

RESOLUTION NO. 20-504

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING A 2-YEAR GROUND LEASE AGREEMENT BY AND BETWEEN THE COUNTY OF NEVADA AND THE NEVADA COUNTY HOUSING DEVELOPMENT CORPORATION (NCHDC), A CALIFORNIA NONPROFIT ORGANIZATION, PERTAINING TO COUNTY-OWNED PROPERTY LOCATED AT 628 SOUTH AUBURN STREET, GRASS VALLEY, CA (APN 029-241-028-000)), DESIGNATED AS THE LOCATION OF THE PROPOSED HOMEKEY INTERIM HOUSING COMPLEX (RES. 20-466)

WHEREAS, the Nevada County Board of Supervisors has established homelessness and affordable housing as a legislative priority A; and

WHEREAS, California Assembly Bill No. 83 (2019-2020) added Health and Safety Code sections 50675.1.1 and 50675.1.2 to the Multifamily Housing Program (commencing with section 50675), which serves the statutory basis for the Department of Housing and Community Development's HomeKey Program ("HomeKey"); and

WHEREAS, the HomeKey program is intended to provide housing for individuals and families who are experiencing homelessness, and who are impacted by the COVID-19 Pandemic; and

WHEREAS, The California Department of Housing and Community Development awarded HomeKey funding to the County of Nevada to be used for the rehabilitation of a HomeKey complex pursuant to the HomeKey grant program guidelines; and

WHEREAS, on October 27, 2020, per Resolution 20-465, the Nevada County Board of Supervisors authorized the purchase of a 1.13+/- acre parcel of real property located at 628 South Auburn St., Grass Valley, CA 95945, APN 029-241-028-000 ("Property"), formerly known as the Coach & 4 Motel; and

WHEREAS, the County is retaining ownership of the Property with the intent to lease the Property to the Nevada County Housing Development Corporation (NCHDC), who will oversee the rehabilitation and operation of the site as an interim housing project for County residents experiencing homelessness, or being at-risk of homelessness, and providing a service-enriched environment for participants in the program to achieve permanent housing and self-sufficiency through the integration of services and interim housing opportunities ("Project"); and

WHEREAS, on Oct 27, 2020, per Resolution 20-464, the Nevada County Board of Supervisors approved an amendment to an existing agreement with NCHDC, thereby providing HomeKey funds to NCHDC in furtherance of the Project; and

WHEREAS, under the terms of the 2-year Ground Lease Agreement, NCHDC will be responsible for the rehabilitation of 17 interim housing units, and the operation of the Project in accordance with HomeKey requirements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Nevada, State of California, that the 2-year Ground Lease Agreement by and between the County of Nevada and the Nevada County Housing Development Corporation, a California Nonprofit organization, pertaining to that certain 1.13 +/- acres of the County-owned real property located at 628 South Auburn St., Grass Valley, CA 95945, APN 029-241-028-000, is hereby approved in substantially the same form attached hereto, and authorizes the Chair of the Board of Supervisors to execute said Ground Lease Agreement on behalf of the County of Nevada.

BE IT FURTHER RESOLVED that the Director of Housing and Community Services, or his designee, is hereby authorized to sign and/or record any other documents required as part of the Lease Agreement.

BE IT FURTHER RESOLVED that the proposed rehabilitation and operation of this real property by the Nevada County Housing Development Corporation pursuant to the terms and conditions of the Ground Lease Agreement and HomeKey guidelines is hereby approved.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 15th day of December, 2020, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Susan K. Hoek and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER
Clerk of the Board of Supervisors

By: 



Heidi Hall, Chair

GROUND LEASE

This Ground Lease (this "Lease") is entered into on December 15, 2020 (the "Effective Date") by and between the County of Nevada ("Landlord") and the Nevada County Housing Development Corporation, ("Tenant"), collectively referred to as the "Parties."

RECITALS

- A. California Assembly Bill No. 83 (2019-2020) added Health and Safety sections 50675.1.1 and 50675.1.2 to the Multifamily Housing Program (commencing with section 50675), which services the statutory basis for the HomeKey Program ("HomeKey"), as administered by the Department of Housing and Community Development. The HomeKey program is intended to provide housing for individuals and families who are experiencing homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the COVID-19 Pandemic ("Target Population").
- B. The California Department of Housing and Community Development has awarded funding to be used for the rehabilitation of the HomeKey Complex pursuant to the HomeKey grant program guidelines. These funds have been encumbered through a contract amendment with the tenant and authorized by the Board of Supervisors under Resolution 20-466.
- C. Landlord is the owner of all certain real property comprised of 1.13+/- acres located at 628 South Auburn Street (APN# 029-241-028-000) in the City of Grass Valley ("City"), County of Nevada, State of California, described in the Legal Description in Exhibit "A" which is attached and made a part of this Lease (the "Premises" or "Leasehold").
- D. Landlord desires to lease the 1.13+/- acres of Premises, as shown in the Parcel Map ("Parcel 1") attached as Exhibit A, which is attached hereto and made part of this Lease, to Tenant and Tenant desires to lease the 1.13+/- acre portion of the Premises (hereafter "1.13+/- acre Leasehold" or "Leasehold") from Landlord on the terms and provisions of this Lease.
- E. Landlord's mission is to provide decent and safe interim/transitional housing to low and moderate-income individuals and families, and Landlord has agreed to lease the 1.13+/- acre Leasehold to Tenant in furtherance of creating interim and permanent housing opportunities for eligible individuals in accordance with HomeKey guidelines.
- F. One of Landlord's primary purposes is to foster the rehabilitation of the structures on the site (formerly a hotel) to provide service-enriched interim housing to eligible Nevada County residents who are homeless or at risk of homelessness as described as living without a fixed permanent residency in the Nevada County area. As material consideration for Landlord entering into this Lease, Tenant has agreed to rehabilitate and, operate 17 units of interim, service-enriched housing located on the Leasehold (the "HomeKey Complex") and other related improvements (collectively, the "Improvements") for the entire term of this Lease in accordance with the agreement of the parties as set forth in this Lease, including without limitation Section 3.02 of this Lease hereinbelow.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein,

the Parties mutually agree as follows:

ARTICLE 1. LEASE OF PREMISES AND TERM OF LEASE

Agreement to Lease

Section 1.01. For and in consideration of the rents to be paid and covenants to be performed by Tenant under this Lease, Landlord hereby agrees to lease the 1.13+/- acre Premises to Tenant, and Tenant agrees to lease the 1.13+/- acre Premises from Landlord, on the terms and conditions set forth in this Lease. Except as expressly otherwise provided in this Lease, the 1.13+/- acre Leasehold includes the real property plus improvements, future improvements, and any appurtenances and easements described in Exhibit "A" of this Lease. The Parties acknowledge that Landlord has provided Tenant with all inspection reports prepared on behalf of Landlord as purchaser of the Premises, and that Tenant has completed its own due diligence investigations of the Premises. Tenant acknowledges and agrees that Tenant is aware of all defects reasonably known to Landlord, and as identified through Tenant's own due diligence, and that any known material facts affecting the value and desirability of the Premises have been made, including any disclosures required to be made by Landlord to Tenant under law with regard to the condition, quality, and status of the premises.

Status of Title

Section 1.02. Title to the Leasehold estate created by this Leasehold Agreement is subject to all exceptions, easements, rights, rights-of-way, and other matters of record set forth on that certain Preliminary Title Report issued by First American Title Company dated October 29, 2020 and bearing Order Number 3428-6332006, a copy of which is attached hereto as Exhibit B, and all City of Grass Valley restrictions, limitations, rules and regulations relating to the zoning classification of the Premises and Leasehold. Notwithstanding the foregoing, it is the intent of the parties to eliminate or modify certain encumbrances to title and to affect certain modifications, exceptions or variances from applicable zoning restrictions as Tenant deems advantageous to the rehabilitation and/or operation of the HomeKey Complex, and as authorized under law or regulation.

