

RECORDING REQUESTED BY:
County of Nevada, California

AND WHEN RECORDED RETURN TO:
Stradling Yocca Carlson & Rauth
500 Capitol Mall, Suite 1120
Sacramento, California 95814
Attention: Kevin M. Civale, Esq.

[Space above for Recorder's use.]

This document is recorded for the benefit of the County of Nevada, California, and such recording is fee-exempt under Section 6103 of the Government Code. Lease Term less than 35 Years.

SITE LEASE

by and between

COUNTY OF NEVADA

and the

NEVADA COUNTY FINANCE AUTHORITY

Dated as of February 1, 2019

Relating to

\$ _____
NEVADA COUNTY FINANCE AUTHORITY
OPERATIONS CENTER LEASE REVENUE BONDS, SERIES 2019

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SITE LEASE

This SITE LEASE, dated as of February 1, 2019 (this “**Site Lease**”), is between the COUNTY OF NEVADA, CALIFORNIA, a political subdivision of the State of California (the “**County**”), as lessor, and the NEVADA COUNTY FINANCE AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”), as lessee;

WITNESSETH:

WHEREAS, the Authority is issuing its Nevada County Finance Authority Operations Center Lease Revenue Bonds, Series 2019 (the “**Bonds**”) to finance a portion of the costs of the acquisition and construction of certain capital improvements for the County’s Operations Center and related upgrades and equipment; and

WHEREAS, to facilitate the issuance of the Bonds, the Authority and the County desire to enter into this Site Lease and to lease the Leased Facilities (as hereinafter defined) pursuant to the terms hereof; and

WHEREAS, under the Lease between the Authority and the County dated the date hereof and being recorded concurrently herewith (the “**Lease**”), the County will lease back from the Authority the Leased Facilities and obligate itself to make base rental payments to the Authority for the lease of the Leased Facilities; and

WHEREAS, all rights to receive the base rental payments made under the Lease (the “**Base Rental Payments**”) will be assigned by the Authority to The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”) pursuant to an Indenture, dated the date hereof, between the Authority and the Trustee (the “**Indenture**”) pursuant to which the Bonds will be issued;

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

Section 1. Leased Facilities. The County hereby leases to the Authority and the Authority hereby leases from the County, on the terms and conditions set forth herein, the real property described in Exhibit A attached hereto and made a part hereof, subject to Permitted Encumbrances (as defined below), together with the buildings, improvements, fixtures, furnishings, equipment and appurtenant and related facilities thereon, or any real property, buildings, improvements, fixtures and equipment substituted for all or any portion of such property in accordance with the Lease and this Site Lease (collectively, the “**Leased Facilities**”). Permitted Encumbrances means: (1) liens for general ad valorem taxes and assessments, if any, not then delinquent; (2) easements, encumbrances, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions or restrictions that exist of record as of the date of recordation of this Site Lease in the office of the County Recorder; (3) this Site Lease and the Lease, as they may be amended from time to time; (4) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (5) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that will not materially impair the use of the Leased Facilities; and (6) all matters that would be revealed by an accurate survey of the real property described in Exhibit A.

Section 2. Term. The term of this Site Lease shall commence upon the issuance of the Bonds and shall end on October 1, 2039, unless such term is sooner terminated as hereinafter provided. If on October 1, 2039, the Bonds and all other amounts due under the Indenture and under this Site Lease shall not be fully paid, or if the rental or other amounts payable under the Lease shall have been abated at any time and for any reason or shall not have been fully paid, then the term of this Site Lease shall be extended until ten days after the Bonds and all other amounts due under the Indenture and the Lease shall be fully paid, except that the term of this Site Lease shall in no event be extended beyond July 1, 2049. If prior to October 1, 2039, the Bonds shall be fully paid, the term of this Site Lease shall end ten (10) days thereafter or ten (10) days after written notice by the County to the Authority of such event, whichever is earlier.

Section 3. Rental. The Authority shall pay to the County as and for rental of the Leased Facilities hereunder an amount of Bond proceeds equal to \$_____, which the County and the Authority agree shall be deposited and applied as specified in the Indenture.

