

RECORDING REQUESTED BY:
Silver Valley Unified School District

AND WHEN RECORDED MAIL TO:
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attn: Reed Glyer, Esq.

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE AND THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE BECAUSE THE LESSOR IS A GOVERNMENTAL AGENCY. LEASE TERM LESS THAN 35 YEARS.

THE GRANTOR AND THE GRANTEE ARE GOVERNMENTAL ENTITIES.

SITE LEASE

SITE LEASE

This SITE LEASE (this "Site Lease"), dated as of March 1, 2019, is between the SILVER VALLEY UNIFIED SCHOOL DISTRICT, a school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), as lessor, and LOCAL FACILITIES FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, including without limitation, Sections 5110 *et seq.* of the Corporations Code of the State of California (the "Corporation"), as lessee.

BACKGROUND:

1. In order to finance the acquisition, construction and installation of certain solar energy and other energy efficiency capital improvements to existing District buildings and property (the "Project"), the District has agreed to lease the real property consisting of certain land and improvements, commonly known as the District's Alternative Education Center (APNs: 516-222-01 and 516-252-15), as such real property is described more fully in Appendix A attached hereto and made a part hereof together with any portion of the Project located on such real property (the "Leased Property"), to the Corporation by entering into this Site Lease;

2. The Corporation has agreed to assist the District with such financing by entering into a Lease Agreement dated as of March 1, 2019 (the "Lease"), which is being recorded concurrently herewith, pursuant to which the Corporation will sublease the Leased Property back to the District and the District will make lease payments (the "Lease Payments") to the Corporation, and capitalized terms used without definition herein have the meanings assigned to such terms in the Lease;

3. In order to raise the funds needed for the financing, the Corporation has assigned certain of its rights under this Site Lease and the Lease, including the right to receive and enforce payment of the Lease Payments, to Western Alliance Business Trust, a wholly owned affiliate of Western Alliance Bank, an Arizona corporation (together with its successors and assigns, the "Assignee"), under an Assignment Agreement dated as of March 1, 2019 (the "Assignment Agreement"), which is being recorded concurrently herewith; and

4. The District is authorized to enter into a lease-leaseback arrangement with the Corporation to provide financing for the Project under the Constitution of the State of California and other applicable State law.

AGREEMENT:

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Corporation formally covenant, agree and bind themselves as follows:

Section 1. Lease of Leased Property. The District hereby leases to the Corporation, and the Corporation hereby leases from the District, the Leased Property as described more fully in Appendix A together with any portion of the Project located on such Leased Property, on the terms and conditions hereinafter set forth.

Section 2. Term; Possession. The term of this Site Lease commences, and the Corporation becomes entitled to possession of the Leased Property, as of the date of recordation

hereof. This Site Lease ends, and the right of the Corporation hereunder to possession of the Leased Property thereupon ceases, on the date on which all of the outstanding Lease Payments are paid in full, or provision is made for such payment in accordance with the Lease, and the Lease has been terminated in accordance with its terms.

Section 3. Rental. The Corporation shall pay to the District as and for rental of the Leased Property hereunder, the amount of \$_____ to be paid on the date hereof. The Corporation shall cause the amount required for such purpose to be provided from the Assignee in accordance with the Assignment Agreement.

Section 4. Purpose of this Site Lease; Sublease Back to District. The purpose for which the District agrees to lease the Leased Property to the Corporation hereunder is to enable the District and the Corporation to finance the Project from the rental payments made to it by the Corporation under Section 3. The Corporation hereby agrees to sublease the Leased Property back to the District under the Lease.

Section 4A. Substitution or Release of Property. If the District exercises its option under Section 4.7 of the Lease and satisfies the conditions therein provided to substitute property for the Leased Property in whole or in part, such substitution shall also automatically operate to substitute property for the Leased Property leased hereunder. If the District exercises its option under Section 4.8 of the Lease and satisfies the conditions therein provided to release any portion of the Leased Property from the Lease, such release shall also automatically operate to release property hereunder. The description of the property leased under the Lease shall conform at all times to the description of the property leased hereunder.

Section 5. Assignments and Subleases. The Corporation may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease and the Assignment Agreement, without the prior written consent of the Assignee.

Section 6. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 7. Termination. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property will remain thereon and title thereto will vest thereupon in the District for no additional consideration.

Section 8. Default. If the Corporation defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof and this Site Lease may not be terminated by the District as a remedy for such default. Notwithstanding the foregoing, so long as the Lease remains in effect, the District shall continue to pay the Lease Payments as and when due under the Lease to the Assignee in accordance with the Assignment Agreement.

Section 9. Amendments. The Corporation and the District may at any time amend or modify any of the provisions of this Site Lease, but only with the prior written consent of the Assignee.