Term of Lease

Section 1.03. The term of this Lease shall be for a period of 2 years commencing on the date of execution of this Lease and continuing 2 years thereafter (the "Term"), unless terminated earlier as provided in this Lease.

ARTICLE 2. RENT

Rent

Section 2.01. Commencing on the Effective Date and continuing on December 1 of each and every calendar year thereafter for the remainder of the Term (each a "Payment Date"), Tenant agrees to pay Landlord annual rent in the amount of \$1.00. All such unpaid amounts of Annual Rent shall continue to accrue from year to year until paid and shall in all events be due and payable in full upon the termination of this Lease unless sooner paid each Payment Date.

Payments

Section 2.02. All payments to Landlord required under this Lease shall be paid to Landlord by wire transfer or by check at such place that Landlord may designate by written notice to Tenant.

ARTICLE 3. USE OF LEASEHOLD

Compliance With Laws

Section 3.01. Tenant shall, at Tenant's own cost and expense, comply with all applicable statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal, relating to any use and occupancy of the Leasehold (and specifically not limited to any particular use or occupancy by Tenant), whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. If any license, permit, or other governmental authorization is required for the lawful use or occupancy of the Premises or Leasehold or any portion of the Premises or Leasehold, Tenant shall procure and maintain such license, permit, or other governmental authorization as long as the same is required for the lawful use or occupancy of the Leasehold or any portion of the Leasehold according to the terms and conditions required herein.

Permitted Uses

Section 3.02. Tenant shall only use the Leasehold and Premises for the rehabilitation and operation of an interim/transitional housing complex for persons who are homeless or at-risk of homelessness as described and required in the California Department of Housing and Community Development "Homekey" NOFA, dated July 16, 2020, the Standard Agreement 20-HK-00072 ("Standard Agreement") between the County of Nevada and the Department of Housing and Community Development, dated November 6, 2020, and those specific Interim non-congregant navigation center acquisition, rehabilitation, and operation service requirements pertaining to a HomeKey site, as set forth in the Personal Services Agreement between the County of Nevada and the Nevada County Housing Development Corporation, as approved by the Nevada County Board of Supervisors on July 28, 2020, per Resolution 20-332, and all amendments thereto (collectively, these agreements are referred to as the "rehabilitation and operation agreements"), which are each enforceable obligations of Landlord and made part of this Ground Lease Agreement by this reference as though fully set forth herein. Specifically, Tenant shall use the premises initially to provide housing for individuals and families experiencing homelessness, or at risk of experiencing homelessness, and who are impacted by the COVID-19 pandemic, and subsequently convert it to permanent housing for the Target Population, according to the terms and conditions of this Ground Lease Agreement and the "rehabilitation and operation agreements" identified above. Tenant shall not use or permit the Leasehold or any portion of the Leasehold to be improved, developed, used, or occupied in any manner or for any purpose that is in any way in violation of Section 42 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, or any valid law, ordinance, or regulation of any federal, state, county, or local governmental agency, body or entity. Furthermore, Tenant shall not maintain, commit or permit the maintenance or commission of any nuisance as now defined by any statutory or decisional law applicable to the Leasehold or any part of the Leasehold.

ARTICLE 4. TAXES AND UTILITIES

Tenant to Pay Taxes

Section 4.01. Tenant shall pay during the Term, without abatement, deduction, or offset, any and all real and personal property taxes, general and special assessments and other charges (including any increase caused by a change in the tax rate or by a change in assessed valuation) of any description levied or assessed during the Term by any governmental agency or entity on or against the Leasehold Estate and Premises, the Improvements located on the Leasehold, personal property located on or in the Leasehold or Improvements, and the Leasehold. The Parties acknowledge that Tenant intends to apply for real estate tax exemption for the Leasehold.

Proration of First and Last Year Taxes

Section 4.02. If the Term commences other than on January 1, or ends other than on December 31, Tenant's obligations to pay amounts towards taxes described in Section 4.01 for such first or final calendar years shall be prorated on a per diem basis to reflect the portion of such years included in the Term.

Separate Assessment of Leasehold

Section 4.03. Should the Leasehold be assessed and taxed with or as part of other property owned by Landlord prior to commencement of the Term, Landlord shall arrange with the taxing authorities to thereafter have the Leasehold taxed and assessed as a separate parcel or possessory interest based on the 1.13+/- acres of land subject to the Lease and distinct from any other real or personal property owned by Landlord.

Moreover, if the fee and Leasehold interests in the Premises are assessed and taxed separately (a "Split Assessment"), Tenants shall also be responsible to pay any taxes assessed against the fee. In the event of a Split Assessment, Landlord and Tenant shall cooperate in seeking to have the assessment consolidated and Landlord agrees to cooperate in seeking separate property tax exemption for the fee interest. If the Premises cannot be assessed and taxed separately, then Tenant will pay the portion of the assessment and taxes attributable to the Leasehold.

Payment Before Delinquency

Section 4.04. Any and all taxes and assessments and installments of taxes and assessments required to be paid by Tenant under this Lease shall be paid by Tenant at least 10 days before each such tax, assessment, or installment of tax or assessment becomes delinquent. On the written request of Landlord, Tenant shall deliver to Landlord the official and original receipt evidencing the payment of any taxes, assessments, and other charges required under this Article.

Taxes Payable in Installments

Section 4.05. Should any special tax or assessment be levied on or assessed against the Leasehold that may be either paid in full prior to a delinquency date within the Term or paid in installments over a period either within or extending beyond this Lease, Tenant shall have the option of paying the special tax or assessment in installments. The fact that the exercise of the option to pay the tax or assessment in installments will cause the Leasehold to be encumbered with bonds or will cause interest to accrue on the tax or assessment is immaterial and shall not interfere with the free exercise of the option by Tenant. Should Tenant exercise the option to pay any such tax or

assessment in installments, Tenant shall be liable to pay only those installments becoming due during the Term. Landlord shall cooperate with Tenant and on written request of Tenant execute or join with Tenant in executing any instruments required to permit any such special tax or assessment to be paid in installments.

Contest of Tax

Section 4.06. Tenant shall have the right, as may be authorized under law or regulation, to contest, oppose, or object to the amount or validity of any tax, assessment or other charge levied on or assessed against the Leasehold or any part of the Leasehold; provided, however, that the contest, opposition or objection must be filed before the tax, assessment or other charge at which it is directed becomes delinquent. Landlord shall consent to any contest, opposition or objection made by Tenant in the proper prosecution of proceedings. Tenant shall be responsible for and shall pay all costs and expenses in any contest or legal proceeding instituted by Tenant. In no event shall Landlord be subjected to any liability for costs or expenses connected to any contest by Tenant, and Tenant agrees to indemnify and hold Landlord harmless from any such costs and expenses. Furthermore, no such contest, opposition or objection shall be continued or maintained after the date the tax, assessment or other charge at which it is directed becomes delinquent unless Tenant has either:

- (a) Paid the tax, assessment or other charge under protest prior to it becoming delinquent;
- (b) Obtained and maintained a stay of all proceedings for enforcement and collection of the tax, assessment or other charge by posting a bond or other security required by law for such a stay; or
- (c) Delivered to Landlord a good and sufficient surety bond or other security reasonably acceptable to Landlord in an amount equal to 125% of the contested tax or assessment and, in the case of a surety bond, issued by a bonding corporation licensed to do business in California, conditioned on the payment by Tenant of the tax, assessment or charge together with any fines, interest, penalties, costs and expenses that may have accrued or been imposed thereon within 30 days after final determination of Tenant's contest, opposition or objection to the tax, assessment or other charge.

