
					PRODUCTS - COMM/OP AGO	USD 2,000,000
					PERSONAL AND ADV INJURY	USD 1,000,000
					EACH OCCURRENCE	USD 1,000,000
					FIRE DAMAGE (ANY ONE FIRE)	USD 1,000,000
					MED EXP (ANY ONE PERSON)	EXCLUDED
A	AUTOMOBILE LIABILITY Any Auto	RAD9437043-10	01-SEP-2014	05-SEP-2015	COMBINED SINGLE LIMIT	USD 2,000,000
					BODILY INJURY (PER PERSON)	
					BODILY INJURY (PER ACCIDENT)	
					PROPERTY DAMAGE	
C	EXCESS LIABILITY Umbrella Form	19961612	01-SEP-2014	05-SEP-2015	EACH OCCURRENCE	USD 1,000,000
					AGGREGATE	USD 1,000,000
	GARAGE LIABILITY				AUTO ONLY (PER ACCIDENT)	
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	

<https://online.marsh.com/marshconnectpublic/marsh2/public/moi?client=847>

1/3

10/27/2014

Memorandum of Insurance (MOI)

					ACQUIRE DATE								
B	WORKERS	RWD9435046-	01-SEP-2014	05-SEP-2015									
B	COMPENSATION / EMPLOYERS LIABILITY THE PROPRIETOR / PARTNERS / EXECUTIVE OFFICERS ARE Included	10 (DC, IA, KY, LA, MN, NE, SD, TN) RWR9435226-07 (WI)	01-SEP-2014	05-SEP-2015	<table border="1"> <tr> <td>WORKERS COMP LIMITS</td> <td>Statutory</td> </tr> <tr> <td>PER EACH ACCIDENT</td> <td>USD 2,000,000</td> </tr> <tr> <td>PER DISEASE - POLICY LIMIT</td> <td>USD 2,000,000</td> </tr> <tr> <td>PER DISEASE - EACH EMPLOYEE</td> <td>USD 2,000,000</td> </tr> </table>	WORKERS COMP LIMITS	Statutory	PER EACH ACCIDENT	USD 2,000,000	PER DISEASE - POLICY LIMIT	USD 2,000,000	PER DISEASE - EACH EMPLOYEE	USD 2,000,000
WORKERS COMP LIMITS	Statutory												
PER EACH ACCIDENT	USD 2,000,000												
PER DISEASE - POLICY LIMIT	USD 2,000,000												
PER DISEASE - EACH EMPLOYEE	USD 2,000,000												
B	Excess Workers Compensation	See Below	01-SEP-2014	05-SEP-2015	See Below								
A	Excess Workers Compensation	See Below	01-SEP-2014	05-SEP-2015	See Below								
D	Property	UW730	01-JUN-2014	01-JUN-2015	See Below								
The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.													

MEMORANDUM OF INSURANCE		DATE
		27-Oct-2014
<p>This Memorandum is issued as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of this Memorandum. This Memorandum does not amend, extend or alter the coverage described below. This Memorandum may only be copied, printed and distributed within an authorized viewer and may only be used and viewed by an authorized viewer for its internal use. Any other use, duplication or distribution of this Memorandum without the consent of Marsh is prohibited. "Authorized viewer" shall mean an entity or person which is authorized by the Insured named herein to access this Memorandum via https://online.marsh.com/marshconnect/public/marsh2/public/moi?client=847. The information contained herein is as of the date referred to above. Marsh shall be under no obligation to update such information.</p>		
PRODUCER Marsh USA Inc. ("Marsh")	INSURED Costco Wholesale Corporation 999 Lake Drive Issaquah Washington 98027 United States	
ADDITIONAL INFORMATION As respects GENERAL LIABILITY policy number RGE9437284-08: Liquor Liability is included with a limit of USD 1,000,000. Coverage is subject to a Self Insured Retention of USD \$4,000,000. ADDITIONAL INSURED: The policy includes as an insured any person or organization with whom the named insured has entered into a written contract executed prior to an "occurrence", but only with respect to liability arising out of the named insured's ongoing operations performed for that insured, subject to policy terms, conditions and exclusions. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS: The insurance carrier waives any right of recovery they may have against any person or organization against whom the named insured has agreed to waive rights of recovery in a written contract, provided such contract was executed prior to the		

<https://online.marsh.com/marshconnect/public/marsh2/public/tut/plc5tdYw7EolwFEXXwgK69yAEaCMj4AgMSIBk0khykegQBBWLy6Ae5rTnAs5rLRqLJ9qKLL...> 2/3

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10/27/2014

Memorandum of Insurance (MOI)

date of loss, subject to policy terms, conditions and exclusions.

As respects AUTOMOBILE LIABILITY policy number RAD9437043-09:

ADDITIONAL INSURED:

The policy includes as an insured any person or organization with whom the named insured has entered into a written contract executed prior to an "occurrence", subject to policy terms, conditions and exclusions.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS:

The insurance carrier waives any right of recovery they may have against any person or organization against whom the named insured has agreed to waive rights of recovery in a written contract, provided such contract was executed prior to the date of loss, subject to policy terms, conditions and exclusions.

As respects EXCESS WORKERS COMPENSATION policy numbers are as follows:

(B) XL Specialty Insurance Company

RWE9435051-10 (AOS - excl TX)

RWE9435048-10 (MA)

RWE9435198-08 (CA)

(A) Greenwich Insurance Company

RWE9437044-10 (NI1)

Policy Limits are as follows:

Workers Compensation - Statutory

Employers Liability - USD 2,000,000 each accident/each employee/each disease

Subject to Self Insured Retention USD \$2M except \$1.5M NJ/UT/IN and \$1M GA/OH/VT/WA.