Section 10. Quiet Enjoyment. The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the Lease and subject only to Permitted Encumbrances.

Section 11. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely corporate liabilities of the Corporation as a public benefit corporation, and the District hereby releases each and every member and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member or officer of the Corporation or its governing board is at any time or under any circumstances individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

Section 12. Taxes. The District will pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

Section 13. Eminent Domain. If the whole or any part of the Leased Property, or any improvements thereon, are taken by eminent domain proceedings, the interest of the Corporation will be the aggregate amount of the then unpaid principal components of the Lease Payments payable under the Lease and the balance of the award, if any, will be paid to the District. The District hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Leased Property through the eminent domain powers of the District. The District hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the District with respect to the Leased Property or any improvement thereon shall be in an amount not less than the total unpaid principal components of Lease Payments plus 2% premium of such principal components plus the interest component of Lease Payments accrued to the date of payment of all Lease Payments under the Lease.

Section 14. Notices. Any notice, request, complaint, demand or other communication under this Site Lease must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by email, at its email address set forth below. Notice will be effective either (a) upon transmission by email (if listed below), (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The District, the Corporation and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

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| If to the District: | Silver Valley Unified School District 35320 Daggett-Yermo Road (delivery) P.O. Box 847 (mailing) Yermo, California 92398 Attn: Mr. Marc Lacey Assistant Superintendent, Administrative Services Email: mlacey@svusdk12.net Tel: (760) 254-2916 |
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If to the Corporation: Local Facilities Finance Corporation
9258 Brunello County
Bakersfield, California 93314
Attention: President

If to the Assignee: Western Alliance Business Trust
One Washington Street, Suite 1400
Phoenix, Arizona 85004
Attn: Municipal Finance

Section 15. Governing Law. This Site Lease is governed by the laws of the State of California.

Section 16. Third Party Beneficiary. The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 17. Binding Effect. This Site Lease inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 18. Severability of Invalid Provisions. If any one or more of the provisions contained in this Site Lease are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions contained in this Site Lease and such invalidity, illegality or unenforceability shall not affect any other provision of this Site Lease, and this Site Lease shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the District each hereby declares that it would have entered into this Site Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site Lease may be held illegal, invalid or unenforceable.

Section 19. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 20. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which is an original but all together constitute one and the same instrument. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Corporation and the District, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the District.

Section 21. Defined Terms. All capitalized terms used herein and not otherwise defined have the respective meanings given those terms in the Lease.

Section 22. No Merger. Neither this Site Lease, the Lease nor any provisions hereof or thereof shall be construed to effect a merger of the title of the District to the Leased Property under this Site Lease and the District's leasehold interest therein under the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

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

SILVER VALLEY UNIFIED SCHOOL DISTRICT,
as Lessor

By: _____
Karen Gray
President of the Silver Valley Unified School
District Board of Trustees

ATTEST:

Mark Staggs
Clerk

LOCAL FACILITIES FINANCE CORPORATION,
as Lessee

By: _____

President

ATTEST:

Secretary

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the following described land located in the City of Daggett, County of San Bernardino, State of California, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

PARCEL 1: (APN: 516-222-01)

A PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO UNITED STATES GOVERNMENT TOWNSHIP PLAT, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH BEARS SOUTH 724.36 FEET AND SOUTH 79° 34' EAST 1,065.8 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 21, SAID POINT BEING SOUTH 79° 34' EAST 60 FEET FROM THE INTERSECTION OF THE NORTH LINE OF CALIFORNIA STREET AND THE WEST LINE OF "A" STREET, AS SHOWN ON THE PLAT OF THE TOWNSITE OF DAGGETT, AS PER PLAT RECORDED IN BOOK 20 OF MAPS, PAGE 40, RECORDS OF SAID COUNTY; THENCE SOUTH 10° 26' WEST 780 FEET TO THE TRUE POINT OF BEGINNING; SAID POINT BEING SOUTH 79° 34' EAST 60 FEET FROM THE SOUTHEAST CORNER OF THE LAND CONVEYED TO THE DAGGETT SCHOOL DISTRICT, BY DEED RECORDED JUNE 7, 1949 AS INSTRUMENT NO. 103 IN BOOK 2414, PAGE 242 OF OFFICIAL RECORDS; THENCE NORTH 79° 34' WEST ALONG THE SOUTH LINE OF SAID DAGGETT SCHOOL DISTRICT LAND 693.16 FEET; THENCE SOUTH 10° 26' WEST 440 FEET; THENCE SOUTH 79° 34' EAST 693.16 FEET; THENCE NORTH 10° 26' EAST 440 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF CALIFORNIA IN GRANT DEED RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 238 IN BOOK 5979, PAGE 788 OF OFFICIAL RECORDS DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID ORTON STREET WITH THE SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF SAID "A" STREET; THENCE ALONG SAID NORTHERLY LINE OF SAID ORTON STREET NORTH 80° 06' 00" WEST 28.00 FEET; THENCE NORTH 9° 54' 00" EAST 256.51 FEET; THENCE ALONG A TANGENT CURVE CONCAVE WESTERLY WITH A RADIUS OF 956 FEET, THROUGH AN ANGLE OF 7° 25' 18", A DISTANCE OF 123.83 FEET; THENCE SOUTH 80° 06' 00" EAST 36.01 FEET TO SAID WESTERLY LINE OF "A" STREET; THENCE ALONG SAID WESTERLY LINE SOUTH 9° 54' 00" WEST 380 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (APN: 516-252-15)