Tax Returns and Statements

Section 4.07. Tenant shall, as between Landlord and Tenant, have the duty of attending to, preparing, making and filing any statement, return, report or other instrument required or permitted by law in connection with the determination, equalization, reduction or payment of any taxes, assessments or other charges that are or may be levied on or assessed against the Leasehold, the Improvements located on the Leasehold, personal property located on or in the Leasehold or Improvements, and the Leasehold.

Tax Hold Harmless Clause

Section 4.08. Tenant shall indemnify and hold Landlord and the property of Landlord, including the Leasehold and any Improvements now or hereafter located on the Leasehold, free and harmless from any liability, loss or damage resulting from any taxes, assessments or other charges required by this Article to be paid by Tenant and from all interest, penalties and other sums imposed thereon

and from any sales or other proceedings to enforce collection of any such taxes, assessments or other charges.

Utilities

Section 4.09. Tenant shall pay or cause to be paid, and hold Landlord and the property of Landlord including the Leasehold free and harmless from, all charges for the furnishing of gas and/or propane, water, sewer, electricity, telephone service and other public utilities to the Leasehold Estate and Leasehold during the Term and for the removal of garbage and rubbish from the Leasehold during the Term.

Payment by Landlord

Section 4.10. Should Tenant fail to pay within the time specified in this Article any taxes, assessments or other charges required by this Article to be paid by Tenant, Landlord may, without notice to or demand on Tenant, pay, discharge or adjust that tax, assessment or other charge for the benefit of Tenant. In that event, Tenant shall promptly on written demand of Landlord reimburse Landlord for the full amount paid by Landlord in paying, discharging or adjusting that tax, assessment or other charge together with interest thereon at the then-maximum legal rate from the date of payment by Landlord until the date of repayment by Tenant. If this Article does not specify the time within which Tenant must pay any charge required by this Article, Tenant shall pay that charge before it becomes delinquent.

ARTICLE 5. CONSTRUCTION BY TENANT

Duty to Rehabilitate

Section 5.01. Tenant shall, ensure rehabilitation utilizing awarded HomeKey funds and pursuant to the Standard Agreement 20-HK-00072, and as further detailed in the Amendment No. 1 to the Personal Services Contract between the County of Nevada and the Nevada County Housing Development Corporation, as approved by the Nevada County Board of Supervisors per Resolution 20-466, which is incorporated herein and made part of this Ground Lease Agreement by this reference as though fully set forth. Failure of Tenant to commence rehabilitation in accordance with the timelines required by the aforementioned Standard Agreement shall constitute a default of this Lease Agreement and shall entitle Landlord to all rights and remedies set forth in Article 11 (Default and Remedies).

Compliance With Law and Standards

Section 5.02. Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises. This includes rehabilitating this HomeKey complex in accordance with all valid laws, ordinances, regulations, orders and entitlement approvals of all federal, state, county or local governmental agencies or entities having jurisdiction over the Premises and Leasehold (including without limitation all California Environmental Quality Act ("CEQA") review and approvals, entitlements and other approvals, and any conditions of approval required by the City of Grass Valley and/or Nevada County, and any plans, drawings and documents approved by City of Grass Valley and/or Nevada County, which such entitlements and approvals shall be obtained by Tenant at its own expense prior to

commencement of rehabilitation); provided, however, that any structure or other improvement erected or rehabilitated on the Leasehold, including the HomeKey complex, shall be deemed to have been constructed and/or rehabilitated in full compliance with all such valid laws, ordinances, regulations, and orders when a valid final Certificate of Occupancy entitling Tenant to occupy and use the structure or other improvement has been duly issued by proper governmental agencies or entities. The HomeKey complex shall be rehabilitated in a first-class manner by qualified, professional and licensed contractors. To the extent that prevailing wage statutes are applicable to the HomeKey Complex, Tenant shall include in its general contractor agreement and subcontracts, a provision obligating the general contractor or others, as applicable, to require their respective contractors and subcontractors to comply with prevailing wage statutes, and to submit, upon request by the City of Grass Valley and/or Nevada County, certified copies of payroll records to the City, and to maintain and make such payroll records available to the City of Grass Valley and/or Nevada County, and its designees for inspection and copying during regular business hours at the Property.

Mechanics' Liens

Section 5.03. At all times during the Term, Tenant shall keep the Leasehold and all Improvements now or hereafter located on the Leasehold free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Leasehold. Notwithstanding the foregoing or anything to the contrary contained in this Lease, Tenant shall not be deemed to be in breach of this provision for failing to remove any such lien if the lien in question shall attach solely to the Leasehold. Moreover, Tenant shall not be deemed to be in breach of this provision for failing to remove any such lien if the lien in question is contested by Tenant or Tenant's contractors or agents in good faith and, upon request of Landlord, has posted security reasonably acceptable to Landlord.

Zoning and Use Permits

Section 5.04. Should it be necessary to obtain any use permit, variance, or rezoning of the Premises and/or Leasehold in order to rehabilitate or operate the HomeKey Complex, Landlord agrees to execute any documents, petitions, applications, and authorizations that may be necessary or appropriate for the operation of the HomeKey Complex and hereby appoints Tenant as Landlord's attorney in fact to execute in the name and on behalf of Landlord, subject to Landlord's review and approval, any such documents, petitions, applications or authorizations.

Ownership of Improvements

Section 5.05. Title to all Improvements, including, without limitation, the Improvements in furtherance of the operation of the Premises as a HomeKey Complex, to be rehabilitated on the Leasehold by Tenant shall remain with Landlord. Tenant shall surrender the Improvements to Landlord at the expiration of the Term or earlier termination of this Lease, free and clear of all liens and encumbrances, other than those, if any, permitted under this Lease or otherwise created or consented to by Landlord. Tenant agrees to execute, acknowledge, and deliver to Landlord any instrument requested by Landlord as necessary in Landlord's opinion to perfect Landlord's right, title and interest to the Improvements and the Leasehold. Notwithstanding anything to the contrary in this Lease, any and all depreciation, amortization and/or federal or state tax credits relating to the Improvements and all additions thereto shall be exclusively for the benefit of Tenant while the Lease is in effect.

ARTICLE 6. ENCUMBRANCE OF LEASEHOLD ESTATE

Tenant's Right to Encumber

Section 6.01. Tenant shall not, at any time and from time to time during the Term, encumber the Leasehold Estate with (a) a deed of trust or mortgage or other security instrument, without the express written consent of Landlord. Landlord shall have no liability under any encumbrance of the Leasehold Estate by Tenant, and Tenant shall indemnify and hold harmless Landlord from any such claims.

ARTICLE 7. REPAIRS AND RESTORATION

Maintenance by Tenant

Section 7.01. At all times during the Term Tenant shall, at Tenant's own cost and expense, keep, repair and maintain the Leasehold, including all Improvements and all appurtenances (including parking and landscaped areas) now or hereafter on the Leasehold.