As respects PROPERTY policy #UW730:

Policy covers Real and Personal Property, as described in policy, against "All Risks" of physical loss or damage including but not limited to equipment breakdown, earthquake, flood and wind coverage, except where excluded, on a repair or replacement cost basis subject to the Valuation clause. Not subject to Coinsurance. Limit USD \$50,000,000.

Questions? Contact Ruston Bown at Costco Wholesale Corporation at 425-416-2295, fax 425-313-8569.

The Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized.

[Click here](#) for a printer-friendly version of this document.

<https://online.marsh.com/marshconnect/public/marsh2/public/tulp/c6/dYw7EolwFEXXwgKc9yAEaCMj4AgMSIBik0khykegQB8WLy6Ae5rTnAs5rLRqLJ8qKLL...>

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EXHIBIT F

ESCROW AGREEMENT

ESCROW AGREEMENT

(Auburn, California)

by and between

COSTCO WHOLESALE CORPORATION

VOLUNTEERS FOR THE MULTIPURPOSE SENIOR CENTER, INC.

PLACER COUNTY

and

FIRST AMERICAN TITLE INSURANCE COMPANY

Dated: December ____, 2014

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of _____, 2014 (as amended, restated or supplemented from time to time, this "**Agreement**"), is entered into by and among COSTCO WHOLESALE CORPORATION, a Washington corporation ("**Costco**"), VOLUNTEERS FOR THE MULTIPURPOSE SENIOR CENTER, INC., a California non-profit public benefit corporation, ("**Senior Center**"), PLACER COUNTY, a political subdivision of the State of California ("**County**"), and First American Title Insurance Company, as the escrow agent (the "**Escrow Agent**"), pursuant to that certain Option to Ground Lease dated as of _____, 2014 (the "**Option**"), by and between County and Costco. County and Costco, and the Escrow Agent are sometimes referred to herein collectively as the "**Parties**" and each individually as a "**Party**." Any capitalized term used in this Agreement but not defined herein shall have the meaning ascribed to such term in the Option.

RECITALS

WHEREAS, Costco desires to lease certain real property from County which will encompass a site which was leased by Senior Center from the County for many years and from where Senior Center provided services to an important and vulnerable sector of the population of the Auburn area community, and

WHEREAS, the lease between Senior Center and County will expire by its own terms and Senior Center must vacate the site, and Costco recognizes that Senior Center desires to continue to provide services to the senior community, so Senior Center will need to obtain and lease a new location and improve the new location to enable it to provide services, and

WHEREAS, Costco has agreed to assist Senior Center with the costs of obtaining, leasing and improving a new location, and pursuant to the terms of the Option, Costco has agreed to deposit Five Hundred Thirty Thousand Dollars (\$530,000.00) with Escrow Agent to be utilized by Senior Center for such purposes (the "**Deposit**"), with such Deposit amount to be refundable to Costco in accordance with the terms and provisions of the Option, and,

WHEREAS, Costco, Senior Center, County, the Escrow Agent desire to set forth the terms and conditions pursuant to which the Escrow Account shall be held in escrow by the Escrow Agent and disbursed,

NOW, THEREFORE, the Parties agree as follows:

1. Term of the Agreement. The term of this Agreement shall commence on the date hereof and shall continue in effect until terminated in accordance with the provisions of Section 4, below.

2. Establishment of the Escrow Account.

2.1 Delivery of Deposit to the Escrow Agent.

(a) Costco shall deliver to Escrow Agent the Deposit in the amount of Five Hundred Thirty Thousand Dollars (\$530,000.00), by wire transfer of immediately available funds within ten (10) business days after Costco's execution of the Option. The Deposit, together with all amounts of interest or other income on such Deposit, is sometimes referred to herein as the "Escrow Account".

(b) The Escrow Agent agrees to hold and dispose of the Escrow Account in accordance with the terms and conditions of this Agreement.

2.2 Investment of the Escrow Account.

(a) The Escrow Agent shall deposit the Escrow Account in a segregated interest-bearing account fully insured by the Federal Deposit Insurance Corporation ("FDIC") and thereafter shall be insured to the maximum extent possible in accordance with applicable FDIC deposit insurance rules. The Escrow Account shall at all times remain available for distribution in accordance with Section 3 below. The Parties acknowledge that a monthly account statement will be issued by Escrow Agent to Costco, Senior Center, and County for the Escrow Account. The Escrow Account shall be held by the Escrow Agent for the benefit of the Parties and subject to the terms of this Agreement, and all withdrawals therefrom shall be governed by this Agreement. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendation, or advice.

(b) The Parties acknowledge that only deposits in the United States are subject to FDIC insurance and the Escrow Accounts shall only be invested in accounts subject to FDIC insurance.

2.3 Interest Income. All interest, accretion in principal or other income or gain, if any, realized upon the Escrow Account hereunder shall be held by the Escrow Agent, shall be reinvested in accordance with Section 2.2 and shall be held in the Escrow Account upon the terms and conditions of this Agreement as part of the Escrow Account. All earnings with respect to the Escrow Account shall be retained in the Escrow Account and shall accrue to the benefit of the Senior Center.

2.4 Tax Matters.

(a) Tax Reporting. Costco, Senior Center and County agree that, for tax reporting purposes, all interest or other income from investment of the Escrow Account shall, to the extent required by the Internal Revenue Service (the "IRS"), be reported by the Escrow Agent as having been earned by Senior Center, at the end of the calendar year in which such interest or other income is actually disbursed. The Escrow Agent shall be responsible only for income reporting to the IRS with respect to income earned on the escrowed funds.

