

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # \*B-9

Urgent  Routine

AGENDA DATE November 24, 2015

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Matters Related to the County's Re-Entry and Enhanced Alternatives to Custody Training Project (SB 1022 Adult Local Criminal Justice Facilities Financing Program): Operational Program Statement and Preliminary Staffing Plan, Construction Management Plan and Project Delivery and Construction Agreement and Related Agreements with the State of California

STAFF RECOMMENDATIONS:

1. Approve and authorize the Project Manager, County Counsel and Chairman of the Board of Supervisors to negotiate and execute the Project Delivery and Construction Agreement (PDCA) between Stanislaus County and the State Public Works Board and the Board of State and Community Corrections for the SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program for the construction of the County's Re-Entry and Enhanced Alternatives to Custody Training Project.
2. Authorize the Project Manager and County Counsel to negotiate and execute on behalf of the County in substantially the same form as the Exhibits to the PDCA: Exhibit A: the Project Scope, Cost and Schedule Description; Exhibit B: Form of Ground Lease; Exhibit C: Form of Right of Entry for Construction and Operation; and Exhibit D: Form of Facility Sublease.  
(Continued on Page 2)

FISCAL IMPACT:

The total estimated Project budget for the Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project remains unchanged at \$44,695,000 to fund the project, which includes State funding of \$40 million (90%) and a County cash match contribution totaling \$4,445,000 (10%), for a total of \$44,445,000. An additional \$250,000, funded by Public Facilities Fees has been budgeted for ineligible project costs pursuant to State funding guidelines. The State funding pays for 90% of approved project costs.

BOARD ACTION AS FOLLOWS:

No. 2015-588

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST: Christine Ferraro  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**STAFF RECOMMENDATIONS: (Continued)**

3. Approve and authorize the Chairman of the Board of Supervisors to execute Exhibit E-1. Description of the Participating County Funding Cash for the County's Cash (Hard) Match contribution to Project funding and Exhibit E-2: Description of the Participating County Funding In-Kind Match in the amount of \$1,899,000, consistent with SB 1022 program requirements.
4. Authorize Project Manager to submit to the State Agencies the Preliminary Staffing and Operational Program Statement and the Construction Management Plan for the successful delivery of the Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project.

**DISCUSSION:**

Background

On October 15, 2013, the Board of Supervisors authorized the Project Manager to submit a Proposal to the Board of State and Community Corrections for Jail Construction Funding, Pursuant to SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program for \$40 million with a 10% County cash match requirement.

On December 12, 2013, the Board of State and Community Corrections (BSCC) informed the County that its REACT Center Project would not be recommended to receive a conditional funding award. On March 13, 2014, the full Board of State and Community Corrections (BSCC) Board granted the appeal of Stanislaus County to the 2nd place ranking for the REACT Center Project proposal and providing for \$40 million for construction of a Re-Entry Facility at the Public Safety Center.

On May 6, 2014, the Board of Supervisors approved the acceptance of the conditional award of \$40 million from the State of California Board of State and Community Corrections under SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program for the design-build construction of the REACT Center Project.

Stanislaus County is partnering with the State of California to fund the construction of 288 transitional adult detention beds, programming space and administrative space at the Public Safety Center, 200 East Hackett Road. The REACT Center Project will enhance and expand the adult detention continuum of services at the Public Safety Center campus. The construction of the REACT Center Project will allow the County to close the antiquated downtown Men's Jail, reserving the building for use as a Court

Approval of Matters Related to the County's Re-Entry and Enhanced Alternatives to Custody Training Project (SB 1022 Adult Local Criminal Justice Facilities Financing Program): Operational Program Statement and Preliminary Staffing Plan, Construction Management Plan and Project Delivery and Construction Agreement and Related Agreements with the State of California  
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Holding Facility only, until the new State Courthouse is completed in downtown Modesto.

On August 13, 2014, the State Public Works Board (SPWB) approved Stanislaus County's project scope, project schedule and project costs, which was a significant milestone that allowed Stanislaus County to be the first county funded to initiate the project and begin the design phase of construction, awarded under SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program.

In the Fall of 2014 the design firm of HOK of San Francisco, California was selected as a result of a competitive selection process. On June 30, 2015, the Board of Supervisors accepted the schematic design prepared by the County's Bridging Architect HOK of San Francisco, California, for the REACT Center Project, and authorized the Project Manager to complete and issue a Request for Statement of Qualifications for the pre-qualification of design-build teams for the REACT Center Project as prepared by HOK.

On September 15, 2015, the Board of Supervisors approved the submittal of the Performance Criteria and Concept Drawings for the Senate Bill (SB) 1022 Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project to the Board of State and Community Corrections and State Fire Marshal.

On September 15, 2015, the Board of Supervisors authorized the Project Manager to submit the Performance Criteria and Concept Drawings for State review and approval. The Criteria and Drawings were hand delivered to the State on September 16<sup>th</sup>. Both the Board of State and Community Corrections and State Fire Marshal have completed their reviews with comments acceptable to the stage of development of these drawings. The Project construction estimate remains on budget.

At this time, the County is required to transmit to the State Agencies the Preliminary Staffing Plan and Operational Program Statement along with the Construction Management Plan. Upon completion, the County will be in a unique position to close the antiquated downtown Men's Jail (with the exception of court holding) and relocate existing staff to the Public Safety Center site.

Due to this staffing relocation, there will be no additional staff positions need to open the REACT Center. That detailed plan is included in this report.

### **State Agreements**

Pursuant to the SB 1022 Program, the Project Delivery and Construction Agreement (PDCA) (Attachment A) provides the mechanism for obtaining State financing, first via an interim loan issued by the State's Pooled Money Investment Board (PMIB), and

ultimately via the issuance of lease revenue bonds by the State Treasurer to finance the REACT Center Project and other State funded projects. It also provides the mechanism for design, construction, operation and maintenance of the proposed project. The PDCA additionally provides for the lease of Project site to the BSCC and for design and construction of the Facility by the County using State and County funding.

On September 9, 2014, the Board of Supervisors also authorized the Project Manager to submit the updated REACT Center Project Budget Summary Table that outlines the uses of State Reimbursement, County Cash (Hard) Match and In-Kind Match. Today's recommended actions include the approval and execution of two State Certificates of Match Funding that certify the County will fund the required match using the source of funds previously identified.

**Next Recommended Actions:**

- 1. Approve and authorize the Project Manager, County Counsel and Chairman of the Board of Supervisors to negotiate and execute the Project Delivery and Construction Agreement (PDCA) between Stanislaus County and the State Public Works Board and the Board of State and Community Corrections for the SB 1022 Adult Local Criminal Justice Facilities Construction Financing Program for the construction of the County's Re-Entry and Enhanced Alternatives to Custody Training Project.**

The construction of these complex jail projects takes a tremendous amount of time and attention. The County's SB 1022 Project is proceeding on a very aggressive timetable in order to move as quickly as possible to construct urgently needed replacement jail facility. The Project Manager, County Counsel and Project Team working with the numerous State agencies are in the midst of finalizing these key agreements in order for the State Public Works Board to act on moving this project forward at their December, 2015 Public Meeting. Given the Board of Supervisors meeting calendar which has no Board meeting scheduled for December 1, it is recommended that the staff complete the final negotiations and the Board Chairman be authorized to execute the agreements. Fortunately, Stanislaus County has the proven experience with these agreements and programs given the completion of the SB 81 Juvenile Commitment Center Project and AB 900 Phase II Public Safety Center Projects.

Key provisions of each of the agreements are outlined below:

**Project Delivery and Construction Agreement (PDCA):**

- Provides mechanism for lease of Project site to State and for design and construction of Facility by County using State and County funding.

- Provides mechanism for obtaining State financing, first via an interim loan issued by the State's Pooled Money Investment Board, and ultimately via the issuance of lease revenue bonds by the State Treasurer to finance this and other State funded projects.
- Provides mechanism for design, construction, operation and maintenance of the proposed REACT Center Project. This Agreement will include the definition of responsibilities, eligibility of project costs for State reimbursement and conditions for design, construction and operation of the facility.

**2. Authorize the Project Manager and County Counsel to negotiate and execute on behalf of the County in substantially the same form the Exhibits to the PDCA: Exhibit A: the Project Scope, Cost and Schedule Description; Exhibit B: Form of Ground Lease; Exhibit C: Form of Right of Entry for Construction and Operation; and Exhibit D: Form of Facility Sublease.**

The Project Delivery and Construction Agreement include the following exhibits:

**Exhibit A – Project Scope, Cost Summary, and Project Schedule**

- The project scope defines the project, including type of building, space usage, and number of beds.
- The cost summary is a three page estimate that includes all costs for the fully-scoped project as defined by the legal description.
- The project schedule indicates the estimated completion date of certain milestones such as preliminary plans, working drawings, bid date, construction contract award, and construction completion.

**Exhibit B – Form of Ground Lease:** Stanislaus County leases the project site to BSCC for a period until bonds related to the project are repaid. The Ground Lease includes the following documents:

- Project Scope.
- Legal Description of the Site.
- Easement Agreement – Stanislaus County grants an access and utilities and repairs easements to BSCC.
- Form of Legal Opinion Letter – Stanislaus County's legal counsel opines that the County has the authority and power to enter into the Ground Lease, BSCC has authority and power to enter in and perform its obligations under the Ground Lease, and the Ground Lease is and its authorization is valid.
- List of Permitted Encumbrances – list of existing encumbrances that the State will allow and do not interfere with the development and financing of the project.
- Pending and Threatened Lawsuits – The County does not have any.

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Exhibit C – Right of Entry for Construction Agreement

- BSCC grants Stanislaus County the right to enter the project site for construction-related activities and to operate the facility once construction is completed.

Exhibit D – Form of Facility Sublease

- BSCC subleases the completed facility back to Stanislaus County.

**3. Approve and authorize the Chairman of the Board of Supervisors to execute Exhibit E-1. Description of the Participating County Funding Cash for the County's Cash (Hard) Match contribution in the amount of \$2,546,000 to Project funding and Exhibit E-2: Description of the Participating County Funding In-Kind Match in the amount of \$1,899,000, consistent with SB 1022 program requirements.**

The County, as part of the negotiation and execution of the above agreements, will certify its pledge to the SB 1022 funding program with \$4,445,000 in combined County Match to the State funding amount of \$40 million for the Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project.

Exhibit E.1 – Description of Cash (Hard) Match

- A Certificate of Matching funds that ensures that the source of matching cash funds in the amount of \$2,546,000 is compatible with lease revenue bond financing.

Exhibit E.2 – In-Kind Match

- Assurance that the County's in-kind match is reasonable for the work to be performed in the amount of \$1,899,000.

**4. Authorize Project Manager to submit to the State Agencies the Preliminary Staffing and Operational Program Statement and the Construction Management Plan for the successful delivery of the Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project.**

**POLICY ISSUES:**

All of the actions in this item will advance the Board of Supervisors' priority to strive for A Safe Community. These actions also support the Board's priority to provide Efficient Delivery of Public Services in pursuing State funds by leveraging limited County resources effectively.

**STAFFING IMPACTS:**

Stanislaus has a unique opportunity to initiate the opening of the REACT Facility with sworn and support staff displaced from the closure of the Men’s Jail housing areas. Furthermore, the relocation of staff and operations from the Sheriff’s Jail Alternatives unit will be used in this facility.

Therefore, fully staffed from its opening, the staffing plan, when fully implemented, will consist of an estimated 76 full time employees of existing positions displaced from the closure of the housing portion of the Men’s Jail and the Sheriff’s Jail Alternatives Unit in Downtown Modesto at full occupancy for the project. Projected needs are for 68 sworn custody positions and 8 administrative and programs support staff to accommodate and operate the initial phase of the operation of REACT facility. It is anticipated, in part, that this staffing addition will provide the supervision necessary to maintain the span of control.

As projected, the REACT Administration staffing will include:

<b>Classification</b>	<b>Total Positions</b>
Lieutenant	2.00
Sergeant	3.00
Deputy	11.00
<b>Sworn Sub-Total</b>	<b>16.00</b>
Programs Director	1.00
Legal Clerk	7.00
Administrative Assistant	1.00
<b>Non-Sworn Sub-Total</b>	<b>8.00</b>
<b>Total All Positions</b>	<b>24.00</b>

REACT program participant housing management includes staffing for monitoring and managing the 288 program participants housed in REACT Center in seven total inmate living units. Four units are considered Transitional Housing, intended for program participants processed from incarceration at the other detention facilities, as well as participants returned to custody who may require a more secure custodial setting in order to successfully complete their respective training session and preparation for re-entry into the community. Typically, participants housed in this section will be classified as minimum or low medium-security in a dormitory setting. Each of these four units

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contains 48 beds, arranged under the direction of one fully staffed housing control room, with two additional staff rover positions assigned fulltime.

The more secure or limited housing units also could house eligible and targeted dual diagnosed and manageable mental health incarcerated persons and medium security inmates who qualify to participate in in-custody transitional housing and programs. These housing areas are divided into three 32-bed units that include 4 and 8 bed cells. The supervision approach is similar to the Transitional Housing, which are more often indirect supervision. REACT Transitional and Secure Housing staffing will include:

<b>Classification</b>	<b>Total Positions</b>
Sergeant	4.40
Deputy	46.64
<b>Sworn Sub-Total</b>	<b>51.04</b>
<b>Total All Positions</b>	<b>51.04</b>

In total, the new REACT Center will require 76 Full Time Employees, of which 68 are sworn and eight are non-sworn staff. All 76 Full Time Employee positions will be filled by existing staff displaced from the closure of the intake and housing portions of the downtown Men's Jail and Jail Alternatives Office.

**CONTACT PERSON:**

Patricia Hill Thomas, Chief Operations Officer. Telephone: 209-525-6333

ATTACHMENTS AVAILABLE  
FROM YOUR DESK



**PROJECT DELIVERY AND CONSTRUCTION AGREEMENT  
SB 1022 ADULT LOCAL CRIMINAL JUSTICE FACILITIES FINANCING PROGRAM**

**by and among**

**STATE PUBLIC WORKS BOARD  
OF THE STATE OF CALIFORNIA**

**and**

**BOARD OF STATE AND COMMUNITY CORRECTIONS  
OF THE STATE OF CALIFORNIA**

**and**

**STANISLAUS COUNTY**

**Effective Date of December 18, 2015**

**(FOR AN ADULT LOCAL CRIMINAL JUSTICE FACILITY  
LOCATED IN THE COUNTY OF STANISLAUS)**

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**PROJECT DELIVERY AND CONSTRUCTION AGREEMENT  
SB 1022 ADULT LOCAL CRIMINAL JUSTICE FACILITIES FINANCING PROGRAM  
(FOR AN ADULT LOCAL CRIMINAL JUSTICE FACILITY  
LOCATED IN STANISLAUS COUNTY)**

This PROJECT DELIVERY AND CONSTRUCTION AGREEMENT (this “Agreement”) is entered into as of December 18, 2015, (the “Effective Date”) by and among the STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA (the “Board”), an entity of state government of the State of California (the “State”), the BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA (the “BSCC”), an entity of state government of the State, and the COUNTY OF STANISLAUS (the “Participating County”), a Political Subdivision of the State. For purposes of this Agreement, the Board, the BSCC and the Participating County are referred to collectively as the “Parties,” and individually as a “Party.” The Board and the BSCC are referred to collectively herein, as the “Agencies” and individually as an “Agency.”

WHEREAS, pursuant to Chapter 3.13 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.92) (the “Law”), the Board is authorized to finance the acquisition, design and construction of an adult local criminal justice facility approved by the BSCC pursuant to Section 15820.925 of the California Government Code (the “SB 1022 Adult Local Criminal Justice Facilities Financing Program”); and

WHEREAS, pursuant to California Code of Regulations Title 15, Division 1, Chapter 1, Subchapter 6 and this Agreement and other agreements relating to this Project, the cost of certain design and construction activities will be eligible for reimbursement under the SB 1022 Adult Local Criminal Justice Facilities Financing Program; and

WHEREAS, the Participating County has proposed to build or renovate an adult local criminal justice facility, as more particularly described in **Exhibit A** attached hereto (the “Project”), to be located at 200 East Hackett Road, Ceres, CA 95358, real property controlled by the Participating County through fee-simple ownership (the “Site”); and

WHEREAS, the Participating County intends to lease the Site to the BSCC pursuant to a Ground Lease in substantially the form attached hereto as **Exhibit B** (the “Ground Lease”) executed by and between the Participating County and the BSCC and consented to by the Board; and

WHEREAS, the BSCC, as lessee under the Ground Lease, and the Participating County intend to enter a Right of Entry for Construction and Operation (the “Right of Entry”) in substantially the form attached hereto as **Exhibit C** concurrently with the execution of the Ground Lease authorizing the Participating County to enter the Site for the purpose of constructing the Project on the Site and for operation of the Project upon substantial completion of construction (the Site and the Project, collectively, the “Facility”), as more particularly described herein; and

WHEREAS, concurrently with the execution of this Agreement, the BSCC and the Participating County, with the consent of the Board, intend to enter into an agreement to assist in

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complying with BSCC's rules and regulations concerning jail construction for the SB 1022 Adult Local Criminal Justice Facilities Financing Program (the "BSCC Agreement"); and

WHEREAS, the Board intends to oversee and issue lease revenue bonds for the Project, subject to satisfaction of certain conditions and requirements of the Board, including but not limited to establishment of Project scope, cost and schedule; approval of performance criteria; involvement in approval of the Design-Build Solicitation Package (as hereinafter defined) and authorization for the Participating County to solicit design-build bids or proposals; requesting actions to be taken to obtain one or more interim loans in connection with the Project (the "Interim Loan") and, subject to section 1.3 below, the Board intends to issue and sell its lease revenue bonds to repay the Interim Loan and provide additional financing for the Project, as necessary (the "Bonds"); and

WHEREAS, prior to authorization by the Board of actions to be taken to provide for the Interim Loan, the BSCC shall have certified to the Board that the Participating County is a participating county as required by Section 15820.92 of the California Government Code and the BSCC shall have approved the Project in accordance with Section 15820.925 of the California Government Code; and

WHEREAS, an Interim Loan for the Project may be made pursuant to Sections 16312 and 16313 of the California Government Code (Pooled Money Investment Board loans), Section 15849.1 of the California Government Code (General Fund loans), and/or any other appropriate source in an amount or amounts, which in the aggregate do not exceed the Maximum State Financing (as hereinafter defined); and

WHEREAS, the agent for sale for all Board bonds is the State Treasurer; and

WHEREAS, concurrently with the issuance of the Bonds, the BSCC, as lessee under the Ground Lease, intends to enter into a Site Lease whereby the BSCC, as lessor, shall lease the Site to the Board, as lessee (the "Site Lease"); and

WHEREAS, concurrently with the execution of the Site Lease, the Board, as lessee under the Site Lease, intends to enter into a Facility Lease whereby the Board, as lessor, shall lease the Facility to the BSCC, as lessee (the "Facility Lease"); rental payments under the Facility Lease shall secure the payment of principal of and interest on the Bonds; and

WHEREAS, concurrently with the execution of the Facility Lease, the BSCC, as lessee under the Facility Lease, and the Participating County intend to enter a Facility Sublease in substantially the form attached hereto as **Exhibit D**, whereby the BSCC, as sublessor, shall lease the Facility to the Participating County, as sublessee (the "Facility Sublease"), for its use, operation and maintenance; and

WHEREAS, in the event the Board is unable to issue the Bonds to finance the Project and the Interim Loan has been provided, the BSCC shall commit a sufficient amount of its annual support appropriation to repay the Interim Loan and any other interim financing costs associated with the Interim Loan.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual agreements of

the Parties set forth herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE 1

GENERAL

1.1 General Covenants, Acknowledgements and Agreements of the Parties.

(a) The Parties hereto acknowledge and agree that an authorization by the Board to request the Interim Loan and the issuance of the Bonds by the Board is done in reliance upon, among other things, the promise of the relevant Parties to execute, deliver and perform their respective obligations, as applicable, under the Site Lease, the Facility Lease, the Facility Sublease, a Tax Agreement and Certificate in a form satisfactory to the Board to be executed in connection with the issuance of the Bonds (the "Tax Certificate"), a Continuing Disclosure Agreement in a form satisfactory to the Board to be executed in connection with the issuance of the Bonds (the "Continuing Disclosure Agreement") and all related certificates, agreements or other documents, including an indenture and supplemental indenture, if any, authorizing the Bonds that the Chair or Executive Director of the Board or a duly authorized designee thereof may deem necessary or desirable to effectuate the sale of the Bonds. Such indenture, supplemental indenture, if any, the Site Lease, the Facility Lease, the Facility Sublease, the Tax Certificate and the Continuing Disclosure Agreement, are collectively referred to herein as the "Bond Documents."

(b) The Parties accept and agree to comply with, to the extent respectively applicable to them, all terms, provisions, conditions, and commitments of this Agreement, the Project Documents (as hereinafter defined) and the Bond Documents, including all incorporated documents, and that they will do and perform all acts and things permitted by law to effectuate the issuance of the Bonds.

(c) The Participating County and the BSCC agree and acknowledge that the Project is subject to approval and oversight by the Board and the State Department of Finance ("Finance") consistent with the policies and laws governing the expenditure of a State capital outlay appropriation.

1.2 Approvals, Consents and Actions Necessary to Maintain Eligibility in the SB 1022 Adult Local Criminal Justice Facilities Financing Program. The Participating County acknowledges its eligibility for Project financing pursuant to the SB 1022 Adult Local Criminal Justice Facilities Financing Program is subject to and contingent upon the following approvals, consents and actions:

(a) A determination by the Board that the Site meets the standard requirements for a site being leased in connection with the issuance by the Board of its lease revenue bonds;

(b) A determination by the Board that the Participating County match as set forth in Article 3 has been satisfied as required by the Law and the source of the Cash (hard)

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Match (as hereinafter defined) and any associated security or terms related thereto has been determined by the Board to be compatible with the financing of the Project pursuant to the SB 1022 Adult Local Criminal Justice Facilities Financing Program;

(c) The Board has established the scope, cost and schedule for the Project consistent with the Participating County's initial proposal submitted to the BSCC and the Participating County has agreed that the Project shall be constructed and completed in accordance with such Project scope, cost and schedule established by the Board, except to the extent any modifications thereof may be approved by the Board through the State's standard capital outlay process;

(d) The Board has approved the Ground Lease, the Right of Entry and the Facility Sublease;

(e) Both the Board and Finance have approved the Performance Criteria for the Project. As used herein "Performance Criteria" shall mean the information that fully describes the scope of the proposed project and includes, but is not limited to, the size, type, and design character of the buildings and site; the required form, fit, function, operational requirements, and quality of design, materials, equipment, and workmanship; and any other information deemed necessary to sufficiently describe the Participating County's needs; including documents prepared pursuant to paragraph (1) of subdivision (a) of Section 22164 of the California Public Contract Code. Performance Criteria may include concept drawings, which include any schematic drawings or architectural renderings that are prepared in such detail as the Participating County determines necessary to sufficiently describe the Participating County's needs;

(f) Finance has approved the Design-Build Solicitation Package for the Project and authorized the Participating County to proceed with soliciting competitive bids or proposals for design and construction of the Project. As used herein "Design-Build Solicitation Package" shall mean the performance criteria, the form of contract, and all other documents and information that serve as the basis on which competitive bids or proposals will be solicited from the design-build entities;

(g) Finance has approved award of the Design-Build Contract (as hereinafter defined) for the Project;

(h) BSCC and the State Fire Marshal have approved the Construction Documents for the Project. As used herein "Construction Documents" shall mean architectural plans and specifications that are one hundred percent (100%) complete and generally include: completed specifications and construction drawings; and special interest items (corrections, modifications, or additions made to the documents). The Construction Documents shall include a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of construction by the design-build entity;

(i) The BSCC has provided the Board the certification required by Section 15820.92 of the California Government Code, which certification the BSCC intends to provide upon satisfaction of the required statutory and regulatory conditions;

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(j) The Board has adopted a Resolution authorizing steps be taken to seek the Interim Loan together with declaring its intent to reimburse any such Interim Loan with the proceeds from the Bonds;

(k) A determination by the Board that it will receive with respect to the Bonds the normal and customary opinions and certificates delivered in connection with an issuance of lease revenue bonds by the Board; and

(l) The sale of the Bonds.