Requirements of Governmental Agencies

Section 7.02. At all times during the Term, Tenant, at Tenant's own cost and expense, shall:

- (a) Make all alterations, additions or repairs to the Leasehold or the Improvements on the Leasehold required by any valid law, ordinance, statute, order or regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity;
- (b) Observe and comply with all valid laws, ordinances, statutes, orders and regulations now or hereafter made or issued respecting the Leasehold or the Improvements on the Leasehold by any federal, state, county, local or other governmental agency or entity;
- (c) Contest if Tenant, in Tenant's sole discretion, desires by appropriate legal proceedings brought in good faith and diligently prosecuted in the name of Tenant, or in the names of Tenant and Landlord when appropriate or required, the validity or applicability to the Leasehold of any law, ordinance, statute, order or regulation now or hereafter made or issued by any federal, state, county, local or other governmental agency or entity; provided, however, that any such contest or proceeding, though maintained in the names of Tenant and Landlord, shall be without cost to Landlord, and Tenant shall protect the Leasehold and Landlord from Tenant's failure to observe or comply during the contest with the contested law, ordinance, statute, order or regulation;
- (d) Indemnify and hold Landlord and the property of Landlord, including the Leasehold, free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from Tenant's failure to comply with and perform the requirements of this Section.

Tenant's Duty to Restore Leasehold

Section 7.03. If at any time during the Term, the HomeKey Complex or Improvements shall be partially or totally damaged or destroyed by fire or other casualty, with reasonable dispatch after

the damage or destruction and the collection of the insurance proceeds (if any) attributable to such, Tenant shall repair the damage to and restore and rebuild the damaged portion of the Leasehold and any item installed therein by Tenant and any of Tenant's fixtures, furniture, furnishings and equipment. Any work of repair and restoration shall be done in accordance with the requirements for original construction work on the Leasehold set forth in Article 5 of this Lease. No total or partial damage to or destruction of any or all of the Apartment Complex or any Improvements shall entitle Tenant to surrender or terminate this Lease, or shall relieve Tenant from its liability hereunder to pay in full the Annual Rent and all other sums and charges which are otherwise payable by Tenant hereunder, or from any of its other obligations hereunder, and Tenant hereby waives any right now or hereafter conferred upon it by statute or otherwise, on account of any such damage or destruction, to surrender this Lease, to quit or surrender any or all of the Leasehold, or to have any suspension, diminution, abatement or reduction of the Annual Rent or other sum payable by Tenant hereunder (except that, if and to the extent that Landlord has, on account of any such Annual Rent or other sum, received for its own account the proceeds of any rent insurance pursuant to the provisions of this Lease, Tenant shall be entitled to a credit therefor against its obligations hereunder to pay such Annual Rent and other sums, by applying such credit toward the unpaid installments of Annual Rent in the order in which they fall due hereunder).

ARTICLE 8. INDEMNITY AND INSURANCE

Indemnity Agreement

Section 8.01. Tenant shall indemnify and hold Landlord, its officers, directors, agents, managers, employees, mortgagees and any other parties designated by Landlord as additional insureds (collectively, "Landlord's Additional Insureds") and the property of Landlord that constitutes the Leasehold free and harmless from any and all liability, claims made by parties other than Landlord, Landlord Additional Insureds or their respective Affiliates ("Third Party Claims"), loss, damages or expenses actually incurred by Landlord and resulting from Tenant's occupation and use of the Leasehold and any Improvements thereon, specifically including, without limitation, any liability, Third Party Claim, loss, damage or expense arising by reason of:

- (a) The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant, renter, leasee, licensee, client, or guest of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or by any person who is an employee or agent of Tenant, from any cause whatever while that person or property is in or on the Leasehold or in any way connected with the Leasehold or with any of the Improvements or personal property on the Leasehold;
 - (b) The death or injury of any person, including Tenant or any person who is an employee or agent of Tenant, renter, leasee, licensee, client, or guest of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, caused or allegedly caused by either (1) the condition of the Leasehold or some building or improvement on the Leasehold, or (2) some act or omission on the Leasehold of Tenant or any person in, on, or about the Leasehold with the permission and consent of Tenant;
 - (c) Any work performed on the Leasehold or materials furnished to the Leasehold at the instance or request of Tenant or any person or entity acting for or on behalf of Tenant;
- or

- (d) Tenant's failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on Tenant or the Leasehold by any duly authorized governmental agency or political subdivision;

other than, in each of instances described in the foregoing clauses (a) through (d), as a result of the negligence or willful misconduct of Landlord.

Insurance

Section 8.02.

During the Term of the Ground Lease, and for five (5) years thereafter, Tenant shall, at its sole expense, procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation and use of the leased premises. Coverages shall be at least as broad as:

a. Property Insurance against all risk of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

b. Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions. Such coverage shall name the Landlord as a loss payee as their interest may appear. If the project does not involve new or major reconstruction, at the option of the Landlord, an Installation Floater may be acceptable. For such projects, Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the Landlord's site.

c. Commercial General Liability (CGL) Insurance: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, death or bodily injury to a person or persons, property damage, and personal & advertising injury with limits less than three million dollars (\$3,000,000.00) per occurrence, which shall be increased over the lease term in accordance with industry standards for such operations. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. Landlord shall be covered as an additional insured under said policy, with respect to claims or suits arising or created out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10).

d. Automobile Liability Insurance: Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than one million dollars (\$1,000,000.00) per accident for bodily injury and property damage.

e. Workers' Compensation: Tenant shall maintain workers' compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than one million dollars (\$1,000,000.00) per accident for bodily injury or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Landlord for all work performed by the Tenant, its employees, agents, and subcontractors.

Before commencing to utilize employees in providing Services under this Option, Tenant warrants that it will comply with the provisions of the California Labor Code, requiring Tenant to be insured for workers' compensation liability or to undertake a program of self-insurance therefor.

f. If Tenant maintains broader coverage and/or higher limits than the minimums shown above, the Landlord requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Landlord.

g. Self-Insured Retentions, Tenant must declare to and be approved by the Landlord. At the option of the Landlord, either: the Tenant shall obtain coverage to reduce or eliminate such self-insured retentions as respects the Landlord, its officers, officials, employees, and volunteers; or the Tenant shall provide a financial guarantee satisfactory to the Landlord guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Landlord.

h. Claims Made Policies, if any coverage required is written on a claims-made coverage form: 1) the retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work; 2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work; 3) if coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work; 4) a copy of the claims reporting requirements must be submitted to the Entity for review; 5) If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

i. Miscellaneous: Tenant's insurance policies are to contain, or be endorsed to contain, the following provisions: Tenant's insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Landlord, any insurance or self-insurance maintained by the Landlord shall be excess of the Tenant's insurance and shall not contribute with it; Tenant hereby agrees to waive any rights of subrogation which any insurer of Tenant may acquire from Landlord by virtue of the payment of any loss; Tenant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation; Tenant or Tenant's insurer shall provide thirty (30) days written notice to Landlord of any termination, change in coverage, or reduction of limits (except ten (10) days' notice for non-payment of premium).

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the Landlord. Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord before work or operations begin. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant's obligation to provide them. The Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time. Tenant shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Tenant shall ensure that Landlord is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13. The insurance policies and limits on coverage required herein shall apply with respect to all claims or suits arising or created under the Ground Lease. Landlord reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances. . and shall promptly provide proof of such insurance evidenced by a certificate of insurance, or other documentation acceptable to Landlord.

ARTICLE 9. CONDEMNATION

If any legally, constituted authority condemns the Premises or such part thereof which shall make the Leased Premises unsuitable for Tenant's business and operations, this Lease shall terminate at the option of the Tenant. If only part of the Leased Premises is taken and the remainder of the Leased Premises is sufficient for the conduct of Tenant's business and operations, then the Lease shall continue, at Tenant's option, as to the part not taken. Termination of the Lease in accordance with this paragraph shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

ARTICLE 10. ASSIGNMENT AND SUBLEASING

Tenant's Right to Assign and Sublease

Section 10.01. Only upon the prior written consent of Landlord, which may be withheld at Landlord's sole discretion, shall Tenant have the right to assign and/or sublease all or any portion of the Leasehold. Excepting therefrom any and all lease/rental/housing/program participation agreements and contracts necessary between Tenant (NCHDC) and those persons qualifying for services, necessary to execute the purpose and mission of this agreement as defined in this Ground Lease and Agreement to Lease, including those requirements set forth herein at ARTICLE 3. USE OF LEASEHOLD Section 3.02. Any such participation and/or tenant agreements shall not exceed the term of this Ground Lease Agreement.