(b) Certification of Tax Identification Number. Senior Center shall provide the Escrow Agent with IRS form W-9s, and such other documentation as may be reasonably necessary for tax reporting and payment purposes, properly completed and executed. Senior Center understands that if such forms are not timely delivered to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended (the "Code"), to withhold a portion of any distribution pursuant to this Agreement.

3. Distribution of the Escrow Account. Costco, Senior Center, County, and the Escrow Agent desire to set forth the terms and conditions pursuant to which the Escrow Account shall be held in escrow by the Escrow Agent and disbursed to pay costs incurred by Senior Center of obtaining and improving a new location from which to provide senior services, consisting of rent and tenant improvements under the terms of a new lease to be entered into by Senior Center. In the event of any dispute with any party entitled to a distribution, Costco and County shall have no liability with respect thereto and the disputed amounts shall be disbursed hereunder only after a final resolution of such disputes. Prior to the tenth (10th) day of each calendar month, Escrow Agent shall provide Costco, Senior Center and County with monthly summaries of all disbursements hereunder through the prior calendar month under the terms of this Agreement.

3.1 Disbursements for Rent. The Parties acknowledge that, as of the date of execution of this Agreement, Senior Center is in the process of searching for suitable property to lease and has not entered into a new lease agreement with a new landlord. Within five (5) days of its execution of a lease (the "New Lease"), Senior Center shall provide a copy of the fully executed New Lease to Costco, County and Escrow Agent. Escrow Agent shall disburse funds to the landlord under the New Lease, in accordance with the terms of the New Lease, to the extent such amount of funds are in the Escrow Account, as follows: during the first sixty (60) months of the term of the New Lease, amounts for rent under the New Lease on a monthly basis as requested by Senior Center. The amount to be disbursed to the landlord under the New Lease shall be set forth in a Disbursement Request in the form of Exhibit "A" attached hereto signed by Senior Center, delivered to Escrow Agent, and copied to Costco and County. Such amount shall be disbursed to the landlord under the New Lease within five (5) business days of the request. It is anticipated that the amount of the Escrow Account available to be disbursed for rent shall total Three Hundred and Thirty Thousand Dollars (\$330,000.00), less any fees and reimbursements payable to the Escrow Agent pursuant to Section 5.2, below. In the event that, the Escrow Agent has disbursed funds for Senior Center's rent for the first sixty (60) months of the term, and the Escrow Account still contains funds which are not committed to any other purpose under this Agreement, Escrow Agent shall continue to disburse rent to Senior Center's landlord upon submission by Senior Center of a Disbursement Request until the funds in the Escrow Account are exhausted.

3.2 Disbursements for Tenant Improvements and Other Costs. Escrow Agent shall disburse funds (1) to the landlord under the New Lease, in accordance with the terms of the New Lease, to pay the landlord, and/or the landlord's contractors and vendors providing labor or material, to construct tenant improvements as agreed to by Senior Center under the New Lease, and/or (2) to Senior Center for costs related to the occupation of the property under the New Lease and the construction of tenant improvements on the property leased under the New Lease, including but not limited to construction costs not otherwise paid under subsection (1), above,

permits fees, design/architect fees, legal fees and other consultant costs incurred by Senior Center, in a total amount not to exceed Two Hundred Thousand Dollars (\$200,000.00), to the extent such amount of funds are in the Escrow Account.

Each request for disbursement shall be delivered to Escrow Agent, and copied to Costco and County, on a Disbursement Request in the form attached hereto as Exhibit "A", which shall constitute certification by Senior Center that upon payment of the amounts set forth in the application, all parties who performed work related to tenant improvements will be paid with the proceeds of the disbursement. The Senior Center shall obtain lien waivers executed by all the parties who performed work or supplied materials and who are to be paid by such disbursement if the party has filed a preliminary notice of lien.

3.3 Distribution of the Escrow Account.

(a) If any portion of the Escrow Account is remaining after the termination of this Agreement as provided in Section 4 below and is payable to a Party, then within ten (10) calendar days after such date, the Escrow Agent shall distribute to that Party, the amount equal to the remaining balance of the Escrow Account, including interest earned on such amount, if any, minus the aggregate amount of the Escrow Agent's fees and expenses that the Escrow Agent has not previously recovered from the Escrow Account and that are due and payable to the Escrow Agent.

(b) The Escrow Agent shall deduct and withhold from any distribution to the Party such amounts as that Party may instruct the Escrow Agent with respect to any tax withholding obligation under the Code or any provision of applicable tax law. To the extent that amounts are so withheld or deducted by the Escrow Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to that Party, in respect of which such deduction and withholding was made. The Escrow Agent shall pay over any such withheld amounts to the governmental entity that Party shall direct or otherwise as directed by the Party.

4. Termination. This Agreement and the escrow provided for herein shall terminate upon the earlier of: (i) the date in any mutual agreement to terminate this Agreement entered into pursuant to the provisions of subsection (a) of Section 6.11; (ii) the date on which all Escrow Account funds have been disbursed; and (iii) ten (10) years after the initial deposit in the Escrow Account pursuant to Section 2.1 above. Except as may be otherwise provided in an agreement entered into pursuant to Section 6.11, upon termination all funds remaining in the Escrow Account shall be disbursed to Senior Center.