1.3 SB 1022 Adult Local Criminal Justice Facilities Lease Revenue Bond Financing. State financing for the SB 1022 Adult Local Criminal Justice Facilities Financing Program is predicated on the Board's ability to issue Bonds for the Project. The Board, acting in good faith, intends to authorize the request for the Interim Loan and, subject to approvals, consents, and actions set forth in section 1.2, to issue Bonds for the Project. The Agencies will make reasonable and good faith efforts to assist in gaining assurance that the Site, the Project, the Participating County's ultimate use of the Project and the Cash (hard) Match (as hereinafter defined) are developed and implemented in such a way to facilitate the financing of the Project through the issuance and sale of the Bonds.

Prior to the Board's authorization to request the Interim Loan, the BSCC shall have certified to the Board that the Participating County is a participating county as required by Section 15820.92 of the California Government Code and the BSCC shall have approved the design and construction of the Project in accordance with Section 15820.92(a) of the California Government Code. Certification from the BSCC to the Board regarding BSCC and State Fire Marshal approval of the Construction Documents must be provided as soon as those approvals have been received and before the issuance and sale of the Bonds.

Notwithstanding the Board's good faith efforts to authorize and provide financing for the Project, the State (including without limitation the Board and the BSCC) shall not be obligated to issue Bonds for the Project or authorize the Interim Loan request upon the Board's good-faith determination that such financing is not feasible or appropriate, based upon any one or more of the following factors: the lack of suitability of the Project's configuration or site for lease revenue bond financing, local funding that is incompatible with the issuance of lease revenue bonds by the Board, adverse market conditions, adverse outcomes to legal challenges, inability to obtain access to the financial markets or inability to obtain reasonable rates, inability to receive opinions and certificates customarily delivered in connection with the issuance of lease revenue bonds, or another occurrence or state of affairs that would make it objectively infeasible or inappropriate for the Board to issue Bonds or authorize the Interim Loan request.

In the event the Board determines that it is not feasible or appropriate to issue Bonds or to authorize the Interim Loan request, the Participating County is not entitled to receive the Maximum State Financing (as hereinafter defined) or other State funding for the Project, and shall not receive reimbursement from the State for any Project costs. However, in the event the Board is unable to issue the Bonds to finance the Project and the Interim Loan has been provided, the BSCC shall commit a sufficient amount of its annual support appropriation to repay the Interim Loan and any other interim financing costs associated with the Interim Loan and all associated costs.



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1.4 The BSCC Acts as Liaison of the Board and Finance to the Participating County. The Parties hereto acknowledge that obtaining the approvals and consents of the Board and/or Finance and the provision of documents to the Board and/or Finance as set forth in this Article I and otherwise herein shall be a responsibility of the BSCC. The BSCC will act as liaison between the Participating County and the Board and Finance, and on its own behalf and behalf of the Board and Finance, will work with the Participating County to obtain such consents and approvals, and to provide such documents to the Board and Finance, as applicable.

### 1.5 Representations and Warranties of the Participating County.

(a) Under the provisions of the State Constitution, the applicable State statutes, and applicable jurisprudence of the State, the Participating County has the power to enter into this Agreement, to be bound hereby, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(b) The Participating County has taken all actions and has obtained all consents necessary to enable the Participating County to enter into this Agreement, to be bound hereby, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) The person executing and delivering this Agreement on behalf of the Participating County has been duly authorized and empowered to do so.

(d) The execution and delivery of this Agreement on behalf of the Participating County will bind and obligate the Participating County to the extent provided by the terms hereof.

(e) There exists no litigation or other proceeding pending or threatened against the Participating County that, if determined adversely, would materially and adversely affect the ability of the Participating County to consummate the transactions contemplated hereby or to perform its obligations hereunder.

(f) The execution and delivery of this Agreement and the Ground Lease, the Right of Entry, the BSCC Agreement and the Facility Sublease, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or material breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Participating County is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Participating County, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, the Ground Lease, the Right of Entry, the BSCC Agreement or the Facility Sublease, or the financial condition, assets, properties or operations of the Participating County.

**1.6 Representations and Warranties of the Board.**

(a) Under the provisions of the State Constitution, the applicable State statutes, and applicable jurisprudence of the State, the Board has the power to enter into this Agreement, to be bound hereby, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(b) The Board has taken all actions and has obtained all consents necessary to enable the Board to enter into this Agreement, to be bound hereby, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) The person executing and delivering this Agreement on behalf of the Board has been duly authorized and empowered to do so.

(d) The execution and delivery of this Agreement on behalf of the Board will bind and obligate the Board to the extent provided by the terms hereof.

(e) There exists no litigation or other proceeding pending against the Board (with service of process having been accomplished) that, if determined adversely, would materially and adversely affect the ability of the Board to consummate the transactions contemplated hereby or to perform its obligations hereunder.

**1.7 Representations and Warranties of the BSCC.**

(a) Under the provisions of the State Constitution, the applicable State statutes, and applicable jurisprudence of the State, the BSCC has the power to enter into this Agreement, to be bound hereby, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(b) The BSCC has taken all actions and have obtained all consents necessary to enable the BSCC to enter into this Agreement, to be bound hereby, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) The person executing and delivering this Agreement on behalf of the BSCC has been duly authorized and empowered to do so.

(d) The execution and delivery of this Agreement on behalf of the BSCC will bind and obligate the BSCC to the extent provided by the terms hereof.

(e) There exists no litigation or other proceeding pending against the BSCC (with service of process having been accomplished) that, if determined adversely, would materially and adversely affect the ability of the BSCC to consummate the transactions contemplated hereby or to perform its obligations hereunder.

(f) The execution and delivery of this Agreement and the Ground Lease, the Right of Entry, the Site Lease, the Facility Lease, the BSCC Agreement and the Facility Sublease, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or

both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the BSCC is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the BSCC, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, the Ground Lease, the Right of Entry, the BSCC Agreement or the Facility Sublease, or the financial condition, assets, properties or operations of the BSCC.

1.8 Compliance with Terms and Conditions of the Project Documents. The Parties agree to comply with all terms and conditions relating to the respective Party of this Agreement, the BSCC Agreement, the Ground Lease, the Right of Entry and all exhibits and schedules attached hereto and thereto relating to the Party (collectively, the “Project Documents”), as well as all applicable laws including, without limitation, the Law and those laws, regulations and guidelines set forth in the BSCC Agreement.

1.9 Conflicts Between Terms of Documents. In the event of any inconsistency in the Project Documents, except as otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: 1) this Agreement; 2) the Ground Lease, 3) the BSCC Agreement and all exhibits and schedules attached thereto, and 4) the Right of Entry. In the event the Bonds are issued, any inconsistency between the Project Documents and the Bond Documents shall be resolved by giving precedence to the Bond Documents. To the extent the Parties mutually agree that a provision of a particular document should control with respect to an inconsistency between that document and another document or documents, notwithstanding the other provisions of this section, such provision shall control.

1.10 Indemnity. As required by Section 15820.92(d) of the California Government Code, the Participating County hereby agrees to indemnify, defend and save harmless the State, including but not limited to the Board and the BSCC, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants, and agents (collectively, “Indemnitees”) for any and all claims and losses arising at any time out of the acquisition, design, construction, operation, maintenance, use and occupancy of the Project. The Participating County shall not be obligated to provide indemnity or defense where the claim arises out of the active negligence or willful misconduct of the Indemnitees. These obligations shall survive any termination of this agreement.

1.11 Assignment or Subletting of the Facility.

(a) *Assignment of Rights and Interest under this Agreement.* Except as otherwise contemplated hereunder, the Participating County may not sublicense, assign, or otherwise confer upon any other person or entity its rights or interests under this Agreement, nor may the Participating County delegate any of its duties or responsibilities required by this Agreement, whether by operation of law or otherwise, without the express, prior written consent of the Agencies, the rights and obligations hereunder imposed being personal to the Participating County.

(b) *Assignment or Subletting of the Facility.* The Participating County and the

BSCC hereby covenant and agree that none of the Ground Lease, the Facility Lease or the Facility Sublease nor any interest of such Parties thereunder shall be sold, mortgaged, pledged, assigned, or transferred by the Parties thereto by voluntary act or by operation of law or otherwise; provided, however, that the Facility may be subleased in whole or in part by the Participating County with the prior written consent of the BSCC and the Board to the form and substance of such sublease, which consent shall not be unreasonably withheld, and, provided further that, any such sublease shall be subject to the following conditions:

(i) Any sublease of the Facility by the Participating County shall explicitly provide that such sublease is subject to all rights of the BSCC and the Board under the Facility Sublease, including, the right to re-enter and re-let the Facility or terminate such lease upon a default by the Participating County; and

(ii) At the request of the BSCC or the Board, the Participating County shall furnish the BSCC, the Board and the State Treasurer with an opinion of nationally-recognized bond counsel acceptable to the Board to the effect that such sublease will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes.

(c) *Restrictions on Private Use of the Facility.* The Participating County acknowledges that its ability to assign or sublet the Facility is subject to the provisions of section 6.1.2 hereof.

1.12 Relationship of the Parties. The Parties hereto acknowledge and agree that, to the extent expressly provided in this Agreement, the relationship of the Participating County to the Agencies is that of an agent to the Agencies and that the Participating County is principally responsible for the acquisition, design, construction, maintenance, and operation of the Project. Other than as set forth herein, nothing in this Agreement shall create between the Participating County and any of the Agencies the relationship of joint venturers, partners or any other similar or representative relationship, and the Participating County shall not hold itself out as an agent (except as expressly provided herein), representative, partner, member or joint venturer of the Agencies. The Participating County shall not make for or on behalf of the Agencies, or subject the Agencies to, any contract, agreement, warranty, guaranty, representation, assurance or other obligation, which has not been approved in advance in writing by the applicable Agency. This Agreement is for the sole and exclusive benefit of the Parties hereto and their respective successors and assigns, and no third party (including without limitation the owners of the Bonds) is intended to or shall have any rights hereunder.

## ARTICLE 2

### TERM AND TERMINATION OF AGREEMENT

2.1 Term of Agreement. This Agreement shall commence on the Effective Date and shall terminate upon the later of (i) completion of the construction of the Project or (ii) if the Board issues the Bonds, execution and delivery of the Facility Sublease, unless terminated earlier as provided in section 2.2. The provisions of certain sections hereof as indicated by the express terms thereof will survive termination of this Agreement.

2.2 Termination of Agreement.

(a) *Termination by the State.* The BSCC, with the consent of the Board, or the Board may terminate this Agreement in the event any of the following occurs:

(i) The Participating County's breach of a material term of this Agreement, any Project Document or any Applicable Laws (as defined in the BSCC Agreement) provided the Participating County has not cured such breach in all respects within thirty (30) days from notice of said breach, which cure period may be extended for a reasonable time with the consent of the Agencies if the Participating County demonstrates that such additional time is required to cure such breach in a diligent and commercially reasonable manner;

(ii) Substantive alteration of the Board approved scope, cost or schedule for the Project as set forth in **Exhibit A** without the prior written approval of the Board;

(iii) Failure to execute the Ground Lease or the Right of Entry;

(iv) Failure to provide the Participating County Funding (as hereinafter defined) when and as required under this Agreement, the Law or any Project agreement to which the Participating County is a party;

(v) In the event the Board determines the Participating County is no longer eligible for Project financing under the SB 1022 Adult Local Criminal Justice Facilities Financing Program as set forth in section 1.2 hereof; or

(vi) Termination of the BSCC Agreement as provided for in Article 1, Section C of the BSCC Agreement.

(b) *Termination by the Participating County.* The Participating County may, prior to the State providing any amount of financing, terminate this Agreement in the event any of the following occurs:

(i) The State's breach of a material term of this Agreement, any Project Document or any Applicable Laws (as defined in the BSCC Agreement) provided the State has not cured such breach in all respects within thirty (30) days from notice of said breach, which cure period may be extended for a reasonable time with the consent of the Participating County if the State demonstrates that such additional time is required to cure such breach in a diligent and commercially reasonable manner;

(ii) Failure of the State to execute the Ground Lease or the Right of Entry;

(iii) In the event the Board determines the Participating County is no longer eligible for Project financing under the SB 1022 Adult Local Criminal Justice Facilities Financing Program as set forth in section 1.2 hereof.

(c) *Agreement.* The Parties may terminate this Agreement by mutual agreement. The Agencies agree to terminate this agreement in the event that the Participating County determines it cannot proceed with the Project after initial design-build bids or proposals

are received, but before any design-build contract is awarded.

(d) *Notice of Termination.* Prior to terminating this Agreement under the provisions of this Article 2, the Parties shall provide to each other, as applicable, at least thirty (30) calendar days written notice, stating the reason(s) for termination and effective date thereof.

(e) *No Impairment.* Nothing in this Article 2 in any way alters or limits the authority of the Agencies to withhold all or a portion of the Maximum State Financing (as hereinafter defined) in accordance with law or otherwise as permitted hereunder or any other right or remedy available to the State at law or in equity for breach of this Agreement.

### ARTICLE 3

#### COST SHARING OF THE PROJECT

##### 3.1 Financing Eligibility of the Project.

(a) *General.* Subject to the terms and provisions hereof, the costs for design and construction of the Project shall be shared by the State and the Participating County with the State providing financing up to a maximum of forty million dollars (\$40,000,000) (“Maximum State Financing”) and the Participating County providing the Cash (hard) Match (as hereinafter defined) funding and the In-Kind (soft) Match (as hereinafter defined) funding (collectively, the “Participating County Funding” and together with other Participating County-borne project costs not included as the Participating County Funding and the Maximum State Financing, the “Total Project Costs”). Provided, however, that the Board may provide all or a portion of the Maximum State Financing for Project costs at its discretion as set forth herein. The sources for the Maximum State Financing shall be limited to the proceeds of the Interim Loan, and the proceeds of the Bonds. If Bonds are issued and sold, the proceeds will be used to repay the Interim Loan and to provide additional financing for the Project as appropriate. If the Bonds are issued and sold, in no event or circumstance shall the State or the Agencies be obligated to pay the Participating County under this Agreement or any other Project Document any amount in excess of the Maximum State Financing.

(b) *Cash (hard) Match.* Subject to all terms and provisions of this Agreement, the Participating County agrees to appropriate and spend cash (hard) matching funds for the Project as provided in the BSCC Agreement (“Cash (hard) Match”). **Exhibit E-1** is a detailed description of and certification related to the source or sources of the Cash (hard) Match and any associated security or terms related thereto as approved by the Agencies, which detail and assurance of has been deemed sufficient by the Board to determine that the use of such funds as the Cash (hard) Match is compatible with the financing of the Project pursuant to the SB 1022 Adult Local Criminal Justice Facilities Financing Program. Any modifications to the source or sources of the Cash (hard) Match or the associated security and terms related thereto as described in **Exhibit E-1** must be approved by the Agencies. The Participating County shall ensure that all Cash (hard) Match is encumbered prior to Finance approval to proceed to bid the Design-Build Solicitation Package.

(c) *In-Kind (soft) Match.* Subject to all terms and provisions of this

Agreement, the Participating County agrees to provide in-kind (soft) match for the Project as provided in the BSCC Agreement (“In-kind (soft) Match”). The Participating County has provided in **Exhibit E-2** a detailed description of the In-kind (soft) Match for the Project as approved by the Agencies. Any modifications to the In-kind (soft) Match as described in **Exhibit E-2** must be approved by the Agencies.

3.2 Excess Project Costs. In no event shall any Project scope, cost, budget or schedule changes be authorized by the Participating County which would cause the amount of Total Project Costs to be exceeded unless the Participating County covenants to fund such excess with lawfully available funds and the Participating County first obtains the consent of the Agencies. The Participating County is solely responsible for any and all cost, expenses or fees of the Project which exceed the Maximum State Financing and the Participating County covenants to use its best efforts to promptly appropriate sufficient amounts to cover such cost, expenses or fees. The Participating County waives any and all claims against any of the Agencies or the State in the event that Total Project Costs exceed the amount initially established by the Board.

3.3 Project Cost Savings. To the extent there exists Project cost savings during the Project the amount of such savings shall be applied first to the Participating County to the extent the Participating County has identified Participating County Funding in an amount more than required by the Applicable Laws (as defined in the BSCC Agreement). Thereafter, cost savings shall be shared by the State and the Participating County on a pro rata basis determined by the percentage of the total amount of Project costs financed by the State and the Participating County Funding, respectively. However, in no case may savings be applied to the Participating County that would (1) result in the State providing financing for activities other than eligible design and construction costs; or (2) result in the Participating County contributing less than the percentage of Total Project Costs required by the Applicable Laws.

## ARTICLE 4

### PROJECT SCOPE, COST AND SCHEDULE

4.1 The Project. See **Exhibit A** for a description of the scope, cost and schedule of the Project, including a narrative description of the Project, budgeted costs related to the Project and a schedule for completion of design and construction of the Project.

4.2 Modification of Project Scope, Cost or Schedule. No substantial change or other substantial modifications to the Project scope, cost or schedule may be made by the Participating County without prior written permission of Finance and recognition by the Board (“Scope Change”). Minor modifications to the project do not require Finance approval and Board recognition, but must be documented and reported on routine progress reports to the BSCC as set forth in the BSCC Agreement. Without limiting the foregoing, the Participating County shall notify the BSCC, and the BSCC shall in turn notify Finance and the Board upon any of the following events or circumstances that may constitute a Scope Change:

- (a) More than minor changes which affect the design, project configuration, cost or schedule of the Project;
- (b) A delay or change in the substantial completion or final completion dates

for the Project;

(c) A more than minor change to the design, location, size, capacity or quality of major items of equipment;

(d) A change in approved budget categories, or movement of dollars between budget categories as indicated in the Board approved scope cost and schedule as identified in **Exhibit A**.

As used herein “substantial” is as defined in Section 6863 of the State Administrative Manual. As used herein a minor change is any change which does not rise to the level of a substantial change as defined in Section 6863 of the State Administrative Manual. Finance shall determine whether any reported event or circumstance requires its approval and recognition or other formal action by the Board.

The Participating County agrees that it will give prompt notification in writing to the BSCC of the occurrence of any of the above events and promptly report, in writing, to the BSCC any modifications to the Design-Build Contract (as hereinafter defined) with respect to the Project. The BSCC will provide the aforementioned notices and reports to the Board. The Participating County agrees further that, for purposes of the immediately preceding clause (a) and (c), if unsure whether a particular change is minor it will discuss the appropriate characterization with the BSCC.

4.3 Excess Project Costs. In no event shall any scope, cost or budget changes be authorized which would cause the amount of Total Project Costs to be exceeded unless the Participating County covenants to fund such excess with lawfully available funds and with the consent of the Agencies and so appropriates such funding.

## ARTICLE 5

### BIDDING AND DESIGN-BUILD PHASE OF THE PROJECT

5.1 Design-Build Covenant of the Participating County. The Participating County acting as agent of the Board and the BSCC, hereby covenants and agrees to provide and perform or cause to be performed all activities required to acquire, design and construct the Project on behalf of the Board in accordance with the Participating County’s established policies and procedures for the design and construction of major capital projects such as the Project. The Participating County shall be responsible to contract for all pre-design, design and construction services, and shall manage the day-to-day design and construction of the Project. The Participating County shall cause the design and construction of the Project to be consistent with the requirements, limitations, and other terms of this Agreement, the other Project Documents, the Law and all Applicable Laws. The Participating County shall also manage all aspects of the development and construction of the Project in accordance with the Project Documents.

5.2 Procurement and Enforcement of Design-Build Contract. The Participating County shall follow and adhere to all pertinent bidding rules and policies applicable to Participating County capital projects of this type and size. If there is an ambiguity as to the applicability of certain contracting rules and/or policies to the Project, the Participating County



will seek advice from its counsel, follow that advice and use its best efforts to enforce the general design-build contract (the “Design-Build Contract”) between the Participating County and the design-build entity selected by the Participating County.

5.3 Completion of the Project. The Participating County acknowledges it is obligated to undertake and complete the design and construction of the Project in compliance with all of the applicable terms and conditions of the Project Documents and the Participating County agrees to use its best efforts to cause the completion of design and construction of the Project in compliance with the applicable terms and conditions of such documents. The Participating County agrees to complete the Project in accordance with this Agreement and consistent with the scope, cost and schedule established by the Board and attached hereto in **Exhibit A**, as such scope, cost and schedule may be modified with the approval of Finance and the recognition of the Board.

5.4 Project Access. To the extent not inconsistent with the Bond Documents, at all times during design and construction of the Project and after final completion, the Participating County shall provide to employees, subcontractors, and consultants of the Agencies reasonable unrestricted access to observe, monitor and inspect the Project. The Agencies’ access to observe, monitor and inspect shall include the right to review all documents and files relating to the Project, as well as construction on the Site, including all tests and inspections relating to design or construction of the Project.

5.5 Insurance.

(a) Insurance Obligations of the Participating County.

(i) Requirements during construction. Not later than the start of construction, and continuing through completion of construction of the Project, the Participating County, at its own cost and expense, shall secure and maintain or cause to be secured and maintained (i) fire, lightning and extended coverage insurance on the Project, which initially may be in the form of a builder’s risk policy providing coverage in an amount not less than the construction costs expended for the Project and, if no builder’s risk insurance is in effect, shall be in the form of a commercial property policy in an amount equal to one hundred percent (100%) of the then current replacement cost of the Project, excluding the replacement cost of the unimproved real property constituting the Site (except that such insurance may be subject to a deductible clause not to exceed five hundred thousand dollars (\$500,000) for any one loss), and (ii) earthquake insurance (if such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure comprising part of the Project in an amount equal to the full insurable value of such structure or the amount of the attributable portion of the Interim Financing, whichever is less (except that such insurance may be subject to a deductible clause not to exceed five hundred thousand dollars (\$500,000) for any one loss). The extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism and malicious mischief and such other hazards as are normally covered by such endorsement.