ARTICLE 11. DEFAULT AND REMEDIES

Breach or default

Section 11.01. In the event of any act or omission of Tenant constituting a breach or default by Tenant, Landlord shall not exercise any remedy until Landlord has given Tenant notice of such act or omission, and thirty (30) days to remedy such act or omission shall have elapsed following receipt of such notice.

Waiver of Breach or default

Section 11.02. The waiver by Landlord of any breach or default by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach or default by Tenant of either the same or a different provision of this Lease.

Surrender of Leasehold

Section 11.03. On expiration or earlier termination of this Lease, Tenant shall surrender the Leasehold and all Improvements in or on the Leasehold to Landlord in compliance with all laws and in a good, safe and clean condition as practicable, reasonable wear and tear excepted.

ARTICLE 12. MISCELLANEOUS

Annual Reporting and Inspection

Section 12.01. Tenant shall, upon request of Landlord, submit an reports required of Landlord to comply with HomeKey and other applicable reporting requirements in a form satisfactory to Landlord, which shall include certification by Tenant that the operation of the HomeKey site is in compliance with the Ground Lease Agreement, including tenant eligibility, income requirements, rents, maintenance and repairs, and tenancy rates and vacancy rates. Upon reasonable request, Tenant shall permit representatives of Landlord to enter and inspect the Leasehold and the Project during regular business hours to verify compliance with the Ground Lease Agreement.

Force Majeure

Section 12.02. Except as otherwise expressly provided in this Lease, if the performance of any act required by this Lease to be performed by either Landlord or Tenant is prevented or delayed by reason of any act of God, strike, lockout, labor trouble, inability to secure materials, restrictive governmental laws or regulations, or any other cause (except financial inability) not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused. However, nothing contained in this section shall excuse the prompt payment of rent by Tenant as required by this Lease or the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

Attorneys' Fees

Section 12.03. Should any litigation be commenced between the parties to this Lease concerning the Leasehold, this Lease, or the rights and duties of either in relation thereto, the party prevailing in that litigation shall be entitled, in addition to any other relief that may be granted in the litigation, to a reasonable sum as and for that party's attorneys' fees in that litigation that shall be determined by the court in that litigation or in a separate action brought for that purpose.

Notices to Landlord

Section 12.04. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to Landlord by Tenant shall be in writing and shall be deemed duly served and given when personally delivered to Landlord, to any managing employee of Landlord, or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Landlord at 950 Maidu Avenue, Nevada City CA, 95959, Attn. Chief Information Officer. Landlord may change Landlord's address for the purpose of this section by giving written notice of that change to Tenant in the same manner provided herein.

Notices to Tenant

Section 12.05. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to Tenant by Landlord shall be in writing and shall be deemed duly served and given when personally delivered to Tenant, any managing employee of Tenant, or, in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed to Tenant at AMI Housing, Inc PO Box 5216 Auburn CA 95604 Attn. Chief Executive Officer. Tenant may change its address for the purpose of this section by giving written notice of that change to Landlord in the same manner provided herein.

Binding on Heirs and Successors

Section 12.06. This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto, but nothing in this section shall be construed as a consent by Landlord to any assignment of this Lease or any interest in this Lease by Tenant except as provided in Article 10 of this Lease.

Partial Invalidity

Section 12.07. If any provision of this Lease is held by a court of competent jurisdiction to be either invalid, void or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

Sole and Only Agreement

Section 12.08. This instrument constitutes the sole and only agreement between Landlord and Tenant respecting the Leasehold, the leasing of the Leasehold to Tenant, the construction of the HomeKey Complex described in this Lease on the Leasehold, and the lease terms set forth in this Lease, and correctly sets forth the obligations of Landlord and Tenant to each other as of its date. Any agreements or representations respecting the Leasehold, their leasing to Tenant by Landlord, or any other matter discussed in this Lease not expressly set forth in this instrument are null and void.

Time of Essence

Section 12.09. Time is expressly declared to be of the essence of this Lease.

Memorandum of Lease for Recording

Section 12.10. Landlord and Tenant shall execute a memorandum of this Lease for purposes of, and in a form suitable for, recordation concurrent with the execution of this Lease. The memorandum of this Lease shall describe the Parties, set forth a description of the Leasehold, specify the Term, and incorporate this Lease by reference.

Governing Law

Section 12.11. This lease shall be shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of California.

SIGNATURES ON FOLLOWING PAGE


EXECUTED this as of the day and year first set forth above.

LANDLORD:

COUNTY OF NEVADA

By: 
Heidi Hall (Dec 17, 2020 11:19 PST)
Heidi Hall
Title: Chair, Nevada County Board of Supervisors

ATTEST:

By: 
Julie Patterson-Hunter,
Clerk of the Board of Supervisors

APPROVED AS TO FORM

By: 
Scott McLeran (Dec 17, 2020 12:46 PST)
County Counsel

TENANT:

Nevada County Housing Development Corporation, a California nonprofit 501(c)3

By: Nevada County Housing Development Corporation,
I registered California Nonprofit organization

By:
Its: Chief Executive Officer

By: 
Jennifer Price (Dec 8, 2020 09:39 PST)
Name: Jennifer Price
Its: CEO

LEGAL DESCRIPTION

Real property in the City of Grass Valley, County of Nevada, State of California, described as follows:

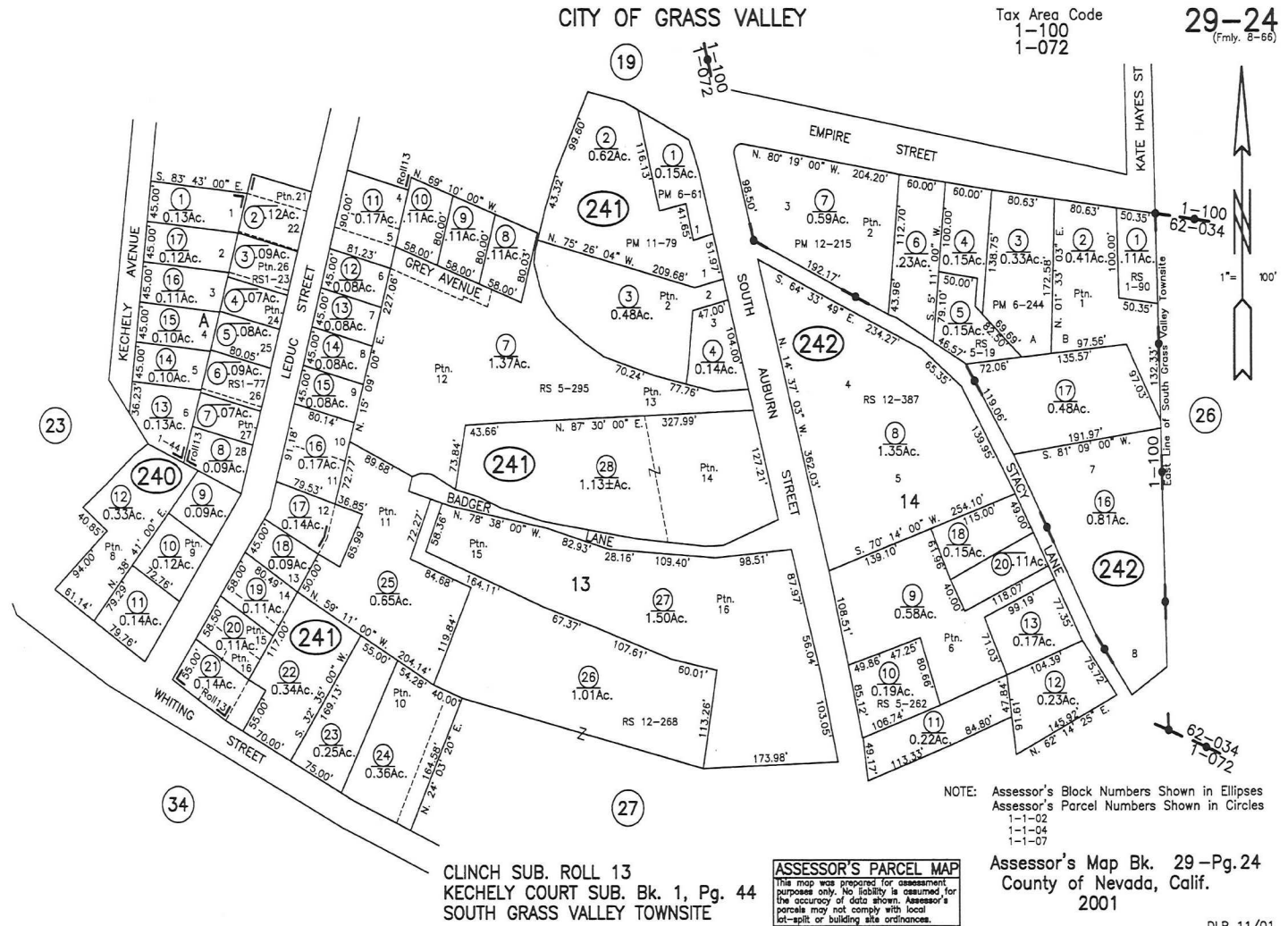
ALL THOSE PORTIONS OF LOTS TWELVE, THIRTEEN AND FOURTEEN IN BLOCK THIRTEEN, OF THE TOWNSITE OF SOUTH GRASS VALLEY, AS SAID LOTS AND BLOCK ARE DESIGNATED UPON THE OFFICIAL MAP OF THE SAID TOWNSITE OF SOUTH GRASS VALLEY, MADE BY PALMER SMITH AND D. B. MERRY IN THE YEAR 1876, BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF SOUTH AUBURN STREET, AS SAID SOUTHWESTERLY LINE IS DESIGNATED IN THAT CERTAIN DEED EXECUTED BY PROPERTY OWNERS ALONG SOUTH AUBURN STREET TO THE CITY OF GRASS VALLEY, RECORDED IN BOOK 134 OF OFFICIAL RECORDS, AT PAGE 263 ET SEQ., NEVADA COUNTY RECORDS; FROM WHICH POINT THE ORIGINAL INTERSECTION OF THE SOUTHEASTERLY LINE OF EMPIRE STREET WITH THE SOUTHWESTERLY LINE OF SOUTH AUBURN STREET, BEING IDENTICAL WITH A CORNER OF LOT 1, IN SAID BLOCK 13, BEARS THE FOLLOWING THREE COURSES AND DISTANCES: NORTH 14° 24' 15" WEST 127.99 FEET; NORTH 14° 28' WEST 260.77 FEET; AND NORTH 12° 39' 30" WEST 60.10 FEET; THENCE FROM SAID POINT OF BEGINNING FOLLOWING SAID SOUTHWESTERLY LINE OF SOUTH AUBURN STREET, NORTH 14° 24' 15" WEST 127.21 FEET TO THE MOST EASTERLY CORNER OF THAT CERTAIN PARCEL OF LAND NOW OR FORMERLY OWNED ELMUS H. BENNETT AND PEARL E. BENNETT, HIS WIFE; THENCE LEAVING SAID SOUTHWESTERLY LINE AND FOLLOWING THE SOUTHERLY LINE OF THE SAID BENNETT PROPERTY SOUTH 87° 30' WEST 327.70; THENCE SOUTH 86° 45' WEST 43.66 FEET; THENCE SOUTH 10° 17' WEST 73.84 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID LOT 14 BEING THE NORTHERLY LINE OF BADGER LANE; THENCE ALONG THE SOUTHERLY LINES OF SAID LOT 14, BEING THE NORTHERLY LINES OF BADGER LANE THE FOLLOWING COURSES AND DISTANCES: SOUTH 60° 41' EAST 33.28 FEET; THENCE SOUTH 66° 55' EAST 31.94 FEET; THENCE SOUTH 74° 33' EAST 55.81 FEET; THENCE SOUTH 80° 21' EAST 27.33 FEET; THENCE SOUTH 83° 56' EAST 95.52 FEET; THENCE SOUTH 86° 26' EAST 87.31 FEET; THENCE NORTH 87° 55' EAST 23.88 FEET; THENCE NORTH 67° 45' EAST 76.28 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THE MINERAL, METAL MATTER AND ROCK CONTAINED UNDER SAID PREMISES WITH THE RIGHT TO EXTRACT AT ANY TIME HEREAFTER ALL THE MINERAL, METAL MATTER AND ROCK CONTAINED UNDER SAID PROPERTY FROM ANY DEPTH UP TO AND WITHIN 150 FEET OF THE SURFACE OF SAID PROPERTY, AS CONVEYED BY THE DEED RECORDED APRIL 16, 1909, IN BOOK 111 OF DEEDS, AT PAGE 97, EXECUTED BY RICHARD KITTO AND WILLIAM J. KITTO, TO LLOYD P. LARUE.

ALSO EXCEPTING THEREFROM ALL THE MINERAL, METAL MATTER AND ROCK CONTAINED UNDER SAID PREMISES WITH THE RIGHT TO EXTRACT AT ANY TIME HEREAFTER ALL THE MINERAL, METAL MATTER AND ROCK CONTAINED UNDER SAID PROPERTY FROM ANY DEPTH UP TO AND WITHIN 100 FEET OF THE SURFACE OF SAID PROPERTY, AS CONVEYED BY THE DEED RECORDED APRIL 16, 1909, IN BOOK 111 OF DEEDS, AT PAGE 95, EXECUTED BY MRS. CARRIE HARVEY TO LLOYD P. LARUE.

APN: 029-241-028-000





First American Title

First American Title Company

768 Taylorville Road, Suite B
Grass Valley, CA 95949

Escrow Officer:
Phone:
Fax No.:
E-Mail:

E-Mail Loan Documents to:

GrassValleyEDocs@firstam.com

Buyer:
Owner:
Property:

TBD
Pitamber Irrevocable Trust
628 South Auburn Street
Grass Valley, CA 95945

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of July 31, 2020 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

RAMESH PITAMBER, TRUSTEE OF THE PITAMBER IRREVOCABLE FAMILY TRUST DATED 3/26/02,
SUBJECT TO EXCEPTION NO. 7

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2020-2021, a lien not yet due or payable.
2. The land lies within the boundaries of proposed community facilities District No. 2014-1 (CLEAN ENERGY), as disclosed by a map filed December 26, 2017 in BOOK 2, PAGE 10 of maps of assessment and community facilities districts.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Any and all offers of dedications, conditions, restrictions, easements, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description.
5. The fact that the land lies within the boundaries of the GRASS VALLEY Redevelopment Project Area, as disclosed by the document recorded November 10, 1988 as INSTRUMENT NO. 1988-30904 of Official Records.