5. Provisions Concerning the Escrow Agent.

5.1 Amendments and Modifications. The Escrow Agent shall not in any way be bound or affected by any amendment, modification or cancellation of this Agreement which increases or alters the obligations of the Escrow Agent under or pursuant to this Agreement, unless the same shall have been agreed to in writing by the Escrow Agent.

5.2 Compensation. The fees for the Escrow set forth on Schedule A shall be payable to Escrow Agent from the Escrow Account. Additionally, the Escrow Agent is entitled to reimbursement for all reasonable, documented out-of-pocket expenses (including the reasonable fees and expenses of legal counsel) incurred in connection with the performance of its services pursuant to the terms of this Agreement, such expenses to be reflected in a statement of costs to be sent from the Escrow Agent to each of Costco, Senior Center and County following the incurrence of such expenses. All such expenses shall be paid to Escrow Agent from the Escrow Account.

5.3 Duties of the Escrow Agent. The duties and obligations of the Escrow Agent shall be limited to those expressly set forth in this Agreement, which are purely ministerial in nature, and the Escrow Agent shall act only in accordance with the provisions of this Agreement. Without limiting the generality of the foregoing, the Escrow Agent shall not have any duty or responsibility to verify the accuracy or sufficiency of any notice or other document received by it in connection with this Agreement that the Escrow Agent reasonably believes to be genuine (absent actual notice to the contrary). The Escrow Agent shall be entitled to rely upon any instructions or directions to it in writing under this Agreement signed by the proper Party or Parties and shall be entitled to treat as genuine any instruction or document delivered to the Escrow Agent pursuant to the terms of this Agreement and reasonably believed by the Escrow Agent to be genuine and to have been presented by the proper Party or Parties (absent actual notice to the contrary), without being required to determine the authenticity or correctness of any fact stated in such a writing, or the authority or authorization of the person(s) making or delivering the same. Under no circumstances shall the Escrow Agent be deemed a fiduciary to any Party or any other person.

5.4 Liability of the Escrow Agent. Neither the Escrow Agent nor any of its officers, directors, employees, stockholders, representatives or agents shall be liable to Costco, Senior Center, County or any other person for or in respect of any losses or any other liability resulting from or arising out of its act or failure to act in connection with this Agreement, other than for any loss that is the result of negligence or willful misconduct on the part of the Escrow Agent or any such officers, directors, employees, stockholders, representatives or agents. The Escrow Agent shall not be required to advance its own funds nor incur personal financial liability in performing its duties under this Agreement.

5.5 Indemnity of the Escrow Agent. Costco, County and Senior Center shall jointly and severally indemnify and hold harmless the Escrow Agent from and against any and all losses, liabilities, costs, damages and expenses, including reasonable legal counsel fees that the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the negligence or willful misconduct of the Escrow Agent ("**Escrow Agent Damages**"). The Escrow Agent shall be entitled to retain out of any portion of the Escrow Account that would otherwise be distributed to a Party, the amount of Escrow Agent Damages for that Party's indemnification obligations pursuant to this Section 5.5 and that the Escrow Agent has not previously recovered from the Escrow Account. The foregoing indemnification shall survive the

expiration, termination or assignment of this Agreement, and the resignation or removal of the Escrow Agent.

5.6 Resignation of the Escrow Agent. At any time that the Escrow Agent so chooses, the Escrow Agent may resign from its duties under this Agreement by giving not less than thirty (30) calendar days' prior written notice to Costco, Senior Center and County; provided that, notwithstanding any resignation date set forth in the Escrow Agent's notice, such resignation shall not take effect until receipt by the Escrow Agent of an instrument duly executed by a successor escrow agent evidencing its appointment as the escrow agent under this Agreement and its acceptance of the terms and conditions of this Agreement. Costco, Senior Center and County shall appoint a successor escrow agent by mutual consent, provided that such successor escrow agent has assets of at least Ten Million Dollars (\$10,000,000). If no successor escrow agent is appointed within such thirty (30) day period, then the Escrow Agent may petition a court of competent jurisdiction to appoint a successor escrow agent, and shall deposit the Escrow Account with the court-appointed successor escrow agent, whereupon the Escrow Agent shall be discharged of all duties and obligations under this Agreement.

5.7 Removal of the Escrow Agent. The Escrow Agent may be removed at any time by mutual agreement of Costco, Senior Center and County by giving not less than thirty (30) calendar days' prior written notice to the Escrow Agent. Prior to the expiration of such thirty (30) day period, Costco, Senior Center and County shall designate, by mutual consent, a successor escrow agent, provided that such successor escrow agent has assets of at least Ten Million Dollars (\$10,000,000). If no successor escrow agent is appointed within such thirty (30) day period, then the Escrow Agent may deposit the Escrow Account with a court of competent jurisdiction, whereupon the Escrow Agent shall be discharged of all duties and obligations under this Agreement.

5.8 Ability to Consult Counsel. The Escrow Agent may confer with legal counsel of its choice in the event of any dispute or question as to the construction of any of the provisions of this Agreement, or its duties under this Agreement, and it shall incur no liability and, subject to Section 5.4, it shall be fully protected in acting in accordance with the opinions of such counsel. The Escrow Agent shall have the right to perform its duties through agents or attorneys.

5.9 No Third-Party Beneficiaries. Other than Costco, Senior Center, County and the Escrow Agent, no Person shall have any rights under this Agreement.