If such policy is expected to expire in accordance with its terms prior to execution of the Facility Sublease, the Participating County shall give written notice to the Agencies forty-five (45) days prior to the expected expiration date.

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(ii) Requirements after construction completion. The Participating County, at its own cost and expense, shall secure and maintain or cause to be secured and maintained from an insurance company or companies approved to do business in the State and maintain after completion of construction and/or when placing the Project in operation, the following insurance coverage for the Project:

a. General liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence. Evidence of such insurance shall be on a General Liability Special Endorsement form and should provide coverage for premises and operations, contractual, personal injury and fire legal liability;

b. By signing this Agreement, the Participating County hereby certifies that it is aware of the provisions of Section 3700, *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply, and it will cause its subtenants and assignees to comply, with such provisions at all such times as they may apply during the term of this Agreement.

c. Auto insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of not less than one million dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for all "owned," "hired" and "non-owned" vehicles or coverage for any auto.

(iii) Additional Insureds. The Participating County agrees that the Board and the BSCC and their respective officers, agents and employees shall be included as additional insured in all insurance required herein.

(iv) Insurance Certificate. Any and all insurance policies related to the Project shall name the Board and the BSCC as additional insured parties and the Participating County shall deliver to the Agencies a certificate or certificates of insurance authorized by the insurers describing the insurance coverage and stating that it is in full force and effect.

(v) Self-Insurance. Notwithstanding any other provision of this Section, the Participating County may satisfy the insurance obligations hereunder by a combination of commercial insurance, formal risk pooling under the statutory provisions of the State, and/or a self-funded loss reserve in whatever proportions are deemed appropriate by the Participating County. The Participating County shall furnish the Agencies with a certificate or other written evidence of the Participating County's election to provide or cause to be provided all or part of its coverage under a risk pooling, risk retention, or self-insurance program or any combination thereof.

(b) Insurance Obligations of the BSCC. If the insurance required in (a)(i) expires in accordance with its terms prior to execution of the Facility Sublease, the BSCC shall, at its own cost and expense, procure and maintain or cause to be procured and maintained (i) property casualty insurance in an amount equal to one hundred percent (100%) of the then current replacement cost of the Project, excluding the replacement cost of the unimproved real property constituting the Site (except that such insurance may be subject to a deductible clause not to exceed five hundred thousand dollars (\$500,000) for any one loss), and (ii) earthquake insurance

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(if such insurance is available on the open market from reputable insurance companies at a reasonable cost) on any structure comprising part of the Project in an amount equal to the full insurable value of such structure or the amount of the attributable portion of the Interim Financing, whichever is less (except that such insurance may be subject to a deductible clause not to exceed five hundred thousand dollars (\$500,000) for any one loss). The extended coverage endorsement shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism and malicious mischief and such other hazards as are normally covered by such endorsement. The property casualty insurance shall be in a form satisfactory and with carriers which are acceptable to the Board.

(c) Disposition of Insurance Proceeds. The Participating County agrees and acknowledges that the Board, in its sole discretion, may elect to use the proceeds of insurance procured pursuant to this Agreement to repay the Interim Loan and related costs. However, in the event of (i) damage or destruction of the Project caused by the perils covered by the insurance procured pursuant to this Agreement and (ii) if the Board elects to repay the Interim Loan and related costs, and (iii) if any insurance proceeds remain after the Interim Loan and related costs have been repaid, and (iv) such remaining insurance proceeds are distributed to the BSCC, then the BSCC agrees to distribute such remaining proceeds to the Participating County.

## ARTICLE 6

### CERTAIN OBLIGATIONS POST PROJECT COMPLETION

#### 6.1 Private Use of the Project.

6.1.1 *Provision of Information Regarding Private Use.* The Participating County acknowledges that under the terms of the Facility Sublease, a form of which is attached hereto as **Exhibit D**, the Participating County will covenant to provide updated information to the Board, the BSCC and the State Treasurer annually regarding private use, if any, of the Project.

6.1.2 *Restriction on Private Use of Bond Financed Project.* The Participating County acknowledges that under the terms of the Facility Sublease, a form of which is attached hereto as **Exhibit D**, the Participating County will covenant to restrict private use of the Project as required by the terms thereof.

6.2 No Liens. The Participating County acknowledges that except as permitted under the terms of the Facility Sublease, a form of which is attached hereto as **Exhibit D**, the Participating County will covenant not to allow any liens on the Facility.

## ARTICLE 7

### RECORD RETENTION

7.1 Establishment of Official Project File. The Participating County shall establish an official file for the Project (the "Official Project File"). The file shall contain adequate documentation of all actions that have been taken with respect to the Project, in accordance with generally accepted government accounting principles and the requirements for record retention

for capital projects constructed with the proceeds of tax exempt bonds. The Participating County will provide a copy of such file to the BSCC upon termination of this Agreement. The documents to be retained shall include, but is not limited to contracts, payment of invoices, transfer of funds and other related accounting records.

7.2 Preservation of Records. The Participating County agrees to protect records adequately from fire or other damage. When records are stored away from the Participating County's principal office, a written index of the location of records stored must be on hand and ready access must be assured. All the Participating County records contained in the Official Project File must be preserved for a minimum of three years after the last date on which no Bonds are outstanding. These records shall be subject at all reasonable times to inspection, examination, monitoring, copying, excerpting, transcribing, and audit by the Agencies or designees, by state government auditors or designees, or by federal government auditors or designees. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the relevant time period set forth in the third sentence of this paragraph, the related records must be retained until the completion of the action and resolution of all issues which arise from it if such date is later than the end of the afore-mentioned three-year period.

## ARTICLE 8

### MISCELLANEOUS

8.1 Entire Agreement. This Agreement constitutes and contains the entire agreement between the Parties hereto with respect to the transactions contemplated hereby and supersedes any prior oral or written understanding or agreement of the Parties with respect to the transactions contemplated hereby.

8.2 Amendment. The Parties may, by mutual agreement in writing, amend this Agreement in any respect.

8.3 Waiver. The Parties hereto may, from time to time, waive any of their rights under this Agreement unless such waiver is contrary to law, provided that any such waiver shall be in writing and signed by the Party making such waiver.

8.4 Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one Party, but all of which when taken together shall constitute one and the same instrument, notwithstanding that all Parties have not signed the same counterpart hereof.

8.5 Headings. The article and section headings contained in this Agreement are inserted as a matter of convenience and shall not affect in any way the construction or terms of this Agreement.

8.6 Further Assurances. Each of the Parties shall execute such other instruments, documents and other papers and shall take such further actions as may be reasonably required or desirable to carry out the provisions hereof and to consummate the transactions contemplated hereby.

**EXECUTION COPY**

8.7 Survival. The representations, warranties, covenants and agreements made herein or in any certificate or document executed in connection herewith shall survive the execution and delivery hereof or thereof, as the case may be, and all statements contained in any certificate or document delivered by any Party hereto shall be deemed to constitute a representation and warranty made herein by such Party.

8.8 Governing Law. The laws of the State shall govern this Agreement, the interpretation thereof and any right or liability arising hereunder. Any action or proceeding to enforce or interpret any provision of this Agreement shall be brought, commenced or prosecuted in the courts of the State located in the County of Sacramento. All parties expressly assert that Sacramento County is not a forum inconvenience.

8.9 Compliance with Laws. At all times during the performance of this Agreement by the Parties, they shall strictly comply with all applicable governmental, administrative and judicial laws, ordinances, rules, regulations, orders, covenants and findings, including, without limitation, all applicable environmental laws and regulations.

8.10 Partial Invalidity. If any provisions of this Agreement are found by any competent authority to be void or unenforceable, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect.

8.11 Notices. All notices and other official communications between the Parties shall be in writing and shall be given by hand delivery or by recognized overnight courier who maintains verification of delivery (deemed to be duly received on the date delivered), or by registered mail, postage prepaid, return receipt requested (deemed to be duly received five (5) days after such mailing) or by telecopy (deemed to be received on the date sent providing that the facsimile was properly addressed and disclosed the number of pages transmitted on its front sheet and that the transmission report produced indicates that each of the pages of the facsimile was received at the correct facsimile number) to each of the respective Parties as follows:

If to the Board:           State Public Works Board  
                                  915 L. St., 9<sup>th</sup> Floor  
                                  Sacramento, CA 95814  
                                  Attention: Executive Director  
                                  Facsimile: 916-449-5739

If to the BSCC:           Board of State and Community Corrections  
                                  2590 Venture Oaks Way, Suite 200  
                                  Sacramento, CA 95833  
                                  Attention: Executive Director  
                                  Facsimile: 916-327-3317

If to the Participating County: County of Stanislaus  
                                  1010 10<sup>th</sup> Street, Suite 6800  
                                  Modesto, CA 95354  
                                  Attention: Chief Executive Officer  
                                  Facsimile: 209-544-6226

or to such other address or number for any of the Parties hereto as may from time to time be designated by notice given by such Party to the other Parties in the manner hereinabove provided.

8.12 Force Majeure. None of the Parties shall be liable or responsible for any delay or failure resulting from (and the times for performance by the Parties hereunder shall be extended by the duration of) causes beyond the control of, and without the fault or negligence of, such Party, including without limitation acts of God, acts of the public enemy, acts of war or terrorism, acts of the government or governmental or quasi-governmental agency or instrumentality, significant market disruptions, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, civil commotion, casualties, embargoes, severe or inclement weather beyond that usually encountered in Stanislaus County, California, shortages in labor or materials, or similar cause.

8.13 Exculpation. Notwithstanding anything to the contrary contained in this Agreement, in any Bond Document, Project Document or other certificate, agreement, document or instrument executed in connection with the SB 1022 Adult Local Criminal Justice Facilities Financing Program, the liability of the Board hereunder shall be limited to and satisfied solely out of proceeds of the Interim Loan, if any, or the Bonds, if any, permitted to be used for such purpose. Except as provided above, the Participating County shall not have the right to obtain payment from the Agencies or from any other assets of the Agencies. The Participating County shall not enforce the liability and obligation of the Agencies to perform and observe the obligations contained in this Agreement, or any other documents delivered in connection herewith in any action or proceeding wherein a money judgment in excess of the available proceeds of the foregoing sources shall be sought against the Agencies.

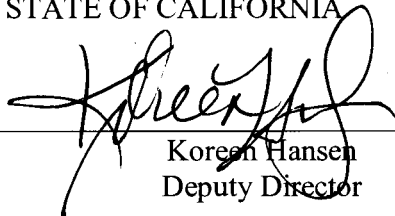
8.14 Benefits of this Agreement Limited to the Parties. Except for the Parties to this Agreement, nothing contained in this Agreement, expressed or implied, is intended to give to any person (including without limitation the owners of the Bonds) any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of any Party shall be for the sole and exclusive benefit of the other Parties to this Agreement.

**[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]**

**EXECUTION COPY**

IN WITNESS WHEREOF, each of the Parties hereto has executed this Agreement, either individually or by an authorized representative, on the day and year first set forth above.

STATE PUBLIC WORKS BOARD OF  
THE STATE OF CALIFORNIA

By:  \_\_\_\_\_  
Koreen Hansen  
Deputy Director

BOARD OF STATE AND COMMUNITY  
CORRECTIONS OF THE STATE OF  
CALIFORNIA

By: \_\_\_\_\_  
Kathleen T. Howard  
Executive Director

COUNTY OF STANISLAUS

By: \_\_\_\_\_  
Terrance Withrow  
Chairman, Board of Supervisors

**EXECUTION COPY**

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THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Koreen Hansen  
Deputy Director

BOARD OF STATE AND COMMUNITY  
CORRECTIONS OF THE STATE OF  
CALIFORNIA

By: Kathleen T. Howard  
Kathleen T. Howard  
Executive Director

COUNTY OF STANISLAUS

By: \_\_\_\_\_  
Terrance Withrow  
Chairman, Board of Supervisors



**EXECUTION COPY**

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STATE PUBLIC WORKS BOARD OF  
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By: \_\_\_\_\_  
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Deputy Director

BOARD OF STATE AND COMMUNITY  
CORRECTIONS OF THE STATE OF  
CALIFORNIA

By: \_\_\_\_\_  
Kathleen T. Howard  
Executive Director

COUNTY OF STANISLAUS

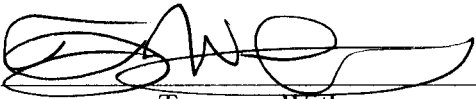
By:  \_\_\_\_\_  
Terrance Withrow  
Chairman, Board of Supervisors

EXHIBIT A

**PROJECT SCOPE, COST AND SCHEDULE DESCRIPTION**

Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center

**PROJECT SCOPE**

This project will design and construct a new Reentry and Enhanced Alternatives to Custody Training Center adjacent to an existing jail. The project will be constructed on approximately 3.5 acres of the greater 127± acres of county-owned land at the Stanislaus County Public Safety Center in the City of Ceres. This new facility will be dependent on the adjacent, existing jail for several core operational components, including main kitchen; laundry; offender intake, release, and transportation; and staff support services.

The new building will provide a public lobby and reception area, administration space, a processing area, classrooms, a multipurpose room, counseling rooms, housing for up to approximately 288 adult offenders in secure transitional housing units, and all necessary circulation and common space. The housing units will include a secure sally port, a security control center, video visitation, a re-therm kitchen, secure dayrooms, outdoor recreation space, and showers and toilets. They will also include numerous programs and training rooms for adult education, religious services, counseling, self-help classes, mental health evaluations/classes, and other life-skills and job/career preparation programs.

The project will also include, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems, as well as security fencing and additional staff and visitor parking.

EXHIBIT A

Page 2

PROJECT COST

Study / Acquisition		\$ 587,000
Performance Criteria and Concept Drawings		\$ 2,202,000
Design-Build		\$ 41,906,000
Contract	\$ 32,550,000	
Contingency	\$ 3,255,000	
A & E Costs	\$ 406,000	
Other Project Costs	\$ 3,664,000	
Agency Retained Items	\$ 2,031,000	
Total Project Cost		<u>\$ 44,695,000</u>

PROJECT SCHEDULE

Performance Criteria Approval	December 2015
Approval to Release RFP	January 2016
Design-Build Contract Award Approval	April 2016
Project Completion	February 2018

**EXHIBIT B**  
**FORM OF GROUND LEASE**

**RECORDING REQUESTED BY AND** )  
**WHEN RECORDED MAIL TO:** )  
 )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 Attention: \_\_\_\_\_ )

[Space above for Recorder's use]

GROUND LEASE

by and between the

[ENTER COUNTY NAME]  
 as Landlord,

and

["DEPARTMENT OF CORRECTIONS AND REHABILITATION" OR "BOARD OF STATE  
 AND COMMUNITY CORRECTIONS"]  
 OF THE STATE OF CALIFORNIA,  
 as Tenant

Dated as of \_\_\_\_\_, 20\_\_

(FOR A [ENTER TYPE OF FACILITY] FACILITY  
 LOCATED IN THE COUNTY OF [ENTER COUNTY NAME])

NO DOCUMENTARY TRANSFER TAX DUE. This Ground  
 Lease is recorded for the benefit of the State of California and  
 is exempt from California transfer tax pursuant to  
 Section 11928 of the California Revenue and Taxation code  
 and from recording fees pursuant to Sections 6103 and 27383  
 of the California Government Code

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FORM OF DOCUMENT

## GROUND LEASE

**THIS GROUND LEASE**, dated as of \_\_\_\_\_, 20\_\_ for reference only (this “Ground Lease”), is entered into by and between COUNTY OF [ENTER COUNTY NAME] (the “Participating County”), a Political Subdivision of the State of California (the “State”), as Landlord, and the [“DEPARTMENT OF CORRECTIONS AND REHABILITATION” OR “BOARD OF STATE AND COMMUNITY CORRECTIONS”] OF THE STATE OF CALIFORNIA (the “Department”), an entity of state government of the State, as Tenant. The Participating County and the Department are sometimes referred to collectively as the “Parties”, and individually as a “Party”.

## RECITALS

WHEREAS, pursuant to [ENTER STATUTE], the State Public Works Board (the “Board”) is authorized to finance the acquisition, design and construction of a jail facility approved by the Board of State and Community Corrections (the “BSCC”) pursuant to Section [ENTER SECTION] and following, as amended, (the “[ENTER PROGRAM NAME] Financing Program”), the Participating County, [the Department, BSCC and the Board entered into the Project Delivery and Construction Agreement (the “PDCA”) dated as of \_\_\_\_\_, 20\_\_, for reference only; and

WHEREAS, further to the PDCA, the Participating County has proposed to build a [ENTER TYPE OF FACILITY] facility as more particularly described in Exhibit A attached hereto (the “Project”), to be located on real property owned in fee simple by the Participating County and legally described in Exhibit B attached hereto (the “Site”); and

WHEREAS, further to the PDCA, the Department desires to ground lease the Site from the Participating County to assist the Participating County in obtaining eligibility for the Board lease revenue bond financing to finance a portion of the construction of the Project (the “Bonds”); and

WHEREAS, the Department and the Board desire that the term of this Ground Lease not terminate or expire until the Bonds have been paid in full or retired under the provisions of the Bond Documents; and

WHEREAS, the Participating County is desirous of maintaining its eligibility to receive financing for the Project, and to achieve this end, the Participating County is willing to lease the Site to the Department; and

WHEREAS, concurrently with the execution of this Ground Lease, the Department as the Licensor and the Participating County as the Licensee, have entered into a Right of Entry for Construction and Operation (the “Right of Entry”) in substantially the form attached as Exhibit C to the PDCA, authorizing the Participating County to enter the Site for the purpose of constructing the Project and for operation of the Project upon substantial completion of construction; and

WHEREAS, if the Participating County maintains its eligibility in the [ENTER PROGRAM NAME] Financing Program, and the Board in its sole discretion, is able to issue the



Bonds to finance the Project in its typical and customary manner, the Department will concurrently sublease the Site to the Board, (the "Site Lease"), and enter into a Facility Lease (the "Facility Lease") providing for the Board to sublease to the Department the Site and the Project (together the "Facility"). The Site Lease and the Facility Lease will provide security for the Bonds to be issued by the Board under an indenture (the "Indenture") between the Board and the Treasurer of the State, as trustee (the "State Treasurer"); and

WHEREAS, if the Board is able to issue the Bonds for the Project in its typical and customary manner, concurrently with executing the Site Lease and the Facility Lease, the Department and the Participating County intend to enter into a Facility Sublease (the "Facility Sublease") whereby the Department will sublet the Facility to the Participating County pursuant to the terms of the Facility Sublease; and

**NOW, THEREFORE**, in consideration of the mutual obligations of the Parties hereto, the Participating County hereby leases to the Department, and the Department hereby leases from the Participating County, the Site subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which the Participating County and the Department hereby mutually agree.

SECTION 1. Definitions.

As used herein, the following terms shall have the following meanings:

- (a) "[ENTER PROGRAM NAME] Financing Program" has the meaning given to such term in the Recitals.
- (b) "Abatement Event" shall have the meaning given to such term in the Facility Lease.
- (c) "Board" means the State Public Works Board of the State of California, an entity of state government of the State.
- (d) "Bond Documents" mean each and every document evidencing the Bonds, including, but not limited to, the Site Lease, the Facility Lease, the Facility Sublease, and the Indenture.
- (e) "Bonds" has the meaning given to such term in the Recitals.
- (f) "BSCC" has the meaning given to such term in the Recitals.
- (g) "Claims" has the meaning given to such term in Section 23 of this Ground Lease.
- (h) "Department" has the meaning given to such term in the preamble.
- (i) "DGS" means the Department of General Services of the State of California, an entity of state government of the State.

(j) “Easements” mean the access, utilities and repairs easements described in Subsection 4(b) of this Ground Lease.

(k) “Easement Agreement” means an easement agreement memorializing the grant of Easements by the Participating County, as grantor, to the Department, as grantee, in the form of Exhibit C attached hereto.

(l) “Easement Property” means real property owned by the Participating County that is burdened by the Easement Agreement as described in Exhibit 2 to the Easement Agreement.

(m) “Effective Date” means the date this Ground Lease is valid, binding and effective as provided in Section 2 of this Ground Lease.

(n) “Facility” has the meaning given to such term in the Recitals.

(o) “Facility Lease” has the meaning given to such term in the Recitals.

(p) “Facility Sublease” has the meaning given to such term in the Recitals.

(q) “Ground Lease” has the meaning given to such term in the preamble, including all exhibits attached hereto.

(r) “Hazardous Materials” mean any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Talmer Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code.

(s) “Improvements” mean the physical construction of the Project and other buildings, improvements, structures, furnishings and equipment placed in, under or upon the Site by the Participating County under the terms and conditions in the Right of Entry or this Ground Lease.

(t) “Indemnitees” has the meaning given to such term in Section 24 of this Ground Lease.

(u) “Indenture” has the meaning given to such term in the Recitals.

(v) “Landlord” has the meaning given to such term in the preamble.

(w) “Leasehold Estate” means the real property right and interest held by the Department as Tenant to possess, use and access the Site and the Project under the terms and conditions of this Ground Lease.

- (x) "Participating County" has the meaning given to such term in the preamble.
- (y) "Parties" has the meaning given to such term in the preamble.
- (z) "Party" has the meaning given to such term in the preamble.
- (aa) "PDCA" has the meaning given to such term in the Recitals.
- (bb) "Permitted Encumbrances" has the meaning given to such term in Subsection 3(b)(4) of this Ground Lease.
- (cc) "Project" means the buildings, structures, works and related improvements constructed or to be constructed on the Site, as are more particularly described in Exhibit A attached hereto, and any and all additions, betterments, extensions and improvements thereto.
- (dd) "Resolution" has the meaning given to such term in Subsection 3(b)(1) of this Ground Lease.
- (ee) "Right of Entry" has the meaning given to such term in the Recitals.
- (ff) "Right of First Offer" has the meaning given to such term in Section 13 of this Ground Lease.
- (gg) "Site" has the meaning given to such term in the Recitals.
- (hh) "Site Lease" has the meaning given to such term in the Recitals.
- (ii) "State" means the state government of the State of California.
- (jj) "State Treasurer" has the meaning given to such term in the Recitals.
- (kk) "Tenant" has the meaning given to such term in the preamble.
- (ll) "Term" has the meaning given to such term in Section 10 of this Ground Lease.

SECTION 2. Effective Date.

The Parties hereby confirm and agree that this Ground Lease is effective and binding on the Parties upon the first day (the "Effective Date") on which this Ground Lease has been consented to by the Board and a duly authorized representative of the Board has consented to this Ground Lease by executing it below.

SECTION 3. Representations, Warranties and Covenants.

(a) Representations and Warranties of the Department. In addition to any express agreements of Tenant herein, the Department makes the following representations and warranties to the Participating County as of the Effective Date:

(1) The Department has full legal right, power and authority to enter into this Ground Lease as Tenant and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this Ground Lease. The Department shall cause an opinion, dated as of [the date in the preamble of this Ground Lease] and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the Department's execution of this Ground Lease;

(2) The officers of the Department executing this Ground Lease are duly and properly holding their respective offices and are fully authorized to execute this Ground Lease; and

(3) This Ground Lease has been duly authorized, executed and delivered by the Department, and will constitute a legal, valid and binding agreement of the Department, enforceable against the Department in accordance with its terms on the Effective Date.