6. An easement for WATERLINE AND PUBLIC UTILITIES, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOR THE PURPOSE OF INSTALLATION, MAINTENANCE AND REPAIR OF SAME and incidental purposes, recorded March 09, 1994 as INSTRUMENT NO. 1994-8968 OF OFFICIAL RECORDS.

In Favor of: THE CITY OF GRASS VALLEY
Affects: as described therein

7. The effect of a document entitled "GRANT DEED", recorded April 17, 2007 as INSTRUMENT NO. 2007-11995 OF OFFICIAL RECORDS.

THE REQUIREMENT THE DOCUMENT IS RE-RECORDED TO INCLUDE A COMPLETE AND CORRECT LEGAL DESCRIPTION

8. A deed of trust to secure an original indebtedness of \$675,000.00 recorded April 17, 2007 as INSTRUMENT NO. 2007-0011996 OF OFFICIAL RECORDS.

Dated: April 13, 2007
Trustor: RAMESH PITAMBER, TRUSTEE OF THE PITAMBER
IRREVOCABLE FAMILY TRUST DATED 3/26/02
Trustee: CALIFORNIA LAND TITLE COMPANY OF NEVADA COUNTY
Beneficiary: PHYLLIS B. JONES, TRUSTEE OF THE PHYLLIS B. JONES
TRUST DATED 4/6/07

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, the company will require the following for review prior to the recordation of any documents or the issuance of any policy of title insurance:
 - i. Original note and deed of trust.
 - ii. Payoff demand statement signed by all present beneficiaries.
 - iii. Request for reconveyance or substitution of trustee and full reconveyance must be signed by all present beneficiaries and must be notarized by a First American approved notary.
 - b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
 - c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
9. A deed of trust to secure an original indebtedness of \$250,000.00 recorded June 05, 2007 as INSTRUMENT NO. 2007-0017830 OF OFFICIAL RECORDS.
- Dated: June 04, 2007
Trustor: RAMESH PITAMBER, TRUSTEE OF THE PITAMBER
IRREVOCABLE FAMILY TRUST DATED 3/26/02
Trustee: PLACER TITLE COMPANY
Beneficiary: LAWRENCE W. WILMOTH AND MYNOLA JEAN WILMOTH,
TRUSTEES OF THE WILMOTH FAMILY TRUST UNDER
TRUST DATED MARCH 20, 1989

- a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, the company will require the following for review prior to the recordation of any documents or the issuance of any policy of title insurance:
 - i. Original note and deed of trust.
 - ii. Payoff demand statement signed by all present beneficiaries.
 - iii. Request for reconveyance or substitution of trustee and full reconveyance must be signed by all present beneficiaries and must be notarized by a First American approved notary.
 - b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.
 - c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
10. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.
 11. Water rights, claims or title to water, whether or not shown by the Public Records.
 12. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
 13. Rights of parties in possession.
 14. The new lender, **if any**, for this transaction may be a Non-Institutional Lender. If so, the Company will require the Deed of Trust to be signed before a First American approved notary.

Prior to the issuance of a 2006 ALTA Extended Owner's Policy of Title without Western Regional Exceptions, The Company will require:

15. With respect to the trust referred to in the vesting:
 - a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
 - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.
16. Furnish Plat of Survey of the subject property of recent date by a Registered Land Surveyor in accordance with the ""Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys"" which became effective February 23, 2016. Said Plat of survey shall include the required certification and, at a minimum, also have shown thereon Items 1, 8, 11, 16, 17, and 19 from Table A thereof. If zoning assurances are requested, Items 7(a), 7(b), 7(c) and 9 from Table A and information regarding the usage of the property must be included.

NOTE: Exception may be made to any adverse matters disclosed by the ALTA/NSPS Land Title Survey.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. General and special taxes and assessments for the fiscal year 2019-2020.

First Installment:	\$2,416.42, PAID
Penalty:	\$0.00
Second Installment:	\$2,416.42, PAID
Penalty:	\$0.00
Tax Rate Area:	001072
A. P. No.:	029-241-028-000

2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 628 South Auburn Street, Grass Valley, California.
3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Grass Valley, County of Nevada, State of California, described as follows:

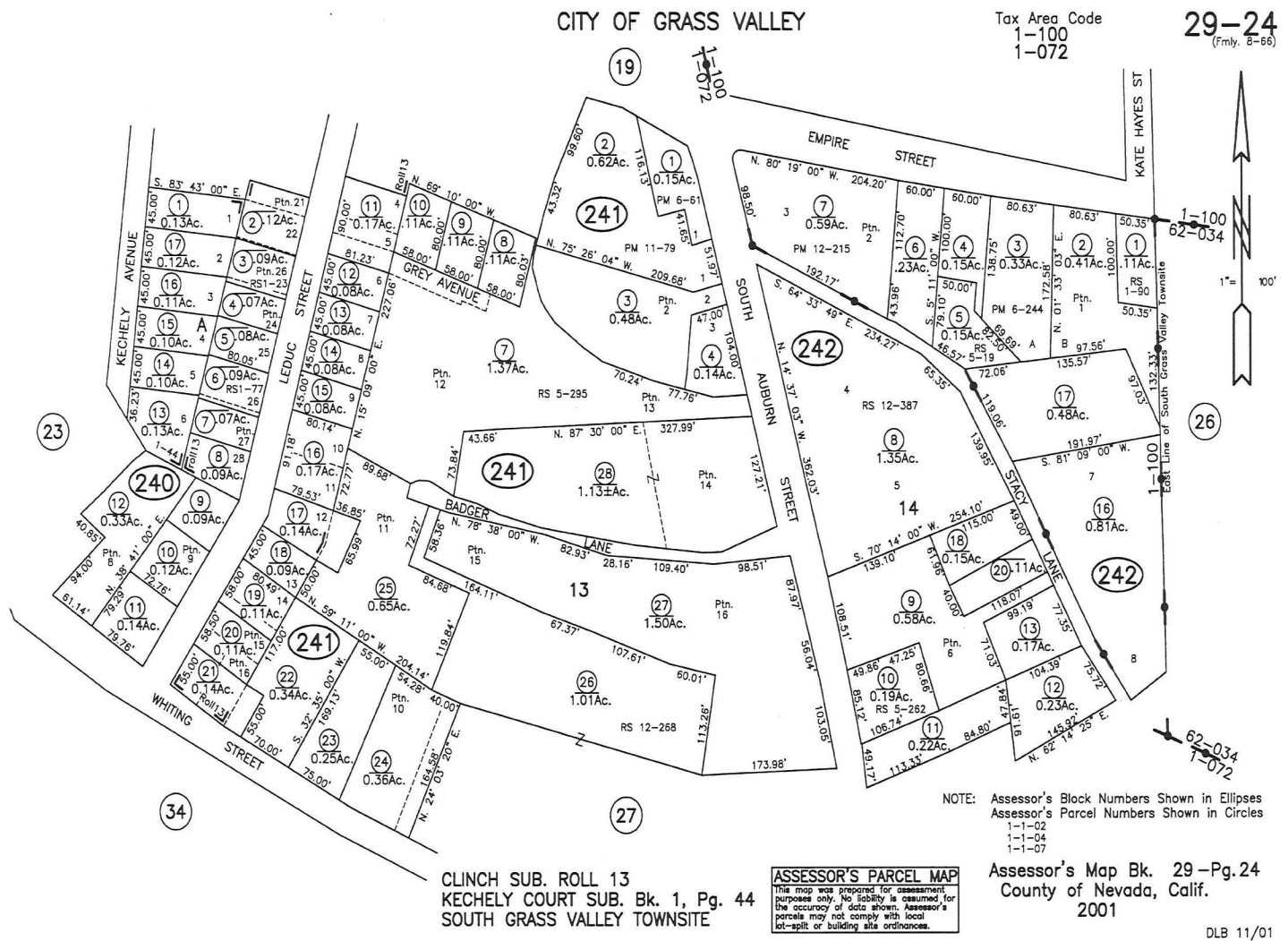
ALL THOSE PORTIONS OF LOTS TWELVE, THIRTEEN AND FOURTEEN IN BLOCK THIRTEEN, OF THE TOWNSITE OF SOUTH GRASS VALLEY, AS SAID LOTS AND BLOCK ARE DESIGNATED UPON THE OFFICIAL MAP OF THE SAID TOWNSITE OF SOUTH GRASS VALLEY, MADE BY PALMER SMITH AND D. B. MERRY IN THE YEAR 1876, BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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APN: 029-241-028-000



NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

CLTA STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public, records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;

- d. improvements on the Land;
- e. land division; and
- f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of: [The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the

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Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.