5.10 Disagreements. In the event of any disagreement between any of the Parties (other than the Escrow Agent) to this Agreement, or between them or any of them and any other Person resulting in conflicting or adverse claims or demands being made in connection with the Escrow Account, or in the event that the Escrow Agent, in good faith, shall be in doubt as to what action it should take hereunder, the Escrow Agent at its option may refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and, in any such event, the Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to either:

(a) continue so to refrain from acting until (i) the rights of all Parties shall have been determined by a final and non-appealable order of a court of competent jurisdiction or (ii) all differences shall have been resolved by agreement among all of the interested Persons, and the Escrow Agent shall have been notified thereof in writing signed by all such Persons, or

(b) file an interpleader action in any court of competent jurisdiction, which expenses shall be borne by Senior Center.

5.11 Funds Transfers. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement), whether in writing, by facsimile, or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call back to the person or persons designated on the certificates delivered to Escrow Agent herewith, as the case may be, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. If the Escrow Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it will not execute the instruction until all issues have been resolved. The persons and telephone numbers for call backs may be changed only in writing actually received and acknowledged by the Escrow Agent. Senior Center agrees to notify the Escrow Agent and County of any errors, delays or other problems within thirty (30) calendar days after receiving notification that a transaction has been executed. If it is determined that the transaction was delayed or erroneously executed as a result of the Escrow Agent's error, the Escrow Agent's sole obligation is to pay or refund such amounts as may be required by applicable law. In no event shall the Escrow Agent be responsible for any incidental or consequential damages or expenses in connection with the instruction.

6. Miscellaneous.

6.1 Notices. All notices, demands, requests, or other writings (each a "Notice") provided by the terms of this Agreement to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be in writing, shall be given by (a) personal delivery, (b) delivery by a nationally recognized overnight delivery service, (c) mailing or depositing same in the United States mail, registered or certified, return receipt requested, postage prepaid, or (d) facsimile (if a copy of such notice also is delivered by any other permitted method of delivery along with evidence that the facsimile was transmitted successfully), and in all cases shall be properly addressed to the parties at the following addresses, which addresses and fax numbers may be changed by any Party effective upon written notice to all other Parties:

Senior Center: Volunteers for the Multipurpose Senior Center, Inc.
 11577 E Avenue
 Auburn, CA 95603
 Attn: President
 Facsimile No.: (530) 823-0125

395

County: County of Placer
11476 C Avenue
Auburn, CA 95603
Attention: Property Manager
Facsimile No.: (530) 889-6857

with a copy to: County Executive Officer
175 Fulweiler Avenue
Auburn, CA 95603
Facsimile No.: (530) 889-4023

Costco: Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attention: Property Management (Legal Dept.)
Facsimile No.: 425-313-8105

with a copy to: Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027
Attention: Corporate Counsel (SSK)
Facsimile No.: 425-313-8114

with a copy to: Voss, Cook & Thel LLP
895 Dove Street, Suite 450
Newport Beach, CA 92660
Attention: David A. Lurker, Esq.
Facsimile No.: (949) 435-0226

If to Escrow Agent: First American Title Insurance Company
818 Stewart St., Suite 800
Seattle, Washington 98101
Attention: Chantale Stiller-Anderson
Facsimile No.: (866) 678-0584

A copy of any notice or other communication given or made to or by the Escrow Agent pursuant to this Agreement shall in addition be given or made to each of the other Parties named above.

6.2 Counterparts; Facsimile Delivery. This Agreement may be executed in three (3) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page delivered by facsimile or electronic image transmission shall be binding to the same extent as an original signature page. Any Party that delivers a signature page by facsimile or electronic image transmission shall deliver an original counterpart to any other Party that requests such original counterpart.

6.3 Entire Agreement. This Agreement sets forth the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings, except for the terms of the Option, among or between any of the Parties relating to the subject matter hereof.

6.4 Governing Law; Venue. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of California. Subject to the terms of Section 5.10, all disputes or claims arising between the Parties under or in any way relating to this Agreement or to the transactions contemplated hereby shall be settled by a court of competent jurisdiction with a venue within the State of California.

6.5 Attorneys' Fees. In any proceeding or controversy associated with or arising out of this Agreement or a claimed or actual breach hereof, or in any proceeding to recover the possession of the Premises, the substantially prevailing party shall be entitled to recover from the other party as a part of the substantially prevailing party's costs, reasonable attorney's fees and court costs, the amount of which shall be fixed by the court or arbitrator and shall be made a part of any judgment rendered.

6.6 Headings. The headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

6.7 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of all of the Parties.

6.8 Waiver.

(a) No failure on the part of any Party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No Party shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege, condition or remedy under this Agreement, unless the waiver of such claim, power, right, privilege, condition or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Party; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

6.9 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Party, person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Parties, persons or circumstances other than those as to which it

is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

6.10 Successors and Assigns; Parties in Interest.

(a) This Agreement shall be binding upon Senior Center and its successors and assigns, if any, County and its successors and assigns, if any; the Escrow Agent and its successors and assigns, if any; and Costco and its successors and assigns, if any. This Agreement shall inure to the benefit of Costco, Senior Center, County, the Escrow Agent, and the respective successors and assigns (if any) of the foregoing. Notwithstanding the foregoing, as between Costco and the County, this Agreement may not be assigned without the concurrent assignment of all rights, duties and obligations under the Option.

(b) Except as otherwise expressly set forth in this Agreement, none of the provisions of this Agreement is intended to provide any rights or remedies to any person other than the Parties and their respective successors and assigns, if any.

6.11 Termination.

(a) This Agreement may be terminated by the mutual written agreement of Senior Center and County, a copy of which shall be provided to the Escrow Agent. Upon such termination of this Agreement, the Escrow Account will be distributed as mutually agreed upon by Senior Center and County.