(b) Representations, Warranties and Covenants of the Participating County. In addition to any express agreements of Landlord herein, the Participating County makes the following representations, warranties and covenants to the Department as of the Effective Date:

(1) The Participating County, by Resolution of the Board of Supervisors ("Resolution"), has full legal right, power and authority to enter into this Ground Lease as Landlord, to transfer and convey the Leasehold Estate to the Department under this Ground Lease, and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this Ground Lease. The Participating County shall cause an opinion, dated as of [the date in the preamble of this Ground Lease] and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the Participating County's execution of this Ground Lease.

(2) The officers of Participating County executing this Ground Lease are duly and properly holding their respective offices and have the legal power, right and are fully authorized to execute this Ground Lease pursuant to the Resolution.

(3) This Ground Lease has been duly authorized, executed and delivered by Participating County, and will constitute a legal, valid and binding agreement of Participating County, enforceable against the Participating County in accordance with its terms upon the Effective Date.

(4) The Participating County is the owner in fee simple of the Site and has marketable and insurable fee simple title to the Site, there is no suit, action, arbitration, legal, administrative, or other proceeding or inquiry pending against the Site or pending against the Participating County which could affect the Participating County's title to the Site, affect the value of the Site, or subject an owner of the Site to liability and there are no outstanding mortgages, deeds of trust, bond indebtedness, leaseholds, pledges, conditions or restrictions, liens or encumbrances against the Site except as identified in Exhibit E, attached hereto, collectively, the "Permitted Encumbrances".

(5) No consent, permission, authorization, order, license, or registration with any governmental authority is necessary in connection with the execution and delivery of this Ground Lease, except as have been obtained.

(6) There exists no litigation or other proceeding pending or threatened against the Participating County except as identified in Exhibit F, attached hereto, that, if determined adversely, would materially and adversely affect the ability of the Participating County to perform its obligations under this Ground Lease.

(7) This Ground Lease is, and all other instruments, documents, exhibits, and agreements required to be executed and delivered by the Participating County in connection with this Ground Lease are and shall be, duly authorized, executed and delivered by the Participating County and shall be valid, legally binding obligations of and enforceable against the Participating County in accordance with their terms.

(8) Neither the execution and delivery of this Ground Lease and documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Ground Lease and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any agreements or instruments to which the Participating County is a party or affecting the Site.

(9) There are no attachments, execution proceedings, or assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against the Participating County.

(10) There are no and have been no:

(A) actual or pending public improvements which will result in the creation of any liens, encumbrances or assessments upon the Site, including public assessments or mechanics liens, other than the Permitted Encumbrances, and the Participating County agrees to indemnify, defend and hold the Department free and harmless from and against any claims, liabilities, losses, costs, damages, expenses and attorneys' fees arising from any liens, encumbrances or assessments that have been, or may be, imposed upon the Site as a consequence of actual or impending public improvements at or after the Effective Date, including any obligations to pay a fee or assessment for infrastructure to the extent such liability survives or continues at or after the Effective Date, and the Department agrees to cooperate with the Participating County, at the Participating County's costs and to the extent permitted by law, with respect to the Participating County's efforts to remove any such liens, fees, assessments, or encumbrances.

(B) uncured notices from any governmental agency notifying the Participating County of any violations of law, ordinance, rule, or regulation, including Environmental Laws, occurring on the Site.

(C) notices of any condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the use, operation or value of the Site.

(11) The Participating County hereby agrees that it will not enter into any new leases or any other obligations or agreements that will affect the Site at or after the Effective Date, without the express prior written consent of the Department and approval of the Board.

(12) The Participating County will not subject the Site to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date without the express prior written consent of the Department and the approval of the Board.

(13) The Participating County shall promptly notify the Department of any event or circumstance that makes any representation or warranty of the Participating County under this Ground Lease untrue or misleading, or of any covenant of the Participating County under this Ground Lease incapable or less likely of being performed. The Participating County's obligation to provide the notice described in the preceding sentence to the Department shall in no way relieve the Participating County of any liability for a breach by the Participating County of any of its representations, warranties or covenants under this Ground Lease.

(14) The Department shall at all times during the Term have access to and from the Site.

(15) No representation, warranty or statement of the Participating County in this Ground Lease or in any document, certificate, exhibit or schedule furnished or to be furnished to the Department pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

SECTION 4. Lease of the Site, Access, Utilities and Repairs Easements and Recordation of Lease.

(a) Lease of the Site and Recordation of Ground Lease. The Participating County hereby leases the Site to the Department and the Department leases the Site from the Participating County. The Participating County further agrees to provide, or cause to be provided, to the Department and its assigns or sublessees, adequate parking spaces at no cost, and such utility services as the Participating County customarily provides or causes to be provided to facilities similar to the Project, including without limitation electricity, gas, water, sewer, garbage disposal, heating, air conditioning and telephone. The Department and the Board shall have the right to record this Ground Lease in the Official Records of the Participating County as of the Effective Date or anytime thereafter.

*[Use Note: Section 4(b) and the Easement Agreement are necessary if Site access and utilities are provided by other real property. The execution form of the Easement Agreement is attached as Exhibit C.]*

(b) Access, Utilities and Repairs Easement. As of the Effective Date, the Participating County agrees to grant to the Department, for the use, benefit and enjoyment of the Department and its lessees, successors and assigns, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public using or

visiting the Site or the Project, a non-exclusive easement over, across and under the Easement Property for the purpose of: a) ingress, egress, passage or access to and from the Site by pedestrian or vehicular traffic; b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and c) other purposes and uses necessary or desirable for access to and from the Site for the repair, operation and maintenance of the Facility (collectively the "Easements"). The grant of the Easements shall be memorialized in that certain Easement Agreement for Grants of Access, Utilities and Repairs (the "Easement Agreement") in substantially the form of Exhibit C attached to this Ground Lease. The Department and the Board shall have the right to record the Easement Agreement in the Official Records of the Participating County as of the Effective Date or anytime thereafter. The Easements to be granted by the Participating County are subject to the limitations set forth in the Easement Agreement. In the event of a conflict or ambiguity, with respect to the terms of the Easements, between this Ground Lease and the Easement Agreement, the terms of the Easement Agreement shall control.

SECTION 5. Landlord Right of Entry for Construction and Operation.

(a) Landlord Right of Entry for Construction and Operation. Notwithstanding anything to the contrary contained herein, Landlord has reserved the right to enter and use the Site for construction of the Project pursuant to the terms and conditions in the Right of Entry.

(b) Quiet Enjoyment. The Participating County covenants that the Department, its assigns or sublessees, may quietly have, hold, and enjoy all of the Site and the Improvements during the Term of this Ground Lease and any extended term hereof, without hindrance or interruption by the Participating County or by any other person or persons lawfully or equitably claiming by, through or under the Participating County, except as limited by the Permitted Encumbrances.

SECTION 6. Purpose and Use.

The Parties reasonably expect for the Site to be used by the Department, and each of its assignees or sublessees during the Term of this Ground Lease, for the purpose of causing the construction, operation and maintenance of the Project and appurtenances thereto; provided however, the Parties acknowledge that the Site may be utilized for other types of correctional housing or other public purposes as may be required to exercise the Board's obligations, rights and remedies under the Bond Documents.

The Participating County acknowledges and confirms that the Department's use of the Leasehold Estate created hereunder includes, but is not limited to, allowing for potential financing and construction of the Project and the leasing of the Site and/or the Facility pursuant to the Site Lease, the Facility Lease, and the Facility Sublease and for such other purposes as may be incidental thereto. The Participating County further acknowledges and confirms the Board's right to relet the Facility in the event of a default under the Facility Lease and to provide for all other rights and remedies of the Board, the State Treasurer, and the owners of the Bonds in the event of a default under the Bond Documents.

SECTION 7. Assignment or Sublease.

The Department may sublet or assign all or a portion of the Site or the Project or assign

this Ground Lease or any interest therein, without the prior consent or approval of the Participating County; provided, however, any sublet or assignment shall be subject to the prior approval of the Board and Participating County is provided notice of said sublet or assignment. Notwithstanding that the Participating County's consent or approval is not required for any subletting of the Site or the Project, to assist with the Board's financing of the Project, the Participating County hereby consents to and approves the sublease of the Site, together with the Improvements, to the Board under the Site Lease and the further subletting of the Facility by the Board to the Department under the Facility Lease.

SECTION 8. No Commitment to Issue the Bonds and Non-Liability of the Department and the State.

The delivery of this Ground Lease shall not directly, indirectly or contingently, obligate the Department, the Board or any other subdivision of the State to issue the Bonds or levy any form of taxation or to make any appropriation with respect to the Project. Any obligation of the Department created by or arising out of this Ground Lease shall not impose a debt or pecuniary liability upon the Department, the Board or any other subdivision of the State, or a charge upon the general credit or taxing powers thereof but shall be payable solely out of funds duly authorized and appropriated by the State.

SECTION 9. Cooperation.

The Participating County has a duty to fully cooperate and provide all necessary assistance to the Department and the Board to aid them in their efforts to finance the Project. The Participating County acknowledges that it is authorized and directed to provide cooperation concerning the issuance of the Bonds, including without limitation, executing and delivering such certificates, legal opinions or instruments as the Department or the Board may reasonably request. The Participating County's legal counsel, Chief Administrative Officer and its Sheriff are authorized and directed to cooperate in the issuance of the Bonds and to execute all documents reasonably needed to accomplish such financing.

SECTION 10. Term and Extension.

The Term of this Ground Lease shall commence on the Effective Date and shall terminate on the same date as the Facility Lease, unless such Term is extended by the parties thereto, or unless sooner terminated as provided herein, except no termination of this Ground Lease shall occur until all the Bonds and all other indebtedness incurred by the Board for the Project, if any, have been fully repaid.

SECTION 11. Rental.

The Department shall pay the Participating County rental in the sum of Ten Dollars (\$10.00) per year, all of which rental shall be deemed to have been prepaid to the Participating County by the Department on the Effective Date and, thereby acknowledges the Participating County's match funding requirement has been sufficiently met. The Participating County agrees that the payment of such rental is adequate consideration for the leasing of the Site, together with the Improvements, under this Ground Lease.



SECTION 12. Taxes and Assessment.

The Department shall pay or cause to be paid all lawful taxes that may be levied at any time upon any interest the Department may have under this Ground Lease (including both the Site and the Improvements after the Effective Date). The Participating County and the Department each represent and acknowledge that neither Party believes or expects that its respective interests in the Site are subject to payment of property taxes. The Department shall have the right to contest the validity of any levy or tax assessment levied upon the Department's interest in the Site.

SECTION 13. Right of First Offer and Priority of Ground Lease.

(a) Right of First Offer. Should the Participating County decide to sell the Site at any time during the Term of this Ground Lease, the Participating County shall notify the Department and the Board in writing of such intention prior to soliciting offers from any prospective purchasers. In such event, the Department and the Board shall have fifteen (15) months from receipt of such notification of intention to sell to inform the Participating County of the Department's interest in acquiring the Site. The Participating County understands that the State's acquisition process requires an appropriation of funds and the approval of the Board. The Participating County agrees to reasonably cooperate with the Department in obtaining such approval and in meeting any other State property acquisition requirements that may exist at that time. If the Department informs the Participating County of the Department's intention to acquire the Site within said fifteen (15) month period, the Parties agree to negotiate a purchase agreement in good faith and at a price that is the fair market value of the Site at the time the Department exercises its Right of First Offer.

(b) Priority of Ground Lease. If the Department and the Participating County are unable to agree on the terms and conditions for the purchase and sale of the Site, or if the Board does not approve the acquisition of the Site by the Department, the Participating County shall be free to market and sell the Site to a third party; provided, however, any new owner of the Site shall acquire the Site subject to this Ground Lease and any encumbrances related to the Bonds and the Bond Documents. The Department and the Board shall have no obligation to subordinate the Ground Lease, the Bonds or the Bond Documents to accommodate the new owner or lender(s).

SECTION 14. Damage or Destruction.

Damage or destruction to the Project shall not act to terminate or cancel this Ground Lease. In the event of any damage or destruction of the Project, the use of the proceeds of any property casualty or builder's risk insurance required to be procured and maintained pursuant to the PDCA, or any insurance required by the Facility Lease or Facility Sublease shall be governed by the terms of the agreement that required the procurement of such insurance.

SECTION 15. Insurance.

Except for insurance obligations that may arise as a result of the issuance of the Bonds by the Board, or as may be required by the PDCA, the Department shall have no obligation to purchase insurance for the Site or the Project, including but not limited to any general liability,

earthquake, flood, fire or extended casualty coverage.

SECTION 16. Condition and Title to the Improvements on Termination.

Upon termination or expiration of this Ground Lease, the Department shall have no obligation, to remove the Improvements. Title to the Improvements, including the Project, during the Term shall be vested in the State. Subject to the terms and conditions in the Bond Documents, at the termination or expiration of this Ground Lease, fee title to the Improvements, including the Project, shall vest in the Participating County and become the property of the Participating County without further action of any Party and without the necessity of a deed from the Department to the Participating County.

SECTION 17. The Department's Right to Terminate.

The Department, with the approval of the Board, shall have the right to terminate this Ground Lease upon thirty (30) days written notice to the Participating County without any liability; provided, however, no termination of this Ground Lease or revesting of title to any portion of the Site or vesting of title to the Project may occur until the Bonds have been fully paid or retired under the provisions of the Bond Documents.

SECTION 18. The Participating County's Right to Terminate

Participating County's proper exercise of its termination rights pursuant to Article 2, section 2.2(b) of the PDCA serves to terminate this Ground Lease effective on the date of termination of the PDCA.

SECTION 19. Non-Termination, Default and Damages.

This Ground Lease shall expire at the end of the Term. It is expressly agreed by the Parties to this Ground Lease that any default under this Ground Lease will not allow either Party to terminate or otherwise interfere with the Department's quiet enjoyment and beneficial use of the Site and the Project under this Ground Lease, the Site Lease or the Facility Lease. Until such time as the Bonds have been fully paid or retired under the provisions of the Bond Documents, the sole remedy of any Party upon such default shall be a suit for money damages or specific performance to remedy such a default.

SECTION 20. Waste and Hazardous Materials.

Neither the Participating County nor the Department shall knowingly commit, suffer or permit any waste or nuisance on the Site or any acts to be done thereon in violation of any laws or ordinances. To the Participating County's best knowledge, after having examined its documents, public records and other instruments and having made inquiry of appropriate departments and agencies with respect to the Site and, except as specifically provided in this Ground Lease, no Hazardous Materials, were used, generated, stored, released, discharged or disposed of on, under, in, or about the Site or transported to or from the Site. The Participating County represents with respect to the Site that neither the Participating County nor any other person or entity under the control of, or with the knowledge of the Participating County will cause or permit the use generation, storage, release, discharge, or disposal of any Hazardous

Materials on, under, in, or about the Site or transported to or from the Site.

SECTION 21. Eminent Domain.

If the whole or any portion of the Site or the Project shall be taken in eminent domain proceedings, or by sale in lieu of such taking by a governmental entity threatening to use the power of eminent domain, and which taking in the collective judgment of the Department, the Board, and the State Treasurer renders the Site and/or the Project unsuitable for the continued use by the State, then this Ground Lease shall terminate when possession is taken by the condemning entity.

If this Ground Lease is terminated because of such taking and any of the Bonds are outstanding, then all proceeds from any permanent or temporary taking shall be used to repay any outstanding Bonds as provided in the Bond Documents, including any outstanding or accrued interest, and upon full repayment of the Bonds then the remaining proceeds, if any, shall be distributed to the Department and the Participating County according to their respective interests as provided in the Bond Documents. The Participating County and the Department shall each have the right to represent its own interest, at its own cost and expense, in any proceedings arising out of such taking, and each of the Participating County and the Department shall reasonably cooperate with the other, including without limitation, settling with the condemning authority only with the other Party's consent if such settlement would affect the other Party's rights.

If this Ground Lease is not terminated because of such taking, then it shall remain in full force and effect with respect to the remainder of the Site and the Project. The Participating County and the Department each waives the provisions of the California Code of Civil Procedure, Section 1265.130, or any similar law that permits a Party to petition a court to terminate this Ground Lease upon a taking affecting the Site or the Project, the Parties agreeing that any such termination rights shall be only as expressly set forth in this Ground Lease.

SECTION 22. Non-Discrimination.

During the performance of this Ground Lease, the Participating County shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Participating County shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Participating County shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter I, Part I, Division 3, Title 2 of the Government Code (Government Code, Sections 11135 - 11139.5), and the regulations or standards adopted to implement such article.

SECTION 23. Liens.

In the event the Department, the Board or their designees, at any time during the Term, causes any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Project or the Site, the Department, the Board or their designees shall pay, when due, all sums of money that may become due for any labor, services, materials, supplies or equipment furnished to or for the Department or the Board, upon or about the Project or the Site and which may be secured by any lien against the Project or the Site or the Department's or the Board's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or comes due; except that, if the Department or the Board desires to contest any such lien, it may do so. If any such lien is reduced to final judgment and such judgment or other process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, said stay thereafter expires, the Department or the Board shall forthwith pay and discharge said judgment.

SECTION 24. Indemnification.

As required by Section [ENTER SECTION] of the California Government Code, the Participating County hereby agrees that it shall indemnify, protect, defend and hold harmless the State, including but not limited to, the Department, the Board, DGS, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants and agents (collectively the "Indemnitees"), for any and all claims, liabilities and losses arising out of the use of the Site or the Project, including, but not limited to all demands, causes of action and liabilities of every kind and nature whatsoever arising out of, related to, or in connection with (a) any breach of this Ground Lease by the Participating County; (b) the construction, operation, maintenance, use and occupancy of the Project; (c) any acts or omissions of any contractor hired by the Participating County or its agents or subcontractor hired by such contractor (collectively the "Claims"). The Participating County's obligation to indemnify, defend, and save harmless the Indemnitees shall extend to all Claims arising, occurring, alleged, or made any time, including prior to, during, or after this Ground Lease is in full force and effect. The Participating County's obligation to indemnify, defend, and save harmless the Indemnitees shall apply regardless of any active and/or passive negligent act or omission of the Indemnitees, but the Participating County shall not be obligated to provide indemnity or defense for Indemnitees wherein the Claims arise out of the gross negligence or willful misconduct of the Indemnitees. The indemnification obligation of the Participating County set forth in this Section shall survive the expiration of the Term or earlier termination of this Ground Lease.

SECTION 25. Non-Encumbrance.

The Participating County covenants that the Facility is not and will not be mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been and will not be the subject of a grant of a security interest by the Participating County without the written consent of the Department and the Board. The Participating County further covenants that it shall not in any manner impair, impede or challenge the security, rights and benefits of the owners of the Bonds or the trustee for the Bonds.

SECTION 26. Miscellaneous.

(a) Amendments. This Ground Lease may only be amended, changed, modified or

altered in writing by the Parties. As long as any of the Bonds are outstanding the Board must consent to any amendment hereto to be effective.

(b) Waiver. The waiver by any Party of a breach by the other Party of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

(c) Law Governing. This Ground Lease shall be governed exclusively by the provisions hereof and by the laws of the State and any action arising from or relating to this Ground Lease shall be filed and maintained in Sacramento County Superior Court, Sacramento, California.

(d) Section Headings. All articles, paragraph and section headings, titles or captions contained in this Ground Lease are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

(e) Conflicts Between Terms of Documents. Nothing in this Ground Lease is intended to amend, modify or supersede the PDCA except as expressly provided herein. In the event of any inconsistency in the PDCA and this Ground Lease, the inconsistency shall be resolved by giving preference to the PDCA. In the event of any inconsistency between this Ground Lease and the Bond Documents, the inconsistencies shall be resolved by giving preference to the Bond Documents.

(f) Relationship of Parties. The Department and its agents and employees involved in the performance of this Ground Lease shall act in an independent capacity and not as officers, employees or agents of the Participating County.

(g) Successors and Assigns. The terms and provisions hereof shall extend to and be binding upon and inure to the benefit of the successors and assigns of the respective Parties.

(h) Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason by a court of competent jurisdiction and the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants or conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

(i) Notices. All notices herein which are to be given or which may be given by either Party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows:

[To the Department:

California Department of Corrections and Rehabilitation  
9838 Old Placerville Road, Suite B  
Sacramento, CA 95827  
Attention: Deputy Director, Facility Planning, Construction  
and Management  
Facsimile: 916-322-5717]

To the Board: State Public Works Board  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, CA 95814  
Attention: Executive Director  
Facsimile: 916-449-5739

To the Participating County: County of [ENTER COUNTY NAME]  
[ENTER STREET ADDRESS]  
[ENTER CITY, STATE AND ZIP CODE]  
Attention: [ENTER POSITION TITLE]  
Facsimile: [ENTER FAX NUMBER]

Nothing herein contained shall preclude the giving of any such written notice by personal service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed to a Party may be changed by written notice given to all Parties as hereinabove provided.

(j) Execution and Counterparts. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Ground Lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the signatories to this Ground Lease, all with the same force and effect as though the same counterpart had been executed by all of the signatories.

(k) Bankruptcy. In the event of any bankruptcy proceeding, this Ground Lease will not be treated as an executory contract and cannot be rejected by the Participating County.

(l) Exhibits. The following Exhibits are attached to this Ground Lease and incorporated by reference herein.

- Exhibit A: Project Description
- Exhibit B: Legal Description of the Site
- Exhibit C: Form of Easement Agreement for Grants of Access, Utilities and Repairs
- Exhibit D: Form of Legal Opinion Letter
- Exhibit E: List of the Permitted Encumbrances
- Exhibit F: Pending and Threatened Lawsuits

**[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]**

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

**[PARTICIPATING COUNTY]**

By: \_\_\_\_\_  
Name:  
Title:

**[DEPARTMENT OF CORRECTIONS  
AND REHABILITATION OF THE  
STATE OF CALIFORNIA]**

By: \_\_\_\_\_  
Name:  
Title:

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name:  
Title: [Executive Director or Deputy Director]

Date: \_\_\_\_\_

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name:  
Title:

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State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

FORM OF DOCUMENT



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State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**CERTIFICATE OF ACCEPTANCE**

This is to certify that, pursuant to Section 27281 of the California Government Code, the interest in real property conveyed by the Ground Lease dated as of \_\_\_\_\_, 20\_\_ for reference only from the County of \_\_\_\_\_, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

*Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.*

**ACCEPTED**

STATE PUBLIC WORKS BOARD OF THE  
STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED**

[DEPARTMENT OF CORRECTIONS AND  
REHABILITATION OF THE STATE OF  
CALIFORNIA]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED**

DEPARTMENT OF GENERAL SERVICES OF  
THE STATE OF CALIFORNIA  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**(Project Description)**  
(to be inserted)

FORM OF DOCUMENT

**EXHIBIT B**

**(Legal Description of the Site)**

(to be inserted)

FORM OF DOCUMENT

**EXHIBIT C**

**(Form of Easement Agreement for Grants of Access, Utilities and Repairs)**

**RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code.

[THE AREA ABOVE IS RESERVED FOR RECORDER'S USE]

**EASEMENT AGREEMENT FOR GRANTS OF  
ACCESS, UTILITIES AND REPAIRS**

This Easement Agreement for Grants of Access, Utilities and Repairs (this "Easement Agreement"), dated for reference only as of \_\_\_\_\_, 20\_\_, is made by and between COUNTY OF \_\_\_\_\_, (the "Participating County"), a Political Subdivision of the State of California, as grantor, and the ["DEPARTMENT OF CORRECTIONS AND REHABILITATION" OR BOARD OF STATE AND COMMUNITY CORRECTIONS] OF THE STATE OF CALIFORNIA (the "Department"), an entity of state government of the State of California, as grantee.