7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



Privacy Notice

Effective: January 1, 2020

Notice Last Updated: January 1, 2020

This Privacy Notice describes how First American Financial Corporation and its subsidiaries and affiliates (together referred to as "First American," "we," "us," or "our") collect, use, store, and share your information. This Privacy Notice applies to information we receive from you offline only, as well as from third parties. For more information about our privacy practices, please visit <https://www.firstam.com/privacy-policy/index.html>. The practices described in this Privacy Notice are subject to applicable laws in the places in which we operate.

What Type Of Information Do We Collect About You? We collect both **personal** and **non-personal information** about and from you. **Personal information** is non-public information that can be used to directly or indirectly identify or contact you. **Non-personal information** is any other type of information.

How Do We Collect Your Information? We collect your **personal** and **non-personal information**: (1) directly from you; (2) automatically when you interact with us; and (3) from third parties, including business parties and affiliates.

How Do We Use Your Information? We may use your personal information in a variety of ways, including but not limited to providing the services you have requested, fulfilling your transactions, comply with relevant laws and our policies, and handling a claim. We may use your **non-personal information** for any purpose.

How Do We Share Your Personal Information? We do not sell your **personal information** to nonaffiliated third parties. We will only share your **personal information**, including to subsidiaries, affiliates, and to unaffiliated third parties: (1) with your consent; (2) in a business transfer; (3) to service providers; and (4) for legal process and protection. If you have any questions about how First American shares your **personal information**, you may contact us at dataprivacy@firstam.com or toll free at 1-866-718-0097.

How Do We Secure Your Personal Information? The security of your **personal information** is important to us. That is why we take commercially reasonable steps to make sure your **personal information** is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your **personal information**.

How Long Do We Keep Your Personal Information? We keep your **personal information** for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations.

Your Choices We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and sharing of your **personal information**. In accordance with applicable law, your controls and choices. You can learn more about your choices, and exercise these controls and choices, by sending an email to dataprivacy@firstam.com or toll free at 1-866-718-0097.

International Jurisdictions: Our Products are hosted and offered in the United States of America (US), and are subject to US federal, state, and local law. If you are accessing the Products from another country, please be advised that you may be transferring your **personal information** to us in the US, and you consent to that transfer and use of your **personal information** in accordance with this Privacy Notice. You also agree to abide by the applicable laws of applicable US federal, state, and local laws concerning your use of the Products, and your agreements with us.

We may change this Privacy Notice from time to time. Any and all changes to this Privacy Notice will be reflected on this page, and where appropriate provided in person or by another electronic method. **YOUR CONTINUED USE, ACCESS, OR INTERACTION WITH OUR PRODUCTS OR YOUR CONTINUED COMMUNICATIONS WITH US AFTER THIS NOTICE HAS BEEN PROVIDED TO YOU WILL REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THIS PRIVACY NOTICE.**

Contact Us dataprivacy@firstam.com or toll free at 1-866-718-0097.



For California Residents

If you are a California resident, you may have certain rights under California law, including but not limited to the California Consumer Privacy Act of 2018 ("CCPA"). All phrases used in this section shall have the same meaning as those phrases are used under California law, including the CCPA.

Right to Know. You have a right to request that we disclose the following information to you: (1) the categories of **personal information** we have collected about or from you; (2) the categories of sources from which the **personal information** was collected; (3) the business or commercial purpose for such collection and/or disclosure of your personal information; (4) the categories of third parties with whom we have shared your **personal information**; and (5) the specific pieces of your **personal information** we have collected. To submit a verified request for this information, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097 and submitting written proof of such authorization to dataprivacy@firstam.com.

Right of Deletion. You also have a right to request that we delete the **personal information** we have collected from you. This right is subject to certain exceptions available under the CCPA and other applicable law. To submit a verified request for deletion, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097 and submitting written proof of such authorization to dataprivacy@firstam.com.

Verification Process. For either a request to know or delete, we will verify your identity before responding to your request. To verify your identity, we will generally match the identifying information provided in your request with the information we have on file about you. Depending on the sensitivity of the personal information requested, we may also utilize more stringent verification methods to verify your identity, including but not limited to requesting additional information from you and/or requiring you to sign a declaration under penalty of perjury.

Right to Opt-Out. We do not sell your personal information to third parties, and do not plan to do so in the future.

Right of Non-Discrimination. You have a right to exercise your rights under California law, including under the CCPA, without suffering discrimination. Accordingly, First American will not discriminate against you in any way if you choose to exercise your rights under the CCPA.

Collection Notice. The following is a list of the categories of personal information we may have collected about California residents in the twelve months preceding the date this Privacy Notice was last updated, including the business or commercial purpose for said collection, the categories of sources from which we may have collected the personal information, and the categories of third parties with whom we may have shared the personal information:

Categories of Personal Information Collected	The categories of personal information we have collected include, but may not be limited to: real name; signature; alias; SSN; physical characteristics or description, including protected characteristics under federal or state law; address; telephone number; passport number; driver's license number; state identification card number; IP address; policy number; file number; employment history; bank account number; credit card number; debit card number; financial account numbers; commercial information; internet or other electronic network activity; geolocation data; audio and visual information; professional or employment information; and inferences drawn from the above categories to create a profile about a consumer.
Categories of Sources	Categories of sources from which we've collected personal information include, but may not be limited to: the consumer directly; public records; governmental entities; non-affiliated third parties; social media networks; affiliated third parties
Business Purpose for Collection	The business purposes for which we've collected personal information include, but may not be limited to: completing a transaction for our Products; verifying eligibility for employment; facilitating employment; performing services on behalf of affiliated and non-affiliated third parties; debugging to identify and repair errors that impair existing intended functionality on our Websites, Applications, or Products; protecting against malicious, deceptive, fraudulent, or illegal activity



Categories of Third Parties Shared	The categories of third parties with whom we've shared personal information include, but may not be limited to: advertising networks; internet service providers; data analytics providers; service providers; government entities; operating systems and platforms; social media networks; non-affiliated third parties; affiliated third parties
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Categories of Personal Information We Have Sold In The Past Year. We have not sold any personal information of California residents to any third party in the twelve months preceding the date this Privacy Notice was last updated.

Categories of Personal Information Disclosed For A Business Purpose In The Past Year. The following is a list of the categories of **personal information** of California residents we may have disclosed for a business purpose in the 12 months preceding the date this Privacy Notice was last updated: The categories of personal information we have collected include, but may not be limited to: real name; signature; alias; SSN; physical characteristics or description, including protected characteristics under federal or state law; address; telephone number; passport number; driver's license number; state identification card number; IP address; policy number; file number; employment history; bank account number; credit card number; debit card number; financial account numbers; commercial information; internet or other electronic network activity; geolocation data; audio and visual information; professional or employment information; and inferences drawn from the above categories to create a profile about a consumer.