(b) The Escrow Agent's rights to indemnity and to receive payment of its fees and expenses shall survive any termination of this Agreement for the period of the applicable statute of limitations.

6.12 Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including, but not limited to, any provision of any present or future law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility).

6.13 Use of Escrow Agent's Name. No printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions the Escrow Agent by name or the rights, powers, or duties of the Escrow Agent under this Agreement shall be issued by any other Parties, or on such Party's behalf, without the prior written consent of the Escrow Agent.

6.14 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in the construction or interpretation of this Agreement.

(c) As used in this Agreement, the words "include" and "including" and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) Except as otherwise indicated, all references in this Agreement to "Sections" and "Schedules" are intended to refer to Sections of this Agreement and Schedules to this Agreement.

[Signature page follows]

The Parties to this Agreement have caused this Agreement to be executed and delivered as of the date first written above.

SENIOR CENTER:

VOLUNTEERS FOR THE MULTI-PURPOSE SENIOR CENTER, INC.

By: _____
Name:
Title:

Date: _____, 20__

COUNTY:

COUNTY OF PLACER

By: _____
Name:
Title:

Date: December ____, 20__

COSTCO:

COSTCO WHOLESALE CORPORATION,
a Washington corporation

By: _____
Name:
Title:

Date: December ____, 20__

[Signatures Continued on Following Page]

SIGNATURE PAGE TO ESCROW AGREEMENT

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: _____

Name:

Title:

Date: _____, 20____

H:\Client Folders\Costco (04210)\Auburn Lease (038)\Does\Escrow Agr\Escrow Agr-9.docx

Schedule A

Escrow Agent Fee Schedule

Acceptance Fee

To cover the acceptance of the Escrow Agency appointment, the study of the Escrow Agreement, and supporting documents submitted in connection with the execution and delivery thereof, and communication with other members of the working group:

\$750.00

Administration Fee

To cover maintenance of the Escrow Account including safekeeping of assets, normal administrative functions of the Escrow Agent, including maintenance of the Escrow Agent's records, follow-up of the Escrow Agreement's provisions, and any other duties required by the Escrow Agent under the terms of the Escrow Agreement:

\$100 per annum

1099 Tax Preparation Fee

To cover preparation of Form 1099 for each calendar year:

\$50.00

Transaction Fees

To cover all checks, wire transfers, postage and overnight delivery charges incurred by the Escrow Agent as required under the terms and conditions of the Escrow Agreement:

\$50.00 per disbursement request

Legal Fees

At cost, if applicable.

Other Fees

Material amendments to the Escrow Agreement: fee to be determined

EXHIBIT "A"

DISBURSEMENT REQUEST

Via E-Mail: cstiller@firstam.com

_____, 20__

First American Title Insurance Company
818 Stewart St., Suite 800
Seattle, Washington 98101
Attn: Chantale Stiller-Anderson
Commercial Closing Counsel

Re: Escrow Agreement dated _____, 2014
by and between Costco, Volunteers for the Multipurpose Senior
Center, Inc., and Placer County
Your Escrow Account No. _____

Ladies and Gentlemen:

This Volunteers for the Multipurpose Senior Center, Inc.'s Disbursement Request is being delivered to you by the undersigned pursuant to Section 3.1/Section 3.2 of the Escrow Agreement referenced above. Upon your receipt of this Request, including Schedule 1 attached hereto which shall set forth each party entitled to a disbursement, the amount to be distributed to such party, and the wiring instructions for the disbursement, please disburse such amounts as set forth therein:

The undersigned hereby certifies that the undersigned is entitled to the disbursement of the foregoing amounts pursuant to Schedule 1 attached hereto as provided by Section 3.1/Section 3.2 of the above-referenced Escrow Agreement.

Dated: _____, 20__

Volunteers for the Multipurpose Senior Center, Inc.

By: _____
Name:
Title:

Schedule 1

<u>Company Name</u>	<u>Disbursement Amount</u>
1. _____	_____
Such amounts are to be disbursed to _____ by wire-transfer to the account of _____ at _____ Bank, ABA Routing No. _____, Account No. _____, Attn: _____.	
2. _____	_____
Such amounts are to be disbursed to _____ by wire-transfer to the account of _____ at _____ Bank, ABA Routing No. _____, Account No. _____, Attn: _____.	
3. _____	_____
Such amounts are to be disbursed to _____ by wire-transfer to the account of _____ at _____ Bank, ABA Routing No. _____, Account No. _____, Attn: _____.	
4. _____	_____
Such amounts are to be disbursed to _____ by wire-transfer to the account of _____ at _____ Bank, ABA Routing No. _____, Account No. _____, Attn: _____.	

EXHIBIT G

MEMORANDUM OF GROUND LEASE

[Attached]

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RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Costco Wholesale Corporation 999 Lake Drive Issaquah, Washington 98027 Attn: Legal Department	
---	--

Space Above For Recorder's Use Only

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (the "Memorandum") is entered into this ____ day of _____, 20__, by and between COSTCO WHOLESALE CORPORATION, a Washington corporation ("Costco"), and PLACER COUNTY, a political subdivision of the State of California ("County"), to be recorded in the Official Records of the County of Placer, State of California, and to give notice of the Ground Lease (as defined below) between County and Costco.

WITNESSETH:

A. County and Costco have entered into that certain Ground Lease (the "Ground Lease") dated _____, 20__ (the "Effective Date"), pursuant to which County has leased to Costco, and Costco has leased from County, the Property (as defined below); and

B. County and Costco desire to enter into this Memorandum in order to provide public record notice of the Ground Lease and certain provisions, rights and obligations of County and Costco with respect thereto.