**RECITALS**

A. The Participating County, as landlord, and the Department as tenant, entered into a ground lease dated as of \_\_\_\_\_, 20\_\_ for reference only, (the "Ground Lease") for the lease of that certain real property located in the County of [\_\_\_\_\_] and more particularly described in Exhibit 1, attached hereto and incorporated herein by this reference (the "Site"); and

B. The Ground Lease provides that the Participating County, as owner of certain real property adjacent to the Site, shall grant Easements to the Department in the Easement Property, which is more particularly described in Exhibit 2, attached hereto and incorporated herein by this reference; and

C. The Participating County and the Department desire to the grant of Easements in the Easement Property on the terms and conditions contained in this Easement Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. Unless otherwise required by the context, all capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Ground Lease or the Project Delivery and Construction Agreement.

2. Grant and Description of Easements.

2.1 Grant of Access Easement. The Participating County, as the owner of the Easement Property, hereby establishes and grants to and for the benefit of the Department and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement over and across the Easement Property as shown in Exhibit 2 hereto for purposes of ingress and egress to and from the Site and the Project (the "Access Easement"); provided, however, that rights pursuant to such Access Easement shall only be exercised if there is no reasonable access to the Site and the Project via adjacent public streets and roadways and subject to the security limitations set forth in Section 2.3 hereof; and provided further, that such Access Easement is only effective (i) during such times where the Department, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease.

2.2 Grant of Utilities and Repairs Easement. The Participating County, as the owner of the Easement Property, hereby grants to and for the benefit of the Department and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement across, over and under the Easement Property as shown in Exhibit 2 hereto for the purpose of: a) installation, maintenance and replacement of utility wires, cables, conduits and pipes for "Utilities", as defined below; and b) other purposes and uses necessary or desirable for the repair, operation and maintenance of the Facility (the "Utilities and Repairs Easement" and together with the Access Easement, the "Easements"); provided, however, that such Utilities and Repairs Easement is subject to the security limitations set forth in Section 2.3 hereof; and, provided further, that such Utilities and Repairs Easement is only effective (i) during such times where the Department, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease. "Utilities" shall mean any and all wet and dry utilities (including sewer) necessary or required to service the Facility, including, without limitation, all electrical, natural gas, water, sewer, telephone, data, and other telecommunications services.

2.3 Security Limitation on Easements. The exercise of the rights granted under the Easements will be expressly subject to the limitations and requirements imposed by the Participating County's customary security measures for the Participating County's facilities that may be located on the Easement Property (the "Security Measures"). Prior to the exercise of any rights under the Easements, the Department or the Board, as the case may be, or their respective lessees, successors or assigns shall contact the [Title of Appropriate Individual at Participating County] to ensure that such exercise of rights granted under the Easements will be in compliance

with the requirements of the Security Measures.

3. No Unreasonable Interference. The Participating County shall not conduct any activity on, under or about the Easement Property that would unreasonably interfere with the use of the Easements.

4. Term of Easement Agreement; No Termination by Breach. The term of this Easement Agreement shall be coextensive with the Term of the Ground Lease, as such Term may be extended or terminated as provided in the Ground Lease. No breach of this Easement Agreement shall entitle any of the parties hereunder to cancel, rescind, or otherwise terminate this Easement Agreement, but such limitation shall not affect in any manner any other rights or remedies which a party may have hereunder by reason of any breach.

5. Character. The Easements granted by this Easement Agreement shall be appurtenant to the Site and nonexclusive and for the use and benefit of the Department and the Board. This Easement Agreement is not intended to grant a fee interest in the Easement Property, nor is it intended to be a lease or a license. The Department acknowledges that the Easements herein granted are nonexclusive easements and that the Participating County and its successors and assigns may grant one or more additional non-exclusive easements in the Easement Property to third parties, so long as the rights granted by such easements do not materially interfere with or hinder the use of the Easements by the Department or the Board or that of their respective lessees, successors or assigns.

6. Covenants Running with the Land; Binding on Successors. Pursuant to California Civil Code section 1468, this Easement Agreement and the Easements are covenants related to the use, repair, maintenance and improvement of the properties benefited and burdened hereby, and, as such, the covenants set forth herein shall be binding upon the Easement Property and shall be binding upon all parties having or in the future acquiring any interest in the Easement Property.

7. Binding Effect. This Easement Agreement shall be binding on and shall inure to the benefit of the lessees, successors and assigns of the Participating County, the Department, and the Board.

8. Recordation of Easement Agreement. This Easement Agreement shall be recorded in the Official Records of [ENTER COUNTY NAME] County, State of California, and shall serve as notice to all parties succeeding to the interest of the parties hereto that their use of the Site and the Project and the Easement Property shall be benefited or restricted, or both, in the manner herein described.

9. Entire Agreement; Amendments. This Easement Agreement contains the entire agreement of the parties hereto relating to the Easements herein granted. Any representations or modifications concerning this Easement Agreement shall be of no force and effect, excepting a subsequent modification in writing, signed by the Department and approved by the Board and the current owner of the Easement Property and recorded in the Official Records of [ENTER COUNTY NAME] County, State of California.

10. Warranty of Authority. The Participating County represents and warrants as of

the Effective Date that (i) it is the legal owner of the Easement Property, (ii) it has full power and authority to place the encumbrance of this Easement Agreement on the Easement Property, (iii) it has not conveyed (or purported to convey) any right, title or interest in or to the Easement Property, except as has been disclosed in writing to the Department prior to the Effective Date, and (iv) if necessary, it has the written consent of any lenders, tenants and subtenants of the Easement Property to the terms and conditions of this Easement Agreement.

11. Counterparts. This Easement Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Easement Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**THE COUNTY OF [COUNTY]**

By: \_\_\_\_\_  
Name:  
Title:

**[DEPARTMENT OF CORRECTIONS  
AND REHABILITATION OF THE  
STATE OF CALIFORNIA]**

By: \_\_\_\_\_  
Name:  
Title:

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name:  
Title: [Executive Director or Deputy Director]

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)  
By: \_\_\_\_\_  
Name:  
Title:



---

State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

---

State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

FORM OF DOCUMENT

**CERTIFICATE OF ACCEPTANCE**

This is to certify that, pursuant to Section 27281 of the California Government Code, the easement interest in real property conveyed by the Easement Agreement for Grants of Access Utilities, and Repairs dated as of \_\_\_\_\_, 20\_\_ for reference only from the County of \_\_\_\_\_, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

*Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.*

**ACCEPTED**

STATE PUBLIC WORKS BOARD OF THE  
STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED**

[DEPARTMENT OF CORRECTIONS AND  
REHABILITATION OF THE STATE OF  
CALIFORNIA]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED**

DEPARTMENT OF GENERAL SERVICES OF  
THE STATE OF CALIFORNIA  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 1 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE SITE**

(To Be Attached)

FORM OF DOCUMENT

**EXHIBIT 2 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE EASMENT PROPERTY**

(To Be Attached)

FORM OF DOCUMENT

**EXHIBIT D**

**(Form of Legal Opinion Letter)**

[LEGAL COUNSEL LETTERHEAD]

[Client]

State Public Works Board  
of the State of California  
Sacramento, California

Re: Ground Lease By and Between [insert name of the Participating County] and the Department for the [insert name of the Project] Located at [insert address of the Site]

Ladies and Gentlemen:

I am legal counsel for [insert name of client] with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of \_\_\_\_\_, 20\_\_ for reference only between [insert name of the Participating County], as landlord, and the Department of Corrections and Rehabilitation of the State of California (the "Department"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

*[Use one of the following alternatives]*

*[Alternative 1: If the Participating County is the client]*

1. The [insert name of the Participating County] is a political subdivision of the State of California created in accordance with the provisions of the Constitution of the State of California, with full legal right, power and authority to enter into and perform its obligations under the Ground Lease *[if easements are being granted under the terms of an Easement Agreement in the form of Exhibit C to the Ground Lease, add: "and Easement Agreement in the form attached as Exhibit C to the Ground Lease" and revise letter accordingly]*.

*[Alternative 2: If the Department is the client]*

1. The Department is an entity of state government of the State of California with full legal right, power and authority to enter into and perform its obligations under the Ground

Lease [if easements are being granted under the terms of an Easement Agreement in the form of Exhibit C to the Ground Lease, add: "and Easement Agreement in the form attached as Exhibit C to the Ground Lease" and revise letter accordingly].

*[The following provisions apply regardless of the client]*

2. The Ground Lease [and Easement Agreement] [has/have] been duly authorized, executed and delivered by [insert name of client], and [is/are] valid and binding upon and enforceable against the [insert name of client] in accordance with [its/their] terms if [it is/they are] in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the [insert name of client] of the Ground Lease [and Easement Agreement] and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the [insert name of client] a breach of or a default under the law, administrative regulation, judgment, decree or any agreement or other instrument known to me which the [insert name of client] is a party or otherwise subject.

4. All actions on the part of the [insert name of client] necessary for the execution and performance of the Ground Lease [and Easement Agreement] have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the [insert name of client] is required to be obtained by the [insert name of client] for the making and performance of the Ground Lease [and Easement Agreement].

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease [and Easement Agreement], or in any way contesting or affecting the validity of the Ground Lease [and Easement Agreement].

Very truly yours,

[INSERT NAME OF CLIENT]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT E**

**(List of the Permitted Encumbrances)**

(to be inserted)

- [1. Right of Entry for Construction and Operation]

FORM OF DOCUMENT



**EXHIBIT F**

**(Pending and Threatened Lawsuits)**

(to be inserted)

FORM OF DOCUMENT

**EXHIBIT C**

**FORM OF RIGHT OF ENTRY FOR CONSTRUCTION AND OPERATION**

<b>Location of Site</b>
<b>Agency:</b> [Department of Corrections and Rehabilitation of the State of California]
<b>Real Property:</b>

**RIGHT OF ENTRY FOR  
CONSTRUCTION AND OPERATION**

This RIGHT OF ENTRY FOR CONSTRUCTION AND OPERATION AGREEMENT (this "License") is entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between the ["DEPARTMENT OF CORRECTIONS AND REHABILITATION OR "BOARD OF STATE AND COMMUNITY CORRECTIONS"] OF THE STATE OF CALIFORNIA (the "Department"), an entity of state government of the State of California (the "State"), as licensor, and the COUNTY OF [ENTER COUNTY NAME] (the "Participating County"), a political subdivision of the State of California, as licensee. The Department and the Participating County are sometimes individually referred to as "Party" and collectively as "Parties".

**RECITALS**

**WHEREAS**, pursuant to [ENTER STATUTE] of the California Government Code, the State Public Works Board (the "Board") is authorized to finance the acquisition, design and construction of a jail facility approved by the Board of State and Community Corrections (the "BSCC") pursuant to Section [ENTER STATUTE] of the California Government Code (the "[ENTER PROGRAM NAME] Financing Program"); and

**WHEREAS**, the Participating County has proposed to build a jail facility, the \_\_\_\_\_ project (the "Project"), to be located at [ENTER PHYSICAL ADDRESS], real property controlled by the Participating County through fee-simple ownership (the "Site"); and

**WHEREAS**, contemporaneous with entry into this License, Participating County intends to lease the Site to the Department pursuant to a Ground Lease executed by and between the Participating County and the Department and consented to by the Board (the "Ground Lease"); and

**WHEREAS**, the Department, as lessee under the Ground Lease intends to provide the Participating County access to the Site for the purpose of jail construction-related activities and for operation of the Project upon substantial completion of construction.

**WITNESSETH**

**NOW THEREFORE, FOR AND IN CONSIDERATION** of the mutual agreements by the Parties set forth herein and other good and valuable consideration, this License is subject to the following terms and conditions:

1. Grant of License – The Department hereby grants to the Participating County, its employees, consultants, representatives and contractors a non-exclusive, temporary license to enter the Site for site analysis, Project construction-related activities, and for operation of the Project upon substantial completion of construction (“Activities”), all as contemplated by that certain Project Delivery and Construction Agreement by and among the Department, the Board, the BSCC and the Participating County (the “PDCA”). This License is subordinate to all prior or future rights and obligations of the Department and the Board in the Site, except that the Department and the Board shall grant no rights inconsistent with the reasonable exercise by the Participating County of its rights under this License.
2. License Term – This License shall commence on the Effective Date of the Ground Lease and shall terminate on the date of termination of the PDCA (the “Term”).
3. Compliance with Laws – The Participating County shall conduct all Activities in compliance with all Federal, State and municipal statutes and ordinances, and with all regulations, orders and directives of appropriate governmental agencies (“Laws and Regulations”), as such Laws and Regulations exist during the Term of this License.
4. Inspections – The Department, the Board, and their representatives, employees, agents or independent contractors may enter and inspect the Site or any portion thereof or any improvements thereon, and the Project at any time and from time to time at reasonable times to verify the Participating County’s compliance with the terms and conditions of this License.
5. Special Condition – In the performance of the required studies and tests, the Participating County acknowledges that the Participating County will practice all due diligence to protect the Site.
6. Cooperation – In the event the Department or the Board has business on the Site or the Project, the Participating County agrees to coordinate the Activities with the Department or the Board to minimize any impairment of access to the Site or the Project and any inconvenience to or disruption of the Department’s or the Board’s business. Department and Board agree to coordinate their business at the Site or the Project so as to minimize any delay or disruption of the Participating County’s Activities.
7. Indemnity – As required by California Government Code Section [ENTER STATUTE] the Participating County hereby agrees that it shall indemnify, defend and save harmless the State, including but not limited to the Board, CDCR and BSCC, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants, and agents (collectively, “Indemnitees”) for any and all claims and losses arising out of the acquisition, design, construction, and operation of the Project, including, but not limited to all demands, causes of actions and liabilities of every kind and nature whatsoever arising out of, related to, or in connection with (a) any breach of this License by the Participating County; (b) operation, maintenance, use and occupancy of the Project; (c) any acts or omissions of any contractor hired by the Participating

County or its agents or subcontractor hired by such contractor; and (d) personal injury, bodily injury or property damage resulting from the Activities of the Participating County, its employees, consultants, representatives and contractors (collectively, "Claims"). The Participating County's obligation to indemnify, defend and save harmless the Indemnitees shall extend to all Claims arising, occurring, alleged, or made at any time, including prior to, during, or after the period that this License is in full force and effect. The Participating County shall not be obligated to provide indemnity or defense for an Indemnitee where the claim arises out of the active negligence or willful misconduct of the Indemnitee. The indemnification obligations of the Participating County set forth in this Section shall survive any termination of this License.

8. Insurance – The Participating County shall maintain the following insurances: 1) Commercial General Liability with limits of no less than one million dollars (\$1,000,000) per occurrence and Fire Legal Liability of no less than five hundred thousand dollars (\$500,000); 2) Automobile Liability with a combined single limit of no less than one million dollars (\$1,000,000) per accident and 3) Workers Compensation as required by law and Employers Liability with limits of no less than one million dollars (\$1,000,000) per occurrence. The Participating County shall be solely responsible for monitoring and ensuring that the necessary Workers Compensation Insurance is in effect for all persons entering onto the Site.
9. Utilities – The Department makes no guarantee as to the reliability or availability of utility services. The Department shall not supply any utility services to the Site or the Project.
10. Taxes and Assessments – It is expressly understood that this License is not exclusive and does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Site or the Project to the Participating County. Any such acquisition of use rights shall be separate agreements at the sole discretion of the Department and the Board. Should taxes or assessments be levied upon any interest in this License, the Participating County agrees to pay all lawful taxes, assessments or charges created by this License. It is understood that this License may create a possessory interest subject to property taxation and the Participating County may be subject to the payment of property taxes levied on such interest.
11. Continuing Liability – No termination of this License shall release the Participating County from any liability or obligations hereunder resulting from any acts, omissions or events happening prior to the termination of this License and restoration of the Site to its prior condition.
12. Attorneys' Fees – In the event of a dispute between the Parties with respect to the terms or condition of this License, it is agreed that each Party, including the prevailing Party, must bear its own costs and attorneys' fees.
13. Assignment, Subletting and Change in Use – The Participating County shall not transfer or assign this License and shall not sublet, license, permit or suffer any use of the Site or the Project or any part thereof.

14. Notices –

- a. All notices or other communications required or permitted hereunder shall be in writing and shall be personally delivered (including by means of professional messenger service), sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below.
- b. All such notices or other communications shall be deemed received upon the earlier of 1) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notices or 2) if mailed as provided above, on the date of receipt or rejection.

[To the Department: California Department of Corrections and Rehabilitation  
9838 Old Placerville Road, Suite B  
Sacramento, CA 95827  
Attention: Deputy Director, Facility Planning, Construction and Management  
Facsimile: 916-322-5717]

To the Board: State Public Works Board  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, CA 95814  
Attention: Executive Director  
Facsimile: 916-449-5739

To the Participating County: \_\_\_\_\_ [County Name]  
\_\_\_\_\_ [Address 1]  
\_\_\_\_\_ [Address 2]  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

- c. Notice of change of address or telephone number shall be given by written notice in the manner described in this Paragraph. The Participating County is obligated to notice all State offices listed above and the failure to provide notice to all State offices will be deemed to constitute a lack of notice.

15. Entire Agreement – This License contains all the agreements of the Parties regarding right of entry for construction and supersedes any prior License or negotiations. There have been no representations by the Department or understandings made between the Department and the Participating County regarding right of entry for construction and operation other than those set forth in this License. This License may not be modified except by a written instrument duly executed by the Parties hereto with the consent of the Board.

16. Counterparts – This License may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this License by their duly authorized representatives on the date first above written.

THE COUNTY \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[DEPARTMENT OF CORRECTIONS  
AND REHABILITATION OF THE  
STATE OF CALIFORNIA]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CONSENT: STATE PUBLIC  
WORKS BOARD OF THE  
STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: **[Executive Director or Deputy  
Director]**

**APPROVED: DEPARTMENT OF  
GENERAL SERVICES OF THE  
STATE OF CALIFORNIA**  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT D**

**FORM OF FACILITY SUBLEASE**



**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

Attention:

[Space above for Recorder's use.]

**FACILITY SUBLEASE**

**by and between the**

**DEPARTMENT OF CORRECTIONS AND REHABILITATION  
OF THE STATE OF CALIFORNIA,  
as Sublessor**

**and**

**COUNTY OF \_\_\_\_\_,  
as Sublessee**

**Dated as of \_\_\_\_\_**

**[ENTER PROJECT NAME]  
(\_\_\_\_\_ COUNTY)**

---

NO DOCUMENTARY TRANSFER TAX DUE. This Facility Sublease is recorded for the benefit of the State of California and is exempt from California documentary transfer tax pursuant to Section 11928 of the California Revenue and Taxation Code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code.

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## FACILITY SUBLEASE

This Sublease, dated as of \_\_\_\_\_ (this "Facility Sublease"), is made and entered into by and between the DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA, as sublessor (the "Department"), and the COUNTY OF \_\_\_\_\_, a political subdivision of the State of California, as sublessee (the "Participating County").

### R E C I T A L S

WHEREAS, pursuant to Chapter [3.11, 3.12, 3.13, or 3.131] of Part 10b of Division 3 of the California Government Code (the "Law"), the State Public Works Board of the State of California (the "Board") is authorized to finance the acquisition, design, and construction of a [ENTER FACILITY TYPE] approved by the Board of State and Community Corrections (the "BSCC") pursuant to Section \_\_\_\_\_ and following, as amended, of the Government Code of the State (the "\_\_\_\_\_ Financing Program"); and

WHEREAS, the Participating County, the Board, the Department and the BSCC have previously entered into that certain Project Delivery and Construction Agreement dated as of \_\_\_\_\_ (the "Project Agreement") with respect to the construction of a [ENTER FACILITY TYPE] (the "Project"); and

WHEREAS, pursuant to the provisions of the Project Agreement the Participating County has constructed the Project, which is located at \_\_\_\_\_, on the real property described in Exhibit A hereto (the "Site"), fee title to which is owned by the Participating County; and

WHEREAS, the Participating County, as fee owner of the Site, has leased the Site to the Department pursuant to a Ground Lease, dated \_\_\_\_\_, executed by and between the Participating County, as landlord, and the Department, as tenant, and consented to by the Board, and recorded on \_\_\_\_\_ in the Official Records of the County of \_\_\_\_\_ as Document No. \_\_\_\_\_ (the "Ground Lease"); and

WHEREAS, further to the terms of the Ground Lease, the Department and the Participating County also entered into that certain Easement Agreement for Grants of Access, Utilities and Repairs Easements dated as of \_\_\_\_\_ and recorded on \_\_\_\_\_ in the Official Records of the County of \_\_\_\_\_ as Document No. \_\_\_\_\_ (the "Easement Agreement") pursuant to which the Participating County granted to the Department and the Board certain appurtenant easements in certain property adjacent to the Site (the "Easement Property") necessary for the quiet enjoyment and beneficial use of the Site by the Department and the Board; and

WHEREAS, pursuant to the Law, the Board has issued its Lease Revenue Bonds [ENTER CAPTION FROM RESPECTIVE BOND ISSUANCE] (the "Bonds") to finance and refinance the Project, in conjunction with which the Department, as lessor, and the Board, as lessee, entered into a site lease dated as of \_\_\_\_\_ (the "Site Lease"), providing for the sublease of the Site to the Board, and the Board, as sublessor, and the Department, as sublessee, entered into a facility lease dated as of \_\_\_\_\_ (the "Facility Lease"), providing for the leasing of the Site and the Project to the Department (the Site, together with the Project, the "Facility"); and

WHEREAS, the Site Lease and the Facility Lease will provide security for the Bonds which have been issued by the Board under an indenture dated as of April 1, 1994, as amended by the Tenth Supplemental Indenture, dated as of September 1, 1996, the Forty-Second Supplemental Indenture, dated as of October 1, 2002, the Fifty-Second Supplemental Indenture, dated as of October 15, 2004, and the Ninety-Third Supplemental Indenture, dated as of October 12, 2009 (collectively the “Master Indenture”), as supplemented by the \_\_\_\_\_ Supplemental Indenture (together with the Master Indenture, the “Indenture”) between the Board and the Treasurer of the State of California, as trustee (the “State Treasurer”); and

WHEREAS, the Department, pursuant to the Law, is authorized to enter into one or more subleases and/or contracts with the Participating County; and

WHEREAS, the Participating County, as sublessee, will be responsible for all the maintenance and operating costs for the Facility; and

WHEREAS, payment of the principal of and interest on the Bonds will be made through rental payments made under the Facility Lease by the Department from annual appropriations to the Department included in the State budget, but the costs of operating and maintaining the Facility will be paid by the Participating County; and

WHEREAS, it is the intent of the parties that, upon the payment in full of the Bonds and all other indebtedness incurred by the Board for the Project, if any, the Ground Lease, the Easement Agreement, the Site Lease, the Facility Lease and this Facility Sublease will terminate in accordance with their respective terms and fee title to the Project will vest in the Participating County pursuant to the terms and conditions in the Ground Lease.

