

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
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 May 1, 2018

by and between the

MOTHER LODE UNION SCHOOL DISTRICT, as Lessor

and the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Lessee

SITE AND FACILITY LEASE

This SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of May 1, 2018, is by and between the MOTHER LODE UNION SCHOOL DISTRICT, a school district organized and existing under and by virtue of the laws of the State of California (the "District"), as lessor, and the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under and by virtue of the laws of the State of California (the "Corporation"), as lessee;

W I T N E S S E T H :

WHEREAS, pursuant to this Site and Facility Lease, the District proposes to lease those certain parcels of real property situated in El Dorado County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements thereon, more particularly described in Exhibit B hereto (the "Facility" and, with the Site, the "Property"), to the Corporation, all for the purpose of enabling the District to finance the renovation, construction and improvement of school facilities throughout the geographic boundaries of the District;

WHEREAS, the Corporation proposes to lease the Property back to the District pursuant to that certain Lease Agreement, dated as of May 1, 2018, a memorandum of which is recorded concurrently herewith (the "Lease Agreement") and to assign all of its rights, title and interest in, to and under this Site and Facility Lease and the Lease Agreement, including its right to receive lease payments under the Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under the Lease Agreement in the event of a default thereunder by the District, to Opus Bank, a California commercial bank (the "Assignee"), pursuant to that certain assignment agreement, dated as of May 1, 2018, by and between the Corporation and the Assignee (the "Assignment Agreement"), and recorded concurrently herewith;

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 District hereby leases to the Corporation and the Corporation hereby leases from the District, on the terms and conditions hereinafter set forth, the Property.

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 District of the County Recorder of El Dorado County, State of California, and shall end on May 1, 2033, unless such term is extended or sooner terminated as hereinafter provided. If, on May 1, 2033, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid by reason of abatement, default or otherwise, or provision shall not have been made for their payment in accordance with the Lease Agreement, 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, but in no event later than May 1, 2043. If, prior to May 1, 2033, all Lease Payments shall be fully paid or provision made for such payment in accordance with the Lease Agreement, the term of this Site and Facility Lease shall end.

Section 4. Advance Rental Payment. The District agrees to lease the Property to the Corporation in consideration of the payment by the Corporation of an advance rental payment of \$3,828,283. The District and the Corporation agree that by reason of the assignment of the Lease Payments to the Assignee under and pursuant to the Assignment Agreement, the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

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

Section 6. District's Interest in the Property. The District covenants that it is the owner in fee of the Property.

Section 7. District Representations and Certifications to the Corporation and the Assignee. The District hereby certifies and represents, warrants, covenants and agrees as follows:

(a) This Site and Facility Lease is in full force and effect, and there have been no amendments, modifications, changes or additions since its execution.

(b) To the best of the District's knowledge, the Corporation is not and will not be, in any respect, in default under the terms and provisions of this Site and Facility Lease. Further, to the best of the District's knowledge, the District knows of no event which would, currently or with the passage of time or giving of notice, or both, constitute a default under the terms of this Site and Facility Lease by either the Corporation or the District.

(c) The District has not currently encumbered its fee interest in the Property to any lender or financial institution, whether by way of mortgage, deed of trust or other security instruments, except for this Site and Facility Lease and the Lease Agreement which is being recorded concurrently herewith and Permitted Encumbrances (as defined in the Trust Agreement).

(d) The District acknowledges hereby consents to the Lease Agreement.

(e) Upon the Event of Default under the Lease Agreement, the District will standstill and allow the Corporation or the Assignee to pursue any and all remedies available to the Corporation or Assignee under either this Site and Facility Lease or the Lease Agreement.

(f) Except for the rental payment referenced in Section 4, no additional rent is or will be due under this Site and Facility Lease by the Corporation through the term of this Site and Facility Lease and the Corporation has satisfied all of its obligations under this Site and Facility Lease.

(g) During the term of the Site and Facility Lease, the District will not consent to any amendment, modification or termination of this Site and Facility Lease without the prior written consent of the Assignee.

(h) During the term of this Site and Facility Lease, the District will not encumber its interest in the Site without the prior written consent of the Assignee.

(i) The District acknowledges that this Site and Facility Lease cannot be terminated by the District for any reason, except according to Section 3.

(j) Notwithstanding any Site and Facility Lease provisions to the contrary, policies of fire, casualty, and extended coverage insurance shall be carried and maintained by the District in accordance with the terms of the Lease Agreement covering the building or buildings constructed on the Site, with a loss payable clause to Assignee.

Section 8. Assignments and Subleases. Unless the District shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site and Facility Lease or sublet the Property, except as provided in the Lease Agreement and the Assignment Agreement, without the written consent of the District and the Assignee. The District consents to the assignment of the Corporation's interest in this Site and Facility Lease to the Assignee. If the District is in default under the Lease Agreement, the Assignee (including their successors and assigns under the Lease Agreement) may fully and freely assign and sublease the Property or any portion thereof, subject to this Site and Facility Lease.

Section 9. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 10. Termination. The Corporation agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Property 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 District.