NOW, THEREFORE, for and in consideration of the foregoing premises, the sum of Ten Dollars (\$10.00), the covenants, representations, warranties and agreements set forth in the Ground Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Ground Lease.

2. Grant of Lease. Pursuant to the Ground Lease, County has leased to Costco, and Costco has leased from County, that certain real property (the "Property") comprising approximately ____ acres, situated in the County of Placer, State of California, legally described on Exhibit "A" attached hereto.

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3. Incorporation of Ground Lease. All parties are given notice of the terms and conditions set forth in the Ground Lease in addition to those described below. Copies of the Ground Lease are in the possession of County and Costco. All terms and conditions of the Ground Lease are incorporated herein by this reference and made a part hereof.

4. Term and Renewal Options. The initial term of the Ground Lease (the "Initial Term") is for twenty (20) years after the Closing. Costco has successive rights to extend the Term for three (3) successive periods of ten (10) years each, in accordance with certain terms and conditions set forth in Section 15.1 of the Ground Lease.

5. Successors. The covenants, conditions and agreements made and entered into by the parties hereto and in the Ground Lease shall be binding upon and inure to the benefit of their respective heirs, administrators, executors, representatives, successors and assigns.

6. Conflicts with Ground Lease. This Memorandum is solely for notice and recording purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Ground Lease. In the event of any inconsistency between the provisions of this Memorandum and the provisions of the Ground Lease, the provisions of the Ground Lease shall govern.

7. Counterparts. This Memorandum may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same document.

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Ground Lease as of the day and year first above written.

COUNTY:

COUNTY OF PLACER

By: _____

Name:

Title: Chairman, Placer County Board of Supervisors

Date: _____

COSTCO:

COSTCO WHOLESALE CORPORATION,
a Washington corporation

By: _____

Name:

Title:

Date: _____

STATE OF WASHINGTON)
)
County of _____)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and an oath stated that he/she/they was/were authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Notary Public in and for the
State of Washington
Residing at _____
My Commission expires: _____

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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(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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Exhibit "A"
Legal Description of Property
[To Be Inserted Upon Execution]

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EXHIBIT H

DOCUMENTS RE: HAZARDOUS SUBSTANCES

- Tank Removal and Soil Assessment Report CTSA Yard, Auburn, California by Kleinfelder October 8, 1992
- Dewitt Center Existing Conditions Report prepared by URS September 2002
- Dewitt Center Existing Conditions Report Appendix prepared by URS September 2002.

EXHIBIT 3

**Notice of Exemption with the County Clerk-Recorder,
posted December 11, 2014**



Placer County
 Department of Facility Services
 11476 C Avenue
 Auburn, CA 95603

POSTED 12/11/2014
 Through _____
 JIM McCAULEY, COUNTY CLERK
 By C. Wheeler
 Deputy Clerk

NOTICE OF EXEMPTION

To: X County Clerk
 County of Placer

_____ Office of Planning & Research
 1400 Tenth Street, Room 121
 Sacramento, CA 95814

Project Title: Placer County Government Center – Costco Wholesale Corporation Option to Ground Lease.

Project Location: Approximately 16 acres located in the southeast quadrant of the Placer County Government Center, generally located in and around C Ave., D Ave., E Ave., F Ave., 1st St. and 2nd St., Auburn, CA, 95603, as described on the attached map.

Description of Project: The project involves the Placer County Board of Supervisors' approval on December 9, 2014 of the Option to Ground Lease between Costco Wholesale Corporation ("Costco") and the County of Placer.

Name of Public Agency Making Environmental Determination: County of Placer

Name of Person or Agency Carrying Out Project: County of Placer

Reasons Why Project is Exempt: This project is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines 15061(b)(3) because it can be determined with certainty that there is no possibility that the approval of the Option to Ground Lease ("Option") may have a significant effect on the environment. Approval of the Option does not grant any land use entitlements, does not allow Costco to take possession of the subject property, and does not authorize any development use of the subject property by Costco. In order to utilize the subject property in any way, Costco must exercise its rights to the Ground Lease, and Costco may not exercise its rights to the Ground Lease until it has applied for and been granted all necessary discretionary land use approvals from the County, which are subject to full environmental review in accordance with CEQA. The County cannot enter into the Ground Lease until the decision is made by Costco to exercise Costco's rights to the Ground Lease, prior to which time full environmental review of proposed development by Costco on the subject property will have been performed. The Option establishes the terms under which the Ground Lease may be exercised, so the action by the County to execute the Ground Lease is non-discretionary and not subject to any additional environmental review under the California Environmental Quality Act pursuant to Public Resources Code Section 21080(b)(1).

Lead Agency Contact Person: Laurie Morse

Area Code/Telephone Number: (530) 886-4964

Laurie Morse
 Lead Agency Signature

12/10/14
 Date

14-265

PROJECT LOCATION



State of California -- Department of Fish and Wildlife
2014 ENVIRONMENTAL FILING FEE CASH RECEIPT
 DFW 753.5a (Rev. 09/13)

RECEIPT# 140265
STATE CLEARING HOUSE# (if applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY PLACER COUNTY DEPT OF FACILITY SERVICES	DATE 12/11/2014
---	---------------------------

COUNTY/STATE AGENCY OF FILING PLACER COUNTY CLERK AUBURN
--

PROJECT TITLE PLACER COUNTY GOVERNMENT CENTER-COSTCO CORPORATION OPTION TO GROUND LEASE

PROJECT APPLICANT NAME PLACER COUNTY DEPT OF FACILITY SERVICES	PHONE NUMBER - -
--	---------------------

PROJECT APPLICANT ADDRESS 11476 C AVENUE	CITY AUBURN	STATE CA	ZIP CODE 95603
--	-----------------------	--------------------	--------------------------