NOW THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. Definitions. Unless otherwise required by the context, all capitalized terms used herein and not defined herein shall have the meanings assigned such terms in the Facility Lease or the Indenture.

SECTION 2. Sublease of the Facility to the Participating County Subject to Facility Lease. The Participating County hereby leases the Facility from the Department, and the Department hereby leases the Facility to the Participating County, on the terms and conditions hereinafter set forth, subject to all easements, encumbrances and restrictions of record, including without limitation, the terms and conditions of the Site Lease and Facility Lease. This Facility Sublease is in all respects subordinate and subject to the Facility Lease. The Participating County covenants it shall continuously operate and maintain the Facility and shall have no right to abandon the Facility.

SECTION 3. Term. The term of this Facility Sublease shall commence on the date of initial issuance and delivery of the Bonds and shall terminate on the same date as the Facility Lease, unless such term is extended by the parties hereto, or unless sooner terminated as provided herein, provided, however, except as set forth in Section 10(b) or (c), no termination of this Facility Sublease shall occur until all the Bonds and all other indebtedness incurred by the Board for the Project, if any, have been fully repaid.

SECTION 4. Consideration and Conflict between Documents. The Department makes this Facility Sublease in consideration for the public benefit to the State of California (the “State”)

provided by the Project, which is described in Government Code Section [15820.904, 15820.914, 15820.923, or 15820.933], and for undertaking by the Participating County of the financial obligations required under this Facility Sublease. This Facility Sublease is subject to the terms of the Ground Lease, Easement Agreement, Site Lease and Facility Lease and in the event of a conflict between this Facility Sublease and any of the Ground Lease, Easement Agreement, Site Lease or the Facility Lease, the provisions of the Ground Lease, Easement Agreement, Site Lease or the Facility Lease, as the case may be, shall control.

SECTION 5. Purpose and Use. The Site shall be used by the Participating County for the purpose of staffing, operating and maintaining the Project and appurtenances related thereto, in order to provide the Project and for such other purposes as may be ancillary and related thereto for State and local criminal justice agencies. The Participating County shall be required to obtain the prior written consent of the Department and the Board for any change in use of the Facility, or any part thereof and at the request of the Department or the Board, the Participating County shall furnish the Department and the Board with an opinion of nationally recognized bond counsel acceptable to the Board to the effect that such change in use will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes.

SECTION 6. Obligations of Participating County.

(a) Maintenance, Repair, Replacement and Utilities. The Participating County shall, at its own cost and expense, pay for all maintenance and repair, both ordinary and extraordinary, of the Facility. The Participating County shall at all times maintain, or otherwise arrange for the maintenance of, the Facility in good condition, and the Participating County shall pay for, or otherwise arrange for, the payment of all utility services supplied to the Facility, and shall pay for, or otherwise arrange for, the payment of the costs of the repair and replacement of the Facility resulting from ordinary or extraordinary wear and tear or want of care on the part of the Participating County or any other cause (except for a catastrophic uninsured loss), and shall pay for, or otherwise arrange for, the payment of any insurance policies, except those provided by the Department pursuant to the Facility Lease.

(b) Rent. The Department shall pay all Base Rental and Additional Rental as defined in and as required under the Facility Lease. The Participating County shall pay upon the order of the Department or the Board as rent hereunder such amounts, if any, in each year as shall be required by the Department or Board for the payment of all applicable taxes and assessments of any type or nature assessed or levied by any governmental agency or entity having power to levy taxes or assessments charged to the Department, the Board or the State Treasurer affecting or relating to the Facility or their respective interests or estates therein. Except for the Base Rental and Additional Rental obligations and insurance obligations as specified in the Facility Lease, the Department shall have no duty under this Facility Sublease to pay for any other costs to maintain and operate the Facility. The rent required under this Section 6(b) shall be abated proportionately during any period in which the Department's obligation to pay rent under the Facility Lease shall be abated.

The Participating County shall submit to the Department within 15 Business Days of the adoption of the Participating County's budget each year, a copy of its approved and authorized budget that details the amounts allocated to maintain and operate the Facility, including any reserves. On September 1 of each year during the term of this Facility Sublease, the Department shall submit a report to the Board including a summary of the information provided by the Participating County as set forth in this paragraph. This report shall be in a form approved by the Board and shall incorporate

any other summary to be provided by the Department pursuant to the terms of any facility sublease entered into by the Department in connection with facilities constructed pursuant to the Law, as applicable.

SECTION 7. Insurance.

(a) Insurance Obligations of the Department. The Department will pay or cause to be paid the cost of all insurance required to be maintained under the Facility Lease. The Participating County will not be required to pay or reimburse the Department or any other State agency for these insurance costs or any deductible paid by the State. The Department will provide, or cause to be provided, proof of insurance coverage to the Participating County upon request of the Participating County.

In the event of (i) damage or destruction of the Facility caused by the perils covered by the insurance required under the Facility Lease and (ii) if the Board elects, under the terms of the Facility Lease and the Indenture, to redeem the outstanding Bonds, and (iii) if any insurance proceeds remain after the Bonds have been redeemed and such remaining proceeds are not needed under the terms of the Indenture, and (iv) such funds are distributed to the Department, then the Department agrees to distribute such funds to the Participating County.

The Department will not insure the Participating County's equipment, stored goods, other personal property, fixtures, or tenant improvements, nor such personal property owned by Participating County's, subtenants or assigns, if any, or invitees. The Department shall not be required to repair any injury or damage to any personal property or trade fixtures installed in the Facility by the Participating County caused by fire or other casualty, or to replace any such personal property or trade fixtures. The Participating County may, at its sole option and expense, obtain physical damage insurance covering its equipment, stored goods, other personal property, fixtures or tenant improvement or obtain business interruption insurance.

To the extent permitted by law, the Department and the Participating County agree to release the other and waive their rights of recovery against the other for damage to the Facility or their respective property at the Facility arising from perils insured under any commercial property insurance listed in this Facility Sublease or the Facility Lease. The property insurance policies of the Department and the Participating County shall contain a waiver of subrogation endorsement in favor of the other.

(b) Insurance Obligations of the Participating County. The Participating County, at its own cost and expense, shall secure and maintain or cause to be secured and maintained from an insurance company or companies approved to do business in the State of California and maintain during the entire term of this Facility Sublease, the following insurance coverage for the Facility:

(1) General liability insurance in an amount not less than one million Dollars (\$1,000,000) per occurrence. Evidence of such insurance shall be on a General Liability Special Endorsement form and should provide coverage for premises and operations, contractual, personal injury and fire legal liability;

(2) By signing this Facility Sublease, the Participating County hereby certifies that it is aware of the provisions of Section 3700, *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to

undertake self-insurance in accordance with the provisions of that Code, and that it will comply, and it will cause its subtenants and assignees to comply, with such provisions at all such times as they may apply during the term of this Facility Sublease.

(3) Auto insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of not less than one million dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for all “owned,” “hired” and “non-owned” vehicles or coverage for any auto.

(c) Additional Insureds. The Participating County agrees that the Department and the Board and their officers, agents and employees shall be included as additional insureds in all insurance required herein.

(d) Insurance Certificate. The Participating County shall submit or cause to be submitted to the Department, by no later than June 30th of each year, a certificate of insurance or other evidence of insurance in a form satisfactory to the Department demonstrating that the insurance required to be maintained by the Participating County hereunder is in full force and effect.

(e) Self-Insurance. Notwithstanding any other provision of this Section, the Participating County may satisfy the insurance obligations hereunder by a combination of commercial insurance, formal risk pooling under California statutory provisions, and/or a self-funded loss reserve in whatever proportions are deemed appropriate by the Participating County and acceptable to the Department and the Board. The Participating County shall furnish the Department and the Board with a certificate or other written evidence of the Participating County’s election to provide or cause to be provided all or part of its coverage under a risk pooling, risk retention, or self-insurance program or any combination thereof.

SECTION 8. Assignment or Subletting of Facility.

(a) The Participating County shall not sublet or assign any portion of the Facility, or permit its subtenants to sublet or assign portions of the Facility, without obtaining the prior written consent and approval of the Department and the Board, which may be granted or denied in their sole discretion, to the form and substance of such sublease and the sublessee, and, provided further, that any such sublease shall be subject to the following conditions:

(1) Any sublease of the Facility by the Participating County shall explicitly provide that such sublease is subject to all rights of the Board under the Facility Lease, including, the Board’s right to re-enter and re-let the Facility or terminate the Facility Lease upon a default by the Department and to all rights of the Department under this Facility Sublease including, the Department’s right to re-enter and re-let the Facility or terminate this Facility Sublease upon a default by the Participating County; and

(2) At the request of the Department or the Board, the Participating County shall furnish the Department and the Board with an opinion of nationally recognized bond counsel acceptable to the Board to the effect that such sublease will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes.

(b) The Participating County acknowledges that, if the Department breaches the terms of the Facility Lease, a remedy for such breach available to the Board under the Facility Lease

is to enter and re-let the Facility to an entity other than the Department. If the Board, at its discretion, chooses to exercise this remedy, the Board agrees that its first offer to relet the Facility shall be made to the Participating County; provided, however, the terms of such offer shall be determined at the sole reasonable discretion of the Board.

(c) This Facility Sublease shall not be subordinated to any sublease.

SECTION 9. Hazardous Materials. The Participating County shall fully disclose in writing to the Department and the Board the existence, extent and nature of any Hazardous Materials (defined below), substances, wastes or other environmentally regulated substances, of which the Participating County has actual knowledge relative to the Facility. The Participating County further warrants, covenants and represents that it will promptly notify the Department and the Board in writing of any change in the nature or extent of any Hazardous Materials, substances or wastes maintained on, in, around or under the Facility or used in connection therewith, of which the Participating County gains actual knowledge, and will transmit to the Department and the Board copies of any citations, orders, notices or other material governmental or other communication received by the Participating County with respect to any other Hazardous Materials, substances, wastes or other environmentally regulated substances affecting the Facility. The Participating County shall ensure (as to itself), and shall use its best efforts to ensure (as to its contractors, consultants, sublessees and other agents), that all activities of the Participating County or any officers, employees, contractors, consultants, sublessees, or any other agents of the Participating County performed at the Facility will be in full compliance with all Environmental Laws, and further agrees that neither the Participating County nor its contractors, consultants, sublessees, agents, officers or employees will engage in any management of solid wastes or Hazardous Materials at the Facility which constitutes noncompliance with or a violation of any Environmental Law. If there is a release of Hazardous Materials on or beneath the Facility which constitutes noncompliance with or a violation of any Environmental Law, the Participating County shall promptly take all action necessary to investigate and remedy such release.

The Participating County shall defend, indemnify and hold the State of California, including, but not limited to, the Department, the Board and their officers, directors, agents, employees and successors and assigns (each, an "Indemnified Party" and, together, the "Indemnified Parties") harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including cleanup costs), judgments and expenses (including attorneys', consultants', or experts' fees and expenses of every kind and nature) suffered by or asserted against one or more of the Indemnified Parties as a direct or indirect result of any warranty or representation made by the Participating County in the preceding paragraph being false or untrue in any material respect or the breach of any obligation of the Participating County in the preceding paragraph or as a result of any act or omission on the part of the Participating County or any contractor, consultant, sublessee or other agent of the Participating County which constitutes noncompliance with or a violation of any Environmental Law. The indemnification obligations set forth in this paragraph shall survive any termination of this Facility Sublease.

"Hazardous Materials" means any substance, material, or waste which is or becomes, prior to the date of execution and delivery hereof, regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous substance", "hazardous material", "toxic substance", "solid waste", "pollutant or contaminant", "hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" under the Comprehensive Environmental Response, Compensation and Liability



Act of 1980 (“CERCLA”) [42 U.S.C.A §§ 9601 *et seq.*]; the Resource Conservation and Recovery Act of 1976 (“RCRA”) [42 U.S.C.A §§ 6901 *et seq.*]; the Clean Water Act, also known as the Federal Water Pollution Control Act (“FWPCA”) [33 U.S.C.A §§ 1251 *et seq.*]; the Toxic Substances Control Act (“TSCA”) [15 U.S.C.A §§ 2601 *et seq.*]; the Federal Insecticide, Fungicide, Rodenticide Act [7 U.S.C.A §§ 136 *et seq.*]; the Superfund Amendments and Reauthorization Act [42 U.S.C.A §§ 9601 *et seq.*]; the Clean Air Act [42 U.S.C.A §§ 7401 *et seq.*]; the Safe Drinking Water Act [42 U.S.C.A §§ 300f *et seq.*]; the Solid Waste Disposal Act [42 U.S.C.A §§ 6901 *et seq.*]; the Surface Mining Control and Reclamation Act [30 U.S.C.A §§ 1201 *et seq.*]; the Emergency Planning and Community Right-to-Know Act [42 U.S.C.A §§ 11001 *et seq.*]; the Occupational Safety and Health Act [29 U.S.C.A §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [Health & Saf. Code §§ 25280 *et seq.*]; the California Hazardous Substances Account Act [Health & Saf. Code §§ 25300 *et seq.*]; the California Hazardous Waste Control Act [Health & Saf. Code §§ 25100 *et seq.*]; the California Safe Drinking Water and Toxic Enforcement Act [Health & Saf. Code §§ 25249.5 *et seq.*]; the Porter-Cologne Water Quality Act [Wat. Code §§ 13000 *et seq.*], including without limitation, Sections 25115, 25117 or 25122.7 of the California Health and Safety Code, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Talmer Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code.

“Environmental Laws” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to Hazardous Materials to which the Participating County or the Facility is subject, including all those laws referenced above in the definition of Hazardous Materials.

SECTION 10. Termination, Breach, Default and Damages.

(a) This Facility Sublease shall terminate upon the occurrence of the expiration of the lease term as set forth in Section 3.

(b) If the Participating County shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Participating County for a period of sixty (60) days after notice of the same has been given to the Participating County by the Department or the Board or for such additional time as is reasonably required, in the sole discretion of the Department, with the consent of the Board, to correct any of the same, the Participating County shall be deemed to be in default hereunder and it shall be lawful for the Department to exercise any and all remedies available pursuant to law or granted pursuant to this Facility Sublease. Upon any such default, the Department, in addition to all other rights and remedies it may have at law, shall, with the consent of the Board, have the option to do any of the following:

(1) To terminate this Facility Sublease in the manner hereinafter provided on account of default by the Participating County, notwithstanding any re-entry or re-letting of the Facility as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Facility and remove all persons in possession thereof and all personal property whatsoever situated upon the Facility and place such personal property in storage in any warehouse or other suitable place. In the event of such termination, the Participating County agrees to immediately surrender possession of the Facility, without let or hindrance, and to pay the Department and the Board all damages recoverable

at law that the Department may incur by reason of default by the Participating County, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facility and removal and storage of such property by the Department or its duly authorized agents in accordance with the provisions herein contained. Neither notice to deliver up possession of the Facility given pursuant to law nor any entry or re-entry by the Department nor any proceeding in unlawful detainer, or otherwise, brought by the Department for the purpose of effecting such re-entry or obtaining possession of the Facility, nor the appointment of a receiver upon initiative of the Department to protect the Board's interest under the Facility Lease shall of itself operate to terminate this Facility Sublease, and no termination of this Facility Sublease on account of default by the Participating County shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Department shall have given written notice to the Participating County of the election on the part of the Department to terminate this Facility Sublease. The Participating County covenants and agrees that no surrender of the Facility or of the remainder of the term hereof or any termination of this Facility Sublease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Department by such written notice.

(2) Without terminating this Facility Sublease, (i) to enforce any term or provision to be kept or performed by the Participating County or (ii) to exercise any and all rights of entry and re-entry upon the Facility. In the event the Department does not elect to terminate this Facility Sublease in the manner provided for in subparagraph (1) hereof, the Participating County shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the Participating County, and notwithstanding any entry or re-entry by the Department or suit in unlawful detainer, or otherwise, brought by the Department for the purpose of effecting a re-entry or obtaining possession of the Facility. Should the Department elect to re-enter as herein provided, the Participating County hereby irrevocably appoints the Department as the agent and attorney-in-fact of the Participating County to re-let the Facility, or any part thereof, from time to time, either in the Department's name or otherwise, upon such terms and conditions and for such use and period as the Department may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facility and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the Participating County, and the Participating County hereby exempts and agrees to save harmless the Department from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facility and removal and storage of such property by the Department or its duly authorized agents in accordance with the provisions herein contained except for any such costs, loss or damage resulting from the intentional or negligent actions of the Department or its agents. The Participating County agrees that the terms of this Facility Sublease constitute full and sufficient notice of the right of the Department to re-let the Facility in the event of such re-entry without effecting a surrender of this Facility Sublease. The Participating County further agrees that no acts of the Department in effecting such re-letting shall constitute a surrender or termination of this Facility Sublease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the Participating County the right to terminate this Facility Sublease shall vest in the Department to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The Participating County further agrees to pay the Department the cost of any alterations or additions to the Facility necessary to place the Facility in condition for re-letting immediately upon notice to the Participating County of the completion and installation of such additions or alterations.

(c) This Facility Sublease may be terminated at the option of the Board if the Board determines to exercise its right to enter and re-let the Facility under the Facility Lease pursuant to a default by the Department thereunder.

(d) In addition to any default resulting from breach by the Participating County of any term or covenant of this Facility Sublease, if (1) the Participating County's interest in this Facility Sublease or any part thereof be assigned, sublet or transferred without the prior written consent to the Department and the Board, either voluntarily or by operation of law, or (2) the Participating County or any assignee shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby the Participating County asks or seeks or prays to be adjudicated as bankrupt, or is to be discharged from any or all of the Participating County's debts or obligations, or offers to the Participating County's creditors to effect a composition or extension of time to pay the Participating County's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of the Participating County's debts or for any other similar relief, or if any such petition or if any such proceedings of the same or similar kind or character be filed or be instituted or taken against the Participating County, or if a receiver of the business or of the property or assets of the Participating County shall be appointed by any court, except a receiver appointed at the insistence or request of the Department or the Board, or if the Participating County shall make a general or any assignment for the benefit of the Participating County's creditors, or (3) the Participating County shall abandon the Facility, then the Participating County shall be deemed to be in default hereunder.

(e) The Department shall in no event be in default in the performance of any of its obligations hereunder unless and until the Department shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the Participating County to the Department that the Department has failed to perform any such obligation.

(f) The Participating County hereby waives any and all claims for damages caused or which may be caused by the Department in re-entering and taking possession of the Facility as herein provided and all claims for damages that may result from the destruction of or injury to the Facility and all claims for damages to or loss of any property belonging to the Department, or any other person, that may be in or upon the Facility, except for such claims resulting from the intentional or negligent actions of the Department or its agents.

Each and all of the remedies given to the Department hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Department to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation or other utilization by the Department of the Facility. If any statute or rule of law validly shall limit the remedies given to the Department hereunder, the Department nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

The Participating County agrees to pay reasonable attorney's fees incurred by the Department in attempting to enforce any of the remedies available to the Department hereunder; whether or not a

lawsuit has been filed. In the event that a lawsuit is filed that culminates in a judgment, then the prevailing party in such action shall be entitled to reasonable attorney's fees.

SECTION 11. Additions, Betterments, Extensions or Improvements; Prohibition Against Encumbrance.

(a) Subject to the limitations set forth in this Section 11, at its sole cost and expense, the Participating County shall have the right during the term of this Facility Sublease to make additions, betterments, extensions or improvements to the Facility or to attach fixtures, structures or signs to the Facility if such additions, betterments, extensions or improvements or fixtures, structures or signs are necessary or beneficial for the use of the Facility by the Participating County; provided, however, that any such changes to the Facility shall be made in a manner that does not result in an abatement of the rental hereunder or the rental due from the Department under the Facility Lease.

(b) If any proposed additions, betterments, extensions or improvements of the Facility require approval by the Board of State and Community Corrections, the Participating County shall, concurrently with the request for such approval(s), request the approval of the Department and the Board to such additions, betterments, extensions or improvements. The Participating County acknowledges the commencement of such additions, betterments, extensions or improvements shall be subject to receipt by the Participating County of the Board's approval thereto. In the event the Participating County shall at any time during the term of this Facility Sublease cause any additions, betterments, extensions or improvements to the Facility to be acquired or constructed or materials to be supplied in or upon the Facility, the Participating County shall pay or cause to be paid when due all sums of money that may become due, or purporting to be due for any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the Participating County in, upon or about the Facility and shall keep the Facility free of any and all mechanics' or materialmen's liens or other liens against the Facility or the Department's or the Board's interest therein. In the event any such lien attaches to or is filed against the Facility or the Department's or the Board's interest therein, the Participating County shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the Participating County desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the Participating County shall forthwith pay or cause to be paid and discharged such judgment. In accordance with Section 20, the Participating County agrees to and shall, to the maximum extent permitted by law, defend, indemnify and hold the Department, the Board, the State Treasurer and their officers, directors, agents, employees, successors and assigns harmless from and against and defend each of them against any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against the Facility or the Department's or the Board's interest therein.

(c) The Participating County agrees it will not create or suffer to be created any recorded or unrecorded mortgage, pledge, lien, charge, easement, rights of way or other rights, reservations, covenants, conditions, restrictions or encumbrance upon the Facility or the Easement Property except Permitted Encumbrances (defined below).

The term "Permitted Encumbrances" means as of any particular time: (1) liens for general ad valorem taxes and assessments, if any, not then delinquent; (2) the Site Lease and the Facility Lease,

as they may be amended from time to time; (3) easements (including the Easement Agreement), rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, which exist of record as of the date of issuance of the Bonds; (4) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions, all of a non-monetary nature, established following the date of issuance of the Bonds and to which the Board consents in writing; and (5) subleases approved by the Board in accordance with Section 8 hereof.

(d) The Department hereby covenants and agrees that, except as set forth in Sections 8 and 10, neither this Facility Sublease nor any interest of either party in this Facility Sublease shall be sold, mortgaged, pledged, assigned, or transferred by voluntary act or by operation of law or otherwise.

(e) The Participating County shall not in any manner impair, impede, or challenge the security, rights and benefits of the owners of the Bonds or the trustee for the Bonds.

SECTION 12. Continuing Disclosure. The Participating County hereby covenants and agrees that it will fully cooperate with the Department, the Board and the State Treasurer so that they can comply with and carry out all of the provisions of the Continuing Disclosure Agreement and will provide all information reasonably requested by the Department, the Board or the State Treasurer regarding the Facility, in connection with continuing disclosure obligations. The Participating County further covenants to provide notice to the Department, the Board and the State Treasurer within five Business Days of the occurrence of any event which causes any portion of the Facility not to be available for beneficial use or occupancy by the Participating County.