Section 4. Purpose. The Authority shall use the Leased Facilities solely for the purpose of leasing the Leased Facilities to the County pursuant to the Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Lease, the Authority may exercise any remedies provided in the Lease.

Section 5. Owner in Fee. The County covenants that it is the owner in fee of the Leased Facilities, and the Leased Facilities are free of any leases and encumbrances that would materially interfere with the use of the Leased Facilities for the purposes intended by the parties hereto. The County further covenants and agrees that if for any reason this covenant proves to be incorrect, the County shall either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the County's title, and will diligently pursue such action to completion. The County further covenants and agrees that it will hold the Authority harmless from any loss, cost or damages resulting from any breach by the County of the covenants contained in this Section.

Section 6. Assignments and Subleases. Unless the County shall be in default under the Lease, the Authority may not assign its rights under this Site Lease or sublease the Leased Facilities, except pursuant to the Indenture and the Lease, without the written consent of the County.

Section 7. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Leased Facilities at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 8. Termination. The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Facilities 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 further agrees that any permanent improvements and structures existing upon the Leased Facilities at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the County.

Upon the exercise of the option to prepay the Base Rental Payments and the prepayment of the Base Rental Payments, as set forth in the Lease, the term of this Site Lease shall terminate as to the portion of the Leased Facilities upon which the part of the Leased Facilities being so prepaid is situated.

Section 9. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the County may exercise any and all remedies granted by law; except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the County shall have no power to terminate this Site Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment or sublease of all or any part of the Leased Facilities then in effect between the Authority and any assignee or subtenant of the Authority (other than the County under the Lease). So long as any such assignee or subtenant of the Authority shall duly perform the terms and conditions of this Site Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the County hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Trustee shall continue to be paid to the Trustee.

Section 10. Quiet Enjoyment. The Authority at all times during the term of this Site Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Leased Facilities.

Section 11. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Authority shall be solely liabilities of the Authority, and the County hereby releases each and every member, director, officer, agent, or employee of the Authority of and from any personal or individual liability under this Site Lease. No member, director, officer, agent, or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Facilities. The County, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Leased Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Leased Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

Section 12. Taxes. The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes; levied or assessed upon the Leased Facilities (including both land and improvements).

Section 13. Eminent Domain. In the event the whole or any part of the Leased Facilities (including all or any part of the improvements thereon) is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds attributable to such part of the Leased Facilities and shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the County.

Section 14. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable

for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 15. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises 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:

If to the County: County of Nevada
950 Maidu Avenue
Nevada City, CA 95959
Attn: County Executive Officer

If to the Authority: Nevada County Finance Authority
c/o County of Nevada
950 Maidu Avenue
Nevada City, CA 95959
Attn: County Executive Officer

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee at such address as provided in the Indenture.

Section 16. Governing Law. This Site Lease is governed by the laws of the State of California, without reference to conflict of law provisions.

Section 17. 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 Lease.

Section 18. Amendments. The Authority and the County may at any time agree to the amendment of this Site Lease; provided, however, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Indenture.

Section 19. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may separately be executed by the County and the Authority, all with the same force and effect as though the same counterpart had been executed by both the County and the Authority.

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

COUNTY OF NEVADA, as Lessor

By: _____

[TITLE]

ATTEST:

Clerk of the Board of Supervisors

NEVADA COUNTY FINANCE AUTHORITY, as
Lessee

By: _____

Executive Director

ATTEST:

Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the Leased Facilities conveyed under the foregoing to the Nevada County Finance Authority, a joint powers authority duly organized under the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors of the Nevada County Finance Authority, pursuant to authority conferred by resolution of the said Board of Directors adopted on _____, 2019 and the grantee consents to recordation thereof by its duly authorized officer.

Dated: February __, 2019

NEVADA COUNTY FINANCE AUTHORITY

By: _____

Executive Director

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF NEVADA)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF NEVADA)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

EXHIBIT A
DESCRIPTION OF REAL PROPERTY