PROJECT APPLICANT (Check appropriate box):

Local Public Agency School District Other Special District State Agency Private Entity

CHECK APPLICABLE FEES:

- | | | |
|---|------------|-----------------|
| <input type="checkbox"/> Environmental Impact Report (EIR) | \$3,029.75 | \$ _____ |
| <input type="checkbox"/> Mitigated/Negative Declaration (MND) (ND) | \$2,181.25 | \$ _____ |
| <input type="checkbox"/> Application Fee Water Diversion (State Water Resources Control Board Only) | \$850.00 | \$ _____ |
| <input type="checkbox"/> Projects Subject to Certified Regulatory Programs (CRP) | \$1,030.25 | \$ _____ |
| <input checked="" type="checkbox"/> County Administrative Fee | \$50.00 | \$ <u>50.00</u> |
| <input checked="" type="checkbox"/> Project that is exempt from fees | | |
| <input checked="" type="checkbox"/> Notice of Exemption (attach) | | |
| <input type="checkbox"/> DFG No Effect Determination (attach) | | |
| <input type="checkbox"/> Other _____ | | \$ _____ |

PAYMENT METHOD:

Cash Credit Check Other Journal Entry

TOTAL RECEIVED \$50.00

SIGNATURE X C. Wheeler	TITLE DEPUTY, C. Wheeler
----------------------------------	------------------------------------

PROJECT APPLICANT COPY

CDFW/ASB COPY

LEAD AGENCY COPY

COUNTY CLERK COPY

FG 753.5b (Rev. 11/12)



February 9, 2015

VIA FACSIMILE: (530) 889-6857
AND VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Mary Dietrich
Director of Facility Services
County of Placer Facility Services Department
11476 C Avenue
Auburn, CA 95603

RE: Option to Ground Lease (Auburn, California) by and between Placer County and Costco Wholesale Corporation, a Washington corporation, dated December 9, 2014 (the "Option Agreement")
NOTICE OF TERMINATION

Dear Ms. Dietrich:

This will serve as notice pursuant to the provisions of Section 1.3(e)(vii) of the Option Agreement referenced above, that Costco Wholesale Corporation has elected to terminate the Option Agreement effective immediately. You are hereby directed to pay directly to Costco, within thirty (30) days of the date hereof, Five Hundred and Thirty Thousand Dollars (\$530,000), which is the full amount of the "Deposit" as provided in the Option Agreement.

Thank you for your assistance.

Sincerely yours,

Costco Wholesale Corporation

A handwritten signature in black ink, appearing to read "Richard J. Ofin", written over the printed name.

Richard J. Ofin
SVP/Asst. Secretary

cc: David A. Lurker, Esq. (via e-mail)

EXHIBIT 5

County Letter dated February 10, 2015



PLACER COUNTY COUNSEL

GERALD O. CARDEN, COUNTY COUNSEL

175 Fulweiler Avenue
Auburn, California 95603
Telephone: (530) 889-4044
Facsimile: (530) 889-4069
www.placer.ca.gov

February 10, 2015

Via Facsimile (530-758-7169) and First Class Mail

Donald B. Mooney, Esq.
Law Offices of Donald B. Mooney
129 C Street, Suite 2
Davis, CA 95616

Via Facsimile (530-432-7356) and First Class Mail

David Ruderman, Esq.
Colantuono, Highsmith & Whatley, PC
11364 Pleasant Valley Rd.
Penn Valley, CA 95946

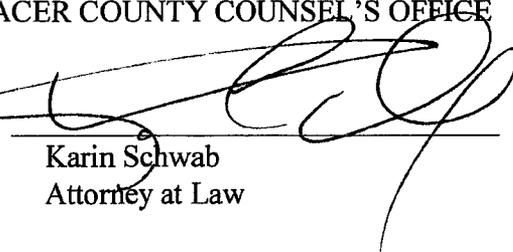
Re: *Auburn Highway 49 Corridor Assoc. v. County of Placer, et al.*
Placer County Superior Court Case No. SCV0035698
City of Auburn v. County of Placer, et al.
Placer County Superior Court Case No. SCV0035751

Dear Counsel:

The County received the attached notice from Costco Wholesale Corporation terminating the Option to Ground Lease. As a result of this action, the subject matter of your respective lawsuits is now moot. The County requests that you file dismissals with prejudice of your respective writs no later than February 17, 2015. If you fail to do so, the County is prepared to file a motion with the court for dismissal.

Very truly yours,

PLACER COUNTY COUNSEL'S OFFICE

By. 

Karin Schwab
Attorney at Law

Attachment

cc: Dale Goldsmith

419



February 9, 2015

VIA FACSIMILE: (530) 889-6857
AND VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Mary Dietrich
Director of Facility Services
County of Placer Facility Services Department
11476 C Avenue
Auburn, CA 95603

RE: Option to Ground Lease (Auburn, California) by and between Placer County and Costco Wholesale Corporation, a Washington corporation, dated December 9, 2014 (the "Option Agreement")
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Thank you for your assistance.

Sincerely yours,

Costco Wholesale Corporation

A handwritten signature in black ink, appearing to read "R. Olin", written over the printed name of the signatory.

Richard J. Olin
SVP/Asst. Secretary

cc: David A. Lurker, Esq. (via e-mail)

H2D