SECTION 13. Status of Private Activity Use of the Facility. The Participating County hereby covenants and agrees to provide information to the Department and the Board by January 31 of each year regarding the private activity use, if any, of the Facility. Any such private use must be consistent with the Participating County's covenants pursuant to Section 14 hereof. The information that must be updated annually is set forth in the Tax Certificate that was executed and delivered by the Board upon the initial issuance of the Bonds and acknowledged to by the Participating County in its certificate attached to the Tax Certificate.

SECTION 14. Tax Covenants.

(a) The Participating County covenants that it will not use or permit any use of the Facility, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended; and any applicable regulations promulgated from time to time thereunder. The Participating County further covenants that it will not take any action or fail to take any action, if such action or the failure to take such action would adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(b) The Participating County covenants that it will not use or permit more than 10% of (i) the proceeds of the Bonds or the Project to be used in the aggregate for any activities that constitute a "Private Use" (as such term is defined in paragraph (d) below). The Participating County covenants that it will not cause more than 10% of the principal of or interest on the Bonds under the terms thereof or any underlying arrangement, to be secured by any interest in property (whether or

not the Project) used for a Private Use or in payments in respect of property used for a Private Use, or which will be derived from payments in respect of property used for a Private Use.

(c) The Participating County covenants that it shall not take or permit to be taken any action or actions which would cause more than 5% of the proceeds of the Bonds or the Project to be used for a Private Use that is unrelated or disproportionate to the governmental use of the proceeds of the Bonds (an “Unrelated or Disproportionate Use”) or to cause more than 5% of the principal of or interest on the Bonds to be directly or indirectly secured by any interest in property used or to be used for a Private Use that is an Unrelated or Disproportionate Use or in payments in respect of property used or to be used for a Private Use that is an Unrelated or Disproportionate Use.

(d) The term “Private Use” means any activity that constitutes a trade or business that is carried on by persons or entities other than a “governmental person,” which is defined within Treasury Regulation Section 1.141 1(b) as a state or local governmental unit or any instrumentality thereof. A “governmental person” does not include the United States or any agency or instrumentality thereof. The leasing of property financed or refinanced with proceeds of the Bonds or the use by or the access of a person or entity other than a governmental unit to property or services on a basis other than as a member of the general public shall constitute a Private Use. Private Use may also result from certain management and service contracts as described in paragraph (e) below.

(e) The Participating County will not enter into any arrangement with any person or entity other than a state or local governmental unit which provides for such person to manage, operate, or provide services with respect to the Facility (or any portion thereof) (a “Service Contract”), unless the guidelines set forth in Revenue Procedure 97-13, as modified by Revenue Procedure 2001-39 (the “Guidelines”), are satisfied and the Board, in its discretion, consents to such Service Contract.

(f) The Participating County covenants to maintain records relating to the Project as required by Sections 7.1 and 7.2 of the Project Agreement and such other records as are required to be maintained by it in accordance with the Tax Certificate.

SECTION 15. No Merger. The parties hereto intend that there shall be no merger of any estate or interest created by this Facility Sublease with any other estate or interest in the Facility, or any part thereof, by reason of the fact that the same party may acquire or hold all or any part of the estate or interest in the Facility created by this Facility Sublease as well as another estate or interest in the Facility.

SECTION 16. Waste. The Participating County shall not commit, suffer, or permit any waste or nuisance on or within the Facility or any acts to be done thereon in violation of any laws or ordinances.

SECTION 17. Amendments. This Facility Sublease may not be amended, changed, modified or altered without the prior written consent of the parties hereto and the Board.

SECTION 18. Waiver. Any waiver granted by the Department of any breach by the Participating County of any agreement, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other agreement, covenant or condition hereof. The Department shall not grant any such waiver without the prior written consent of the Board.

SECTION 19. Non-Liability of the Department and other State Entities. Any obligation of the Department created by or arising out of this Facility Sublease shall not impose a debt or pecuniary liability upon the Department, the Board or the State of California, or a charge upon the general credit or taxing powers thereof, but shall be payable solely out of funds duly authorized and appropriated by the State.

The delivery of this Facility Sublease shall not, directly or indirectly or contingently, obligate the Board, the Department, the State Treasurer or the State of California to levy any form of taxation therefor or to make any appropriation. Nothing herein or in the proceedings of the Participating County, the Board or the Department shall be construed to authorize the creation of a debt of the Board, the Department, the State Treasurer or the State of California, within the meaning of any constitutional or statutory provision of the State of California. No breach of any pledge, obligation or agreement made or incurred in connection herewith may impose any pecuniary liability upon, or any charge upon the general credit of the Board, the Department or the State of California.

SECTION 20. Indemnification. As required by California Government Code Section [15820.905, 15820.915, 15820.924, or 15820.934] the Participating County agrees to indemnify, defend, and hold harmless the Indemnified Parties for any and all claims and losses accruing and resulting from or arising out of the Participating County's use and occupancy of the Facility, including the use and occupancy of the Facility by any sublessee or invitee of the Participating County. The Participating County's obligation to indemnify, defend and hold harmless under this Section shall extend to all such claims and losses arising, occurring, alleged, or made at any time, including prior to, during, or after the period that this Facility Sublease is in full force and effect. Notwithstanding the preceding sentence, the Participating County will not be required to indemnify, defend or hold harmless an Indemnified Party from any claim which arises, in whole or in part, from the gross negligence or willful misconduct or omission of such Indemnified Party. The indemnification obligations of the Participating County set forth in this Section shall survive any termination of this Facility Sublease.

SECTION 21. Law Governing. This Facility Sublease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist. Any action or proceeding to enforce or interpret any provision of this Facility Sublease shall, to the extent permitted by law, be brought, commenced or prosecuted in the courts of the State located in the County of Sacramento, California.

SECTION 22. Headings. All section headings contained in this Facility Sublease are for convenience of reference only and are not intended to define or limit the scope of any provision of this Facility Sublease.

SECTION 23. Notices. All approvals, authorizations, consents, demands, designations, notices, offers, requests, statements or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

To the Department: Department of Corrections and Rehabilitation  
of the State of California  
9838 Old Placerville Road, Suite B  
Sacramento, CA 95827  
Attention: Director, Facility Planning, Construction  
& Management

To the Board: State Public Works Board  
915 "L" Street, 9th Floor  
Sacramento, CA 95814  
Attention: Executive Director

To the State Treasurer: Treasurer of the State of California  
Public Finance Division  
915 Capitol Mall, Room 261  
Sacramento, CA 95814  
Attention: Director, Public Finance Division

To the Participating County: County of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

The address to which notices shall be mailed as aforesaid to any party may be changed by written notice given by such party to the others as hereinabove provided.

SECTION 24. Successors and Assigns. The terms and provisions hereof shall extend to and be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

SECTION 25. Validity and Severability. If for any reason this Facility Sublease or any part thereof shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Department or by the Participating County, all of the remaining terms of this Facility Sublease shall nonetheless continue in full force and effect. If for any reason it is held by such a court that any of the covenants and conditions of the Participating County hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Facility Sublease is and shall be deemed to be a lease from year to year under which the rentals are to be paid by the Participating County annually in consideration of the right of the Participating County to possess, occupy and use the Facility, and all the other terms, provisions and conditions of this Facility Sublease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect, to the extent permitted by law.

SECTION 26. Execution. This Facility Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Facility Sublease. It is also agreed that separate counterparts of this Facility Sublease may separately be executed by the Department, the Participating County and any other signatory hereto, all with the same force and effect as though the same counterpart had been executed by the Department, the Participating County and such other signatory.



SECTION 27. Multiple Originals. This Facility Sublease may be executed in any number of originals, each of which shall be deemed to be an original.

SECTION 28. Net Lease. This Facility Sublease shall be deemed and construed to be a “net lease” and the Participating County hereby agrees that the rentals provided for herein shall be an absolute net return to the Department, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 29. Board as Third Party Beneficiary. The Board is a third party beneficiary of this Facility Sublease.

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SPWB 201\_ SERIES \_  
FACILITY SUBLEASE  
(ENTER PROJECT NAME)

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

DEPARTMENT OF CORRECTIONS AND  
REHABILITATION OF THE STATE OF  
CALIFORNIA

By: \_\_\_\_\_  
Name: Jeffrey A. Beard, Ph.D.  
Title: Secretary

APPROVED (Pursuant to Government Code  
section 11005.2):

DEPARTMENT OF GENERAL SERVICES OF  
THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Michael Butler  
Title: Chief Real Property Services Section

CONSENT AND ACKNOWLEDGEMENT OF  
THE BOARD:

STATE PUBLIC WORKS BOARD OF THE  
STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Stephen G. Benson  
Title: Deputy Director

COUNTY OF \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in the Facility conveyed under the foregoing to the County of \_\_\_\_\_, a political subdivision duly organized under the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Supervisors of the County of \_\_\_\_\_, pursuant to authority conferred by resolution of the Board of Supervisors adopted on \_\_\_\_\_ and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2015

COUNTY OF \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT A

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 SACRAMENTO )

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

EXHIBIT E-1

**DESCRIPTION OF PARTICIPATING COUNTY FUNDING**

**Cash Contribution**

**CERTIFICATE OF THE COUNTY OF STANISLAUS REGARDING ITS CASH (HARD)  
MATCH FOR THE STANISLAUS COUNTY JAIL PROJECT**

All capitalized terms not otherwise defined herein shall have the meaning given them in the Project Delivery and Construction Agreement.

WHEREAS, pursuant to Chapter 3.13 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.92) (the "Law"), the State Public Works Board (the "Board") is authorized to finance the acquisition, design and construction of an adult local criminal justice facility approved by the Board of State and Community Corrections (the "BSCC") pursuant to Section 15820.925 of the California Government Code (the "SB 1022 Adult Local Criminal Justice Facilities Financing Program"); and

WHEREAS, pursuant to California Code of Regulations Title 15, Division 1, Chapter 1, Subchapter 6, only the cost of certain design and construction activities are potentially eligible for reimbursement under the SB 1022 Adult Local Criminal Justice Facilities Financing Program – acquisition, pre-design and other specified design and construction costs are not eligible; and

WHEREAS, the County of Stanislaus (the "Participating County") has proposed to build an adult local criminal justice facility, the Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center project, (the "Project"), to be located at 200 East Hackett Road, Ceres, CA 95358, real property controlled by the Participating County through fee-simple ownership (the "Site"); and

WHEREAS, pursuant to the Law, the Participating County is paying a portion of the costs of the Project (the "Cash (hard) Match") as described in Exhibit 1; and

WHEREAS, the Board intends to assist in the oversight and financing of the Project, subject to satisfaction of certain conditions and requirements of the Board, and the Board may in its sole, reasonable discretion, issue lease revenue bonds for the Project (the "Bonds"); and

WHEREAS, the interests of both the Board and the Participating County require confirmation of certain facts and certain assurances concerning the Cash (hard) Match.

NOW, THEREFORE, the Participating County, acting through its duly authorized representative, does hereby represent, warrant and covenant as follows:

(A) Lawfully Available Funds. The Cash (hard) Match, as described in Exhibit 1, has been derived exclusively from lawfully available funds of the Participating County.

**EXECUTION COPY**

(B) Cash (hard) Match Is Legal and Authorized. The payment of the Cash (hard) Match for the Project (i) is within the power, legal right, and authority of the Participating County; (ii) is legal and will not conflict with or constitute on the part of the Participating County a material violation of, a material breach of, a material default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance upon any property of the Participating County under the provisions of any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, loan, installment sale agreement, contract, or other material agreement or instrument to which the Participating County is a party or by which the Participating County or its properties or funds are otherwise subject or bound, decree, or demand of any court or governmental agency or body having jurisdiction over the Participating County or any of its activities, properties or funds; and (iii) have been duly authorized by all necessary and appropriate action on the part of the governing body of the Participating County. The authorized representative of the Participating County executing this Certificate is fully authorized and empowered to take such actions for and on behalf of the Participating County.

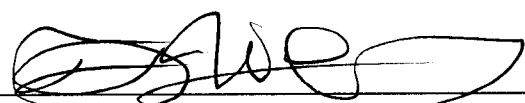
(C) Governmental Consents. The execution, delivery, and performance by the Participating County of this certificate and the use of the Cash (hard) Match for certain costs of the Project do not require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority other than the Participating County in connection with the execution, delivery, and performance of this Certificate, the consummation of any transaction herein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are now in full force and effect.

(D) No Prior Pledge. The Cash (hard) Match and the Project are not and will not be mortgaged, pledged, or hypothecated by the Participating County in any manner or for any purpose and have not been and will not be the subject of a grant of a security interest by the Participating County. In addition, the Cash (hard) Match and the Project are not and will not be mortgaged, pledged, or hypothecated for the benefit of the Participating County or its creditors in any manner or for any purpose and have not been and will not be the subject of a grant of a security interest in favor of the Participating County or its creditors. The Participating County shall not in any manner impair, impede or challenge the security, rights and benefits of the owners of the Bonds or the trustee for the Bonds.

IN WITNESS WHEREOF, the undersigned duly authorized representative of the Participating County has executed and delivered this Certificate to the Board on the date set forth below.

Date: December 18, 2015

COUNTY OF STANISLAUS

By:   
Terrance Withrow  
Chairman, Board of Supervisors



**Exhibit 1-Description of Cash (hard) Match**

Stanislaus County's Cash (hard) Match for the Project will be funded from two sources:  
(1) County General Fund, and (2) Public Facility Fees.

EXHIBIT E-2

DESCRIPTION OF PARTICIPATING COUNTY FUNDING

**In-kind (soft) Match**

Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center

Transition Planning	\$ 339,000
County Administration	<u>\$ 1,560,000</u>
Total In-Kind Match	\$ 1,899,000

**Stanislaus County**  
**Reentry & Enhanced Alternatives to Custody Training (REACT) Center**  
**Operational Program Statement**

May 19, 2015

As submitted to State with Schematic Design Documents

- A. **Intended Capacity of Facility** – The Reentry and Enhanced Alternatives to Custody Training (REACT) Center and 288-bed transitional housing facility is comprised of three 32-bed, programs enhanced, medium security housing units and four 48-bed dorm styled minimum security housing units. Two of the 48-bed (8 beds per sleeping area) housing units are dry celled with toilets and showers shared in an area within each unit. The other two 48-bed housing units also include 8-beds per sleeping area, are wet celled with shared shower area within the unit. The three 32-bed housing units (4 and 8 beds per sleeping area) have wet cells with showers shared within the each unit.
- B. **Security and Classification of Inmates to be Housed** – Operating with a “step-down (step-up) housing practice, both the, “Transitional”, housing (48-bed H/U’s) and the, “Security”, housing (32-bed H/U’s) will contain in-custody persons who meet a specific programs housing eligibility. Transitional housing and the secure housing units will be indirectly monitored by a housing control center with roving and escort deputies assisting in inmate movement and programs delivery. Typically, sentenced inmates will be targeted for potential placement within REACT housing areas. Other classification types could include pre-trial programs appointments from the courts, unsentenced, in-custody inmates and special needs low level mental health incarcerated persons who do not require lock-down or medicated housing. The individual 32-bed pods will be capable of housing male or female inmates as necessary.
- C. **Inmate Movement within the Facility and Entry and Exit from Secure Areas** – Identification of the secure perimeter and access locations of perimeter areas, facility access and movement within the facility will be provided on the floor plan. Every effort will be made by staff to ensure that facility movements are orderly and controlled. When moving differing classification groups or genders of inmates, staff will have each classification exit and enter living areas one group at a time. When program activities require movement of different housing groups past other units, staff will ensure proper security measures are taken. Individual or group movement will be controlled by either staff escort or monitored via cameras by the unit central control. Persons that present a security risk will have a staff escort during facility movement. All facility movements will be communicated to the facility central control via radio communication.
- D. **Food Preparation and Serving** – The REACT housing units will receive meals prepared offsite at the Public Safety Center Central Kitchen. REACT will operate a small food service preparation area with sufficient re-therm ovens and refrigerated storage for food carts to assist with food service for the inmate population. The meals will be delivered to the facility via rolling food storage carts that will be stored on the REACT central refrigeration storage area. The meals are reheated in ovens as needed

for service to the inmate population. Inmates will be served their meals in the unit dayroom.

- E. **Staffing** – The SB 1022 funding will allow Stanislaus County to construct enough capacity at the REACT housing areas to allow for closure of the Men’s Jail housing capacity, leaving only the Court-holding and transportation facilities operational at the downtown Modesto site. A more fully developed staffing plan will be developed as the project progresses further with bridging design. It is anticipated this staffing pattern will provide the supervision necessary to maintain the span of control. The REACT Center Administration office and housing areas are managed by the Stanislaus County Sheriff’s Department. In addition to Sheriff’s Detention staff, there will be programs staffed and supported by a variety of County entities and service providers. Sheriff’s staff may include a facility manager, administrative and housing supervisors, and the line staff required for housing supervision and escort. The goal is to ensure sufficient personnel at each location to facilitate the implementation and operation of the programs and activities required.
- F. **Booking** – The REACT Administration building will include a facility reception/intake space. Staff anticipated that some inmate programs participants and Jail Alternatives participants will be processed within the REACT reception/intake space. Staff anticipates that the majority of persons processed into this facility will be transfers from the PSC central booking and inmate housing area.
- G. **Visiting and Attorney Reviews** – Operationally, all visiting at the REACT Center will occur via Video Visitation devices. The regular inmate visiting program will offer visitation privileges a minimum of two times per week, in accordance with minimum standards. Inmates in this facility will visit on their assigned housing unit via video visitation. Inmate visitors will visit via video visitation from an offsite public visitation center, where Sheriff’s Staff will process them. Staff will continue checking photo identification, visitor pre-approval and registering all authorized visitors in the ICJIS computer system. Facility staff, with the approval of the shift supervisor, may arrange for special visits, which require staff supervision for visitation outside of the normal visiting schedule or other unique conditions. For normal attorney or professional visits, interviews may occur in predesignated interview rooms, located within the REACT Administration building. There will be an option for attorneys to use video visitation remotely, as well as the onsite interview room spaces. If required, face-to-face attorney or official visits, after the approval by the facility commander, may be conducted on the individual units. Each unit contains multipurpose/interview rooms in a common circulation area.
- H. **Exercise** – Recreational and exercise activities will be scheduled during the day and/or evening to ensure compliance with minimum standards. A central exercise area will be located at the South end of the REACT housing areas. All recreation programs will be under direct or video supervision of facility staff.

- I. **Programs** – Transitional and Secure housing and living areas will contain classroom and interview/counseling/multipurpose space. Large recreation yards and outdoor meeting space will be available for programming service options. The Administration building will contain interview and counseling rooms as well as specific family unification space. Responsibilities will include services for various levels and classifications which include, but may not be limited to the following: Post-arraignment and prior to incarceration, upon incarceration, incarcerated persons and an enhancement to our current alternative to incarceration programs. This unique approach and practice will also reach “outside the bars” to enrich our justice and community partnerships and further develop our reentry and service providers’ team to measure performance and accountability. Program spaces will accommodate such activities as religious programming, educational programs, vocational programming, counseling and official visitation.
- J. **Medical Services, Including the Management of Communicable Diseases** – Part of this project includes medical exam and health services area, medical staff offices and staff / storage space located within the Administration building. Accessible and adjacent to housing areas contains a private medical exam room, located in the general circulation area of each unit for simple medical assessments/screenings and medical procedures. Sick call and administration of medication will be completed at these locations as well within the housing units. All medical exam rooms will be technologically equipped so that medical staff can remotely access.
- K. **Cleaning and/or Laundering** – Inmates, in conjunction with staff, will provide cleaning and housekeeping services in the secure areas of the facility, with the exception of the control and staff-only areas. The staff areas will be cleaned by the inmate population under direct supervision of Staff. Laundry services will be located at the central laundry in the support services area of the Public Safety Center site. Laundry carts will be used for both clean and dirty laundry transportation to and from the off-site laundry facility. Clothing and linen exchange will take place by transporting clean laundry supplies and exchanging them in the units as per-standard.
- L. **Inmate Segregation as specified in Penal Code section 4001 and 4002 and Article 5 of Title 15, C.C.R.** – Short-term room confinement may be utilized for cause or disciplinary reasons within the Secure Housing units or at the Reception/Intake space when required. Otherwise, persons who do not comply with conditions and policies will be redirected or housed in a more secure housing facility at the PSC. Written procedures will be developed to ensure the least restrictive disciplinary process is used to correct the inmate’s behavior, as well as to ensure compliance with Title 15 requirements.
- M. **Court Holding and Inmate Movement** – Court staging and movement will take place outside the units. Persons schedule for court will be escorted to the reception/intake

area and possibly the PSC Intake/ Release /Transportation building. All movement from the housing units and outside the facility for court will be controlled and supervised by staff through the main central corridor of the building. These buildings will have limited holding or staging areas. The Transportation Unit will complete movement offsite to court or for any other reason.

- N. Mental Health Services** – General mental health and initial suicide screenings will not be completed at this facility. They will be completed at the time of booking at the PSC Intake/Release/Transportation building. There is private interview space provided in each of these units that can be utilized by mental health professionals to conduct interviews, treatment and counseling. Depending on their physical location, those inmates requiring a safety-cell placement may be transported to the PSC.
- O. Facilities for Jail Administration and Operations Staff** – This project contains a new staff dining room, staff bathrooms, and break rooms in several central locations. In both the Transitional Housing and Secure Housing units there will be a control station with staff workspace. The central circulation corridor contains dedicated office space for several specialized units.
- P. Staff to Staff Communications System** – The communication system will include radios, intercoms, telephones and e-mails. Each unit control, as well as central control, will support a modern, industry-standard, touch screen security electronics system to ensure a safe and secure environment.
- Q. Management of Disruptive Inmates** – All Inmates assigned to the facility will be made aware of the rules, associated expectations of compliance, and the resulting consequences for violating at the time the inmate is assigned to the housing unit. The management of disruptive inmates will be done at the lowest level necessary to effect a positive change in the inmate's behavior. Inmates that continue to be disruptive and non-compliant will be reassigned to appropriate housing at the classification level that allows us to manage their behavior and actions for the safety of the inmate, staff and the public.
- R. Management and Placement of Persons with Disabilities, with Provisions for Wheelchairs, Gurney Access, and for Evacuation During Emergencies** – Inmates with disabilities, both male and female, will have access to all programs, dayrooms, corridors, visiting and exercise areas. Cells with sink, toilet and space meeting ADA requirements will be located on each of the units, as required. Each living unit will also contain an accessible approved shower, as well as an ADA accessible dayroom table. The facility will be designed to accommodate paramedic gurneys throughout. Staff will assist any disabled person to the nearest exit during emergencies requiring evacuation.
- S. Architectural Treatment of Space Relative to Preventing Suicides by Inmates** – The entire facility will be designed to minimize the potential for self harm and suicide.