A PORTION OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 21, TOWNSHIP 9 NORTH, RANGE 1 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO GOVERNMENT SURVEY, SAID PORTION BEING PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE PROLONGATION SOUTHERLY OF THE WESTERLY LINE OF "A" STREET, AS SHOWN ON PLAT OF TOWNSITE OF DAGGETT, AS PER PLAT RECORDED IN BOOK 20 OF MAPS, PAGE 40, IN THE RECORDER'S OFFICE OF AFORESAID COUNTY, DISTANT 400 FEET SOUTH 10° 26' WEST FROM THE POINT OF INTERSECTION OF SAID WESTERLY LINE OF "A" STREET WITH THE NORTHERLY LINE OF CALIFORNIA STREET, AS SHOWN ON SAID PLAT (SAID POINT OF INTERSECTION BEING 724.36 FEET SOUTH; THENCE 1005.8 FEET SOUTH 79° 34' EAST FROM THE NORTHWEST CORNER OF AFORESAID SECTION 21); THENCE NORTH 79° 34' WEST A DISTANCE OF 573.16 FEET; THENCE SOUTH 10° 26' WEST A DISTANCE OF 380 FEET; THENCE SOUTH 79° 34' EAST A DISTANCE OF 573.16 FEET TO A POINT IN THE AFORESAID SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF "A" STREET; THENCE NORTH 10° 26' EAST ALONG SAID PROLONGATION OF "A" STREET A DISTANCE OF 380 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF CONVEYED TO THE STATE OF CALIFORNIA IN GRANT DEED RECORDED AUGUST 30, 1963 AS INSTRUMENT NO. 238 IN BOOK 5979, PAGE 788 OF OFFICIAL RECORDS DESCRIBED AS FOLLOWS:

BEGINNING AT A THREE-FOURTHS INCH IRON PIPE AND TACK MARKING THE INTERSECTION OF THE SOUTHERLY LINE OF ORTON STREET WITH THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF "A" STREET, 60 FEET WIDE, AS IT NOW EXISTS; THENCE ALONG SAID SOUTHERLY PROLONGATION SOUTH 9° 54' 00" WEST 380.00 FEET; THENCE NORTH 80° 06' 00" WEST 88.00 FEET; THENCE NORTH 9° 54' 00" EAST 380.00 FEET TO SAID SOUTHERLY LINE OF ORTON STREET, DISTANT ALONG SAID SOUTHERLY LINE NORTH 80° 06' 00" WEST 88.00 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID SOUTHERLY LINE SOUTH 80° 06' 00" EAST 88.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF ORTON STREET, VACATED BY THE RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, RECORDED DECEMBER 1, 1966 AS INSTRUMENT 619 IN BOOK 6736, PAGE 915 OF OFFICIAL RECORDS, BOUNDED NORTHERLY BY PARCEL 1, DESCRIBED ABOVE; AND BOUNDED SOUTHERLY BY PARCEL 2, DESCRIBED ABOVE; BOUNDED WESTERLY BY THE SOUTHERLY PROLONGATION OF THE WESTERLY BOUNDARY LINE OF SAID PARCEL 1 AND BOUNDED EASTERLY BY THE SOUTHERLY PROLONGATION OF THE EASTERLY BOUNDARY LINE OF SAID PARCEL 1.

APN: 0516-222-01-000 and 0516-252-15-000

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Site Lease dated as of March 1, 2019, between Silver Valley Unified School District, as lessor, and Local Facilities Finance Corporation, as lessee (the "Corporation"), is hereby accepted by the undersigned on behalf of the Corporation pursuant to authority conferred by the Resolution of the Board of Directors of the Corporation adopted on March 1, 2019 and the Corporation consents to recordation thereof by its duly authorized officer.

Dated: _____, 2019

LOCAL FACILITIES FINANCE CORPORATION

By: _____

President