Section 11. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District 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 District shall have no right to terminate this Site and Facility Lease as a remedy for such default. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the District will continue to pay the Lease Payments to the Assignee.

In the event of the occurrence of an Event of Default under the Lease Agreement or a breach or default of the certifications and representations, warranties and covenants of the District contained in Section 7, the Corporation and/or the Assignee may (i) exercise the remedies provided in the Lease Agreement, (ii) use the Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein.

Section 12. Quiet Enjoyment. The Corporation, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Property subject to the provisions of the Lease Agreement.

Section 13. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Corporation are solely liabilities of the Corporation and the District hereby releases each and every Boardmember, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site and Facility Lease. No Boardmember, director, officer, employee or agent of the Corporation 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 Corporation hereunder.

Section 14. Taxes. All assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Property or the Corporation's interest in the Property created by this Site and Facility Lease (including both land and improvements) will be paid by the District in accordance with the Lease Agreement.

Section 15. Eminent Domain. In the event the whole or any part of the Property is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid principal component of the Lease Payments, any then unpaid interest component of the Lease Payments and any premium due with respect to the prepayment of Lease Payments to the date such amounts are remitted to the Corporation or its assignee, and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the District. The District hereby waives, to the extent permitted by law, any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Property through the eminent domain powers of the District. However, the District hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the District with respect to the Property shall be in an amount not less than the total unpaid principal component of Lease Payments, the interest component of Lease Payments accrued to the date of payment of all Lease Payments and any premium due with respect to the prepayment of Lease Payments under the Lease Agreement.

Section 16. Use of the Proceeds. The District and the Corporation hereby agree that the lease to the Corporation of the District's right and interest in the Property pursuant to Section 2 serves the public purposes of the District.

Section 17. Attorneys' Fees, Costs and Expenses. In any civil action or proceeding arising from or relating to this Site and Facility Lease or a party's performance under this Site and Facility Lease, the prevailing party shall be awarded its reasonable attorneys' fees, costs and expenses, including the reasonable attorneys' fees, costs and expenses incurred in collecting or executing upon any judgment, order or award.

Section 18. 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 19. 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, at the addresses set forth in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 20. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon the District and the Corporation and their respective successors and assigns. The Assignee is recognized as and shall be deemed to be an irrevocable third party beneficiary of this Site and Facility Lease and may enforce the provisions of this Site and Facility Lease as if it were a party hereto.

Section 21. Amendment. This Site and Facility Lease may not be amended except as permitted under the Lease Agreement.

Section 21. 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 22. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

Section 23. No Merger. Neither this Site and Facility Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the District to the Property under this Site and Facility Lease and the District's leasehold interest therein under the Lease Agreement.

Section 24. 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.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the District and the Corporation 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.

MOTHER LODGE UNION SCHOOL
DISTRICT

By _____
Marcy Guthrie, Ed.D.
Superintendent

Attest:

Cathy Wilson
Clerk of the Board

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By _____
Stefan A. Morton
Treasurer

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A

DESCRIPTION OF THE SITE

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

All that portion of the West one-half of Section 15, T.10N., R.10E., M.D.M., also being a portion of Parcel A, as said Parcel is shown on that certain Parcel Map filed in the Office of the County Recorder of El Dorado County, State of California, on February 27, 1978, in Book 19 of Parcel Maps, at Page 18 described as follows:

Beginning at a point on South boundary of said Parcel A, from which point of beginning the Southwest corner of said Parcel A bears North 83° 55' 30" West 25.14 feet; thence from said point of beginning parallel to the West boundary of said Parcel A North 00° 03' 00" West 740.68 feet; thence along the arc of a curve to the right having a radius of 275.00 feet, said arc being subtended by a chord bearing North 17° 57' 00" East 169.96 feet; thence along a curve to the left having a radius of 1025.00 feet, said arc being subtended by a chord bearing North 34° 38' 04" East 47.07 feet; thence South 82° 07' 30" East 564.37 feet; thence along the arc of a curve to the right having a radius of 375.00 feet, said arc being subtended by a chord bearing South 12° 45' 00" West 311.02 feet; thence South 37° 15' 00" West 275.00 feet; thence along a curve to the left having a radius of 375.00 feet, said arc being subtended by a chord bearing South 22° 15' 10" West 194.08 feet; thence South 07° 15' 19" West 185.00 feet to a point on the Southerly boundary of said Parcel A; thence along last said Southerly boundary the following three (3) courses: (1) North 82° 44' 41" West 298.74 feet, (2) South 07° 15' 19" West 16.99 feet and (3) North 83° 55' 30" West 7.12 feet to the point of beginning.

Said land is also shown as Tract 3 on that certain Record of Survey Map filed August 17, 1988, in Book 15 of Record of Surveys, Page 141.

APN: 325-040-12-100

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of the Indian Creek Elementary School located at 6701 Green Valley Road, Placerville, CA 95667. The school was constructed in 1987 and consists of an administration building, three classroom buildings, a library, a multi-purpose building and 18 portable classroom buildings totaling approximately 47,800 square feet. The buildings have an insured value of \$6.374 million.