Rooms will be designed to prevent self-harm and suicide by hanging. No combustible finishes will be used in the rooms. All storage areas, fixtures, sprinkler heads, doors and hinges within the facility, will be of a type to thwart the attachment of items to help reduce the risk of suicide. Within the shower areas, all fixtures, where practical, will be of a “break away type”. Wherever practical, all welds and attached items will be smooth faced to prevent anchoring or use in a potential suicide or self-harm. Any architectural item that may be used to puncture or lacerate will be fastened securely by welding or tamper resistant screws. In addition to design details that reduce the potential for self-harm and suicide, staff is trained to recognize signs and symptoms, as well as suicide prevention techniques. Mental health services will also be initiated as described in section N.

- T. **Method of Implementing California Penal Code Section 4030 Relating to the Holding of Misdemeanor Arrestees** – The department recognizes that a strip search may, under certain conditions, be necessary to protect the safety of others, civilians and inmates, as well as to maintain facility security and safety. Policies and procedures will be in compliance with legislative requirements for searches of inmates. Staff will be trained to said policies and legislative mandates. Any and all searches will be conducted only with proper authorization and justification, with due recognition and deference for the dignity of those being searched.
- U. **Intended type of facility** – The REACT Center housing area is a Type III facility. There are no plans to change the Type of facility in regards to this project. However, should the need to engage in the housing of unsentenced persons, a reevaluation may be required.
- V. **Sobering cell(s) as referenced by Title 15, Section 1056, with the ability to segregate** – Sobering cells are not provided at the REACT Center. Any persons requiring the use of a sobering cell will be transferred to the PSC Intake / Transportation / Release building. There is also one sobering cell in the existing Public Safety Center.
- W. **Safety cell(s) as referenced by Title 15, Section 1055.** – Inmates requiring safety-cell placement may be placed into one of the three safety cells located in PSC medical / mental health unit. Also, there are two safety cells in the existing Public Safety Center and six safety cells in the new Intake /Release/Transportation building.

**Stanislaus County SB 1022 Design-Build Project  
Re-entry and Alternatives to Custody Training Center Project  
(REACT)**

***Operational Program Statement/Staffing Plan/Operating Cost Analysis for  
Design-Build Projects***

The Stanislaus County Master Plan for the Sheriff's Adult Detention Facilities has developed a broad plan to centralize all the detention facilities at the County's Public Safety Center (PSC) site in Modesto, California to increase efficiency, eliminate duplication costs associated with operating these facilities at multiple locations and improving staff and public safety. The new Stanislaus County Re-entry and Alternatives to Custody Training (REACT) Center will serve multiple functions within the Stanislaus County public safety mission.

**Pursuant to Title 15 of the California Code of Regulations, the following will address the requirements within Section 1750.1:**

***(a) At the time the county submits the performance criteria or performance criteria and concept drawings for review and approval with respect to a design-build project, it shall also submit an operational program statement, and a preliminary staffing plan, along with an analysis of other anticipated operating costs, for the facility. At a minimum, this plan shall include the following:***

**Project**

A Type III, transitional housing and programs administrative space, including 288 replacement bed jail, with programming, inmate housing / processing areas, ancillary and support space, the Reentry and Enhanced Alternatives to Custody Training (REACT) Center at the existing Public Safety Center in Ceres, California. The REACT Center is intended to be a replacement detention facility for the antiquated Downtown Men's Jail by providing 288 replacement and transitional beds at the Public Safety Center site.

The staff required to operate the REACT Center will come from the existing staffing allocation at the antiquated Men's Jail and the Jail Alternatives Unit in downtown Modesto, allowing the county to populate this facility with no new sworn positions. This is different than the staffing plan for the County's projects under AB 900 Phase II-Public Safety Center expansion projects, which required additional staffing allocations because the beds provided significant additional inmate housing capacity.

Further, the REACT Center will provide Stanislaus County with in-custody inmate programs in a progressive facility that is aimed at reducing recidivism and completing the bridge between the PSC's arrest and incarceration mission and the Day Reporting Center (DRC), which provides services to out-of-custody probation clients. Managed by the Stanislaus County Sheriff's Department, the REACT Center will be unique in



Stanislaus County and the State of California, based on its mission of transition and reduction of recidivism of local participants within a county jail environment.

The REACT Center project will move the current downtown beds into a much more cost efficient, energy efficient and effective facility, while the Men's Jail can convert to a day holding facility for the existing downtown courthouse. This transition is scheduled for mid-2018, when the REACT Center is scheduled for completion. The County recognizes that the California Judicial Council does not intend to make any change in location of the existing Courthouse until after that time. In effect, the Men's Jail will serve as the day holding facility for the courts until such time the new Modesto Courthouse will be operational, currently anticipated by the end of December, 2019

The REACT Center will fulfill the following functions for the county:

- Provide 288 inmate beds adjunct to the existing PSC campus, which includes
  - 4 Transitional Housing Units at 48 beds each, 192 total beds
  - 3 step-up/step down type minimum Housing Units at 32 beds each, 96 total beds
- Establish a new home for the Jail Alternatives Unit, which includes the Alternative Work Program (AWP) and Home Detention Program (Electronic Monitoring), and take advantage of its new location by being directly adjacent to the new programs area in the REACT Center, the DRC and the existing PSC.
- Spaces and functions required to process visitors, inmates, staff and goods required to run the REACT Center, including outdoor recreation, distribution of food, medication, clothing and other goods and services.

### **Staffing Model**

#### **Staffing requirements under the proposed design capacity.**

Operating twenty-four hours a day, seven days a week, the SB 1022 funded, Re-Entry & Enhanced Alternatives to Custody Training project will require inmate programs, Sheriff's custody and support staff. Administered by the Sheriff, the facility will be managed, supervised and operated daily by CORE certified staff as classified under Section 830.1 (c) of the California Penal Code. This project is a single building which will contain administration, housing and an outdoor courtyard between the two. The most northern part includes public access, administration and intake functions. The southern part is the inmate housing unit. The courtyard will provide outdoor programming and training space, and serves to continue the secure departmental circulation space between the I3 occupancy/housing space and administration space. REACT will maintain compliance with relevant guidelines policies, sworn staff which will be required to attend on-going, mandated training provided at least twenty-four hours annually. Staff will be responsible for the safety and security of offenders, facility operations and the community at large.

**Shift and post identification of staff for the proposed facility, delineated by custody and support staff. (Attachment "A")**

Staffed from its opening, the staffing plan, when fully implemented, an estimated 76 FTE's of existing positions displaced from the closure of the housing portion of the Men's Jail and the Sheriff's Jail Alternatives Unit in Downtown Modesto at full occupancy for the project. Projected needs are for 68 sworn custody (Cust) positions and eight (8) administrative and programs support staff (SS) to accommodate and operate the initial phase of the operation of REACT facility. It is anticipated, in part, that this staffing addition will provide the supervision necessary to maintain the span of control.

Stanislaus has a unique opportunity to initiate the opening of the REACT Facility. As stated earlier, sworn staff displaced from the closure of the Men's Jail housing areas plus the relocation of staff and operations from the Sheriff's Jail Alternatives unit will be used in this facility.

**REACT Administration:**

The REACT Administration area of this facility will be staffed entirely of existing staff. Staff in this area work varying schedules with some weekend and holiday coverage. REACT Administration contains office space and staff responsible for REACT Commander and support staff, Jail Alternatives and Inmate Programs Administration. Also located with the REACT Administration building will be the REACT Processing and Release / Transfer space.

<b>Facility Administration Posts</b>			
<b>POST</b>	<b>M-F 8- HOURS</b>	<b># of Posts Per Day</b>	<b>Positions Needed</b>
Lieutenant Facility Commander (Cust)	1	1	1
Sergeant – Ops (Cust)	1	1	1
Deputy – Ops (Cust)	1	1	1
Administrative Assistant (SS)	1	1	1

<b>Jail Alternatives Posts</b>			
<b>POST</b>	<b>M-F 8- HOURS</b>	<b># of Posts Per Day</b>	<b>Positions Needed</b>
Lieutenant - J/A (Cust)	1	1	1
Sergeant - J/A (Cust)	1	1	1
Sergeant – Programs (Cust)	1	1	1
Deputy - J/A (Cust)	10	10	10
Legal Clerks – Programs (SS)	1	1	1
Legal Clerks - J/A (SS)	5	5	5
Programs Manager (SS)	1	1	1

### **REACT Administration - Processing**

The REACT Processing and Release / Transfer area is the security access into the facility for the purpose of program persons or participants movement to and from REACT. REACT Processing and Release / Transfer is **not** a full time staff post, rather, this space will be staffed based upon specific instances or occasions when program persons or participants are being processed into or out from the facility.

### **REACT Housing**

REACT program participant housing management includes staffing for monitoring and managing the 288 program participants housed in REACT Center in seven total inmate living units. Four units are considered Transitional Housing, intended for program participants processed from incarceration at the other detention facilities, as well as participants returned to custody who may require a more secure custodial setting in order to successfully complete their respective training session and preparation for reentry into the community. Typically, participants housed in this section will be classified as minimum or low medium-security in a dormitory setting. Each of these four units contains 48 beds, arranged under the direction of one fully staffed housing control room, with two additional staff rover positions assigned fulltime.

The more secure or limited housing units also could house eligible and targeted dual diagnosed and manageable mental health incarcerated persons and medium security inmates who qualify to participate in in-custody transitional housing and programs.. These housing areas are divided into three 32-bed units that include 4 and 8 bed cells. The supervision approach is similar to the Transitional Housing, which are more often indirect supervision.

Security Posts							
POST	A- DAY SHIFT	B- DAY SHIFT	A- GRAVE SHIFT	B- GRAVE SHIFT	M-F 8- HOURS	# of Posts Per Day	Positions Needed
Sergeant – Watch Sgt (Cust)	1	1	1	1		2	4.40
Deputy - Classification (Cust)	1	1	1	1		2	4.40
Deputy – Mental Health (Cust)					1	1	1.16
Deputy – Transportation (Cust)					1	1	1.16

Security Housing Posts							
POST	A- DAY SHIFT	B- DAY SHIFT	A- GRAVE SHIFT	B- GRAVE SHIFT	M-F 8- HOURS	# of Posts Per Day	Positions Needed
Deputy - Control (Cust)	1	1	1	1		2	4.80
Deputy - Housing (Cust)	2	2	2	2		4	9.60
Deputy - Escort (Cust)	1	1	1	1		2	4.40
Deputy - Programs (Cust)				1		1	1.16

Transitional Housing Posts							
POST	A- DAY SHIFT	B- DAY SHIFT	A- GRAVE SHIFT	B- GRAVE SHIFT	M-F 8- HOURS	# of Posts Per Day	Positions Needed
Deputy - Control (Cust)	1	1	1	1		2	4.80
Deputy - Housing (Cust)	2	2	2	2		4	9.60
Deputy - Escort (Cust)	1	1	1	1		2	4.40
Deputy - Programs (Cust)				1		1	1.16

In total, the new REACT Center will require 76 full time employees, of which 68 are sworn custody staff and eight are non-sworn support staff. All 76 full time employee positions will be filled by existing staff displaced from the closure of the intake and housing portions of the downtown Men's Jail and Jail Alternatives Office.

**Transition Team - Program Statement and Costs**

The Sheriff's Office Transition Team's operational plan has required staggered staffing throughout the design and construction of the Public Safety Center Expansion Projects (AB 900 Phase II) and will continue to move forward through projected occupancy beginning in December 2016. The costs of the REACT Center Transition Team services will be paid for solely by the County as part of our 10% match for the State funding.

**Analysis of thirty-year (30) Lifecycle - Operating cost and maintenance and energy costs for the proposed facility.**

REACT is expected to open to Sheriff's Staff, Program Providers and participants during mid fiscal year 2017/2018. The thirty-year (30) lifecycle operating costs and

maintenance analysis is summarized in **Attachment B**, projected on a full fiscal year (2018/2019) based calculation of:

- Maintenance Staffing: \$ 181,346 escalations of 3% annually
- Estimated Utilities: \$ 112,664 escalation of 3.5% annually
- Estimated Services and Supplies: \$ 140,252 escalation of 4.46% annually

**Identification of, and revenue sources for, sufficient county funds needed to support the staffing levels and operating costs for the proposed facility**

In October 2013, the Stanislaus County Board of Supervisors approved the preliminary staffing plan and cost analysis, which included an initial staffing model for the REACT facility. The overall initial SB 1022 Jail Construction Project staffing model includes sworn custody, civilian support staff and program provider positions at no extra cost upon occupation.

As stated in prior reports, the staff required to operate the REACT Center will come from the existing staffing allocation at the Men's Jail and the Jail Alternatives Unit, allowing the county to populate this facility with no new sworn positions. This is different than the staffing plan for the County's projects under AB 900 Phase II-Public Safety Center expansion projects, which required additional staffing allocations because the beds provided significant additional inmate housing capacity.

However, for the purposes of this report, the thirty-year (30) lifecycle staffing costs analysis is summarized in **Attachment C**, projected on a full fiscal year (2018/2019) based calculation of:

**ATTACHMENT "A"**

REACT Re-Entry and Enhanced Alternatives to Custody Training Center												Attachment A
Public Lobby Staff:												
POST	A- DAY SHIFT	B- DAY SHIFT	A- GRAVE SHIFT	B- Grave SHIFT	M-F 8- HOURS	Relieve for Time Off	Relieve for Breaks	# of Posts Per Day	12-hour S.R.F.	Positons Needed	Base Staff Staff	Relief Staff
Civilian	1	1				No	No	2	1.00	0.00	0.00	0.00
										0.00	0.00	0.00
Facility Administration Staff:												
POST	A- DAY SHIFT	B- DAY SHIFT	A- GRAVE SHIFT	B- Grave SHIFT	M-F 8- HOURS	Relieve for Time Off	Relieve for Breaks	# of Posts Per Day	12-hour S.R.F.	Positons Needed	Base Staff Staff	Relief Staff
Lieutenant Facility Com					1	No	No	1	1.00	1.00	1.00	0.00
Sergeant Ops					1	No	No	1	1.00	1.00	1.00	0.00
Deputy - Ops					1	No	No	1	1.00	1.00	1.00	0.00
Admin Sect					1	No	No	1	1.00	1.00	1.00	0.00
										4.00	4.00	0.00
Jail Alternatives Staff:												
POST	A- DAY SHIFT	B- DAY SHIFT	A- GRAVE SHIFT	B- Grave SHIFT	M-F 8- HOURS	Relieve for Time Off	Relieve for Breaks	# of Posts Per Day	12-hour S.R.F.	Positons Needed	Base Staff Staff	Relief Staff
Lieutenant - J/A					1	NO	No	1	1.00	1.00	1.00	0.00
Sergeant - J/A					1	No	No	1	1.00	1.00	1.00	0.00
Sergeant - Programs					1	No	No	1	1.00	1.00	1.00	0.00
Deputy - J/A					10	No	No	10	1.00	10.00	10.00	0.00
Legal Clerks - Programs					1	No	No	1	1.00	1.00	1.00	0.00
Legal Clerks - J/A					5	No	No	5	1.00	5.00	5.00	0.00
Programs Manager					1	No	No	1	1.00	1.00	1.00	0.00
										20.00	20.00	0.00

**REACT Re-Entry and Enhanced Alternatives to Custody Training Center**

**Security Staff:**

POST	A- DAY	B- DAY	A- GRAVE	B- Grave	M-F	Relieve for Time Off	Relieve for Breaks	# of Posts Per Day	12-hour S.R.F.	Positons Needed	Base Staff Staff	Relief Staff
	SHIFT	SHIFT	SHIFT	SHIFT	8- HOURS							
Sergeant - Watch Sgt	1	1	1	1		Yes	Yes	2	2.20	4.40	4.00	0.40
Deputy - Classification	1	1	1	1		Yes	No	2	2.20	4.40	4.00	0.40
Deputy - Mental Health					1	No	No	1	1.16	1.16	1.00	0.16
Deputy - Transportation					1	No	No	1	1.16	1.16	1.00	0.16
										<b>11.12</b>	<b>10.00</b>	<b>1.12</b>

**Security Housing Staff:**

POST	A- DAY	B- DAY	A- GRAVE	B- Grave	M-F	Relieve for Time Off	Relieve for Breaks	# of Posts Per Day	12-hour S.R.F.	Positons Needed	Base Staff Staff	Relief Staff
	SHIFT	SHIFT	SHIFT	SHIFT	8- HOURS							
Deputy - Control	1	1	1	1		Yes	Yes	2	2.40	4.80	4.00	0.80
Deputy - Housing	2	2	2	2		Yes	Yes	4	2.40	9.60	8.00	1.60
Deputy - Escort	1	1	1	1		Yes	No	2	2.20	4.40	4.00	0.40
Deputy - Programs				1		Yes	No	1	1.16	1.16	1.00	0.16
										<b>19.96</b>	<b>17.00</b>	<b>2.96</b>

**Transitional Housing Staff:**

POST	A- DAY	B- DAY	A- GRAVE	B- Grave	M-F	Relieve for Time Off	Relieve for Breaks	# of Posts Per Day	12-hour S.R.F.	Positons Needed	Base Staff Staff	Relief Staff
	SHIFT	SHIFT	SHIFT	SHIFT	8- HOURS							
Deputy - Control	1	1	1	1		Yes	Yes	2	2.40	4.80	4.00	0.80
Deputy - Housing	2	2	2	2		Yes	Yes	4	2.40	9.60	8.00	1.60
Deputy - Escort	1	1	1	1		Yes	No	2	2.20	4.40	4.00	0.40
Deputy - Programs				1		Yes	No	1	1.16	1.16	1.00	0.16
										<b>19.96</b>	<b>17.00</b>	<b>2.96</b>

**75.04      68.00      7.04**



**ATTACHMENT "B"**

## Attachment B

### REACT Re-Entry and Enhanced Alternatives to Custody Training Center

Fiscal Year	SF	FTE Maintenance Staffing (.03)	Estimated Utilities(.035)	Estimated Services & Supplies(.0446)	Total-Maintenance, Utilities, Supplies	
2017	55050	\$88,032	\$54,427	\$67,132	\$ 209,591	1/2 Yr.
2018	55050	\$181,346	\$112,120	\$138,292	\$ 431,758	Full Yr.
2019	55050	\$186,786	\$116,044	\$144,460	\$ 447,290	Full Yr.
2020	55050	\$192,390	\$120,106	\$150,903	\$ 463,398	Full Yr.
2021	55050	\$198,161	\$124,309	\$157,633	\$ 480,104	Full Yr.
2022	55050	\$204,106	\$128,660	\$164,664	\$ 497,430	Full Yr.
2023	55050	\$210,229	\$133,163	\$172,008	\$ 515,400	Full Yr.
2024	55050	\$216,536	\$137,824	\$179,679	\$ 534,039	Full Yr.
2025	55050	\$223,032	\$142,648	\$187,693	\$ 553,373	Full Yr.
2026	55050	\$229,723	\$147,640	\$196,064	\$ 573,427	Full Yr.
2027	55050	\$236,615	\$152,808	\$204,808	\$ 594,231	Full Yr.
2028	55050	\$243,713	\$158,156	\$213,943	\$ 615,812	Full Yr.
2029	55050	\$251,025	\$163,692	\$223,485	\$ 638,201	Full Yr.
2030	55050	\$258,555	\$169,421	\$233,452	\$ 661,428	Full Yr.
2031	55050	\$266,312	\$175,351	\$243,864	\$ 685,527	Full Yr.
2032	55050	\$274,301	\$181,488	\$254,740	\$ 710,530	Full Yr.
2033	55050	\$282,530	\$187,840	\$266,102	\$ 736,472	Full Yr.
2034	55050	\$291,006	\$194,414	\$277,970	\$ 763,391	Full Yr.
2035	55050	\$299,737	\$201,219	\$290,367	\$ 791,323	Full Yr.
2036	55050	\$308,729	\$208,261	\$303,318	\$ 820,308	Full Yr.
2037	55050	\$317,991	\$215,551	\$316,846	\$ 850,387	Full Yr.
2038	55050	\$327,530	\$223,095	\$330,977	\$ 881,602	Full Yr.
2039	55050	\$337,356	\$230,903	\$345,739	\$ 913,998	Full Yr.
2040	55050	\$347,477	\$238,985	\$361,159	\$ 947,620	Full Yr.
2041	55050	\$357,901	\$247,349	\$377,266	\$ 982,517	Full Yr.
2042	55050	\$368,638	\$256,006	\$394,092	\$ 1,018,737	Full Yr.
2043	55050	\$379,697	\$264,967	\$411,669	\$ 1,056,333	Full Yr.
2044	55050	\$391,088	\$274,240	\$430,029	\$ 1,095,358	Full Yr.
2045	55050	\$402,821	\$283,839	\$449,209	\$ 1,135,868	Full Yr.
2046	55050	\$414,906	\$293,773	\$469,243	\$ 1,177,922	Full Yr.
2047	55050	\$427,353	\$304,055	\$490,172	\$ 1,221,580	Full Yr.

**ATTACHMENT "C"**

## Attachment C

### REACT Re-Entry and Enhanced Alternatives to Custody Training Center

Year	Staffing Costs	Total
2017	\$ 1,154,350	\$ 1,154,350
2018	\$ 2,377,960	\$ 2,377,960
2019	\$ 2,449,299	\$ 2,449,299
2020	\$ 2,522,778	\$ 2,522,778
2021	\$ 2,598,461	\$ 2,598,461
2022	\$ 2,676,415	\$ 2,676,415
2023	\$ 2,756,707	\$ 2,756,707
2024	\$ 2,839,409	\$ 2,839,409
2025	\$ 2,924,591	\$ 2,924,591
2026	\$ 3,012,329	\$ 3,012,329
2027	\$ 3,102,698	\$ 3,102,698
2028	\$ 3,195,779	\$ 3,195,779
2029	\$ 3,291,653	\$ 3,291,653
2030	\$ 3,390,402	\$ 3,390,402
2031	\$ 3,492,114	\$ 3,492,114
2032	\$ 3,596,878	\$ 3,596,878
2033	\$ 3,704,784	\$ 3,704,784
2034	\$ 3,815,928	\$ 3,815,928
2035	\$ 3,930,406	\$ 3,930,406
2036	\$ 4,048,318	\$ 4,048,318
2037	\$ 4,169,767	\$ 4,169,767
2038	\$ 4,294,860	\$ 4,294,860
2039	\$ 4,423,706	\$ 4,423,706
2040	\$ 4,556,417	\$ 4,556,417
2041	\$ 4,693,110	\$ 4,693,110
2042	\$ 4,833,903	\$ 4,833,903
2043	\$ 4,978,920	\$ 4,978,920
2044	\$ 5,128,288	\$ 5,128,288
2045	\$ 5,282,136	\$ 5,282,136
2046	\$ 5,440,600	\$ 5,440,600
2047	\$ 5,603,818	\$ 5,603,818

# **Construction Management Plan**

**for**

## **Stanislaus County Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project**

**Stanislaus County Project Manager**

**November 24, 2015**

## **I. PROJECT DELIVERY**

### **A. Design-Build Procurement Approach**

Stanislaus County, with approval of the Board of Supervisors, intends to utilize the design-build procedure (authorized by Public Contract Code Section 22162) for procuring construction projects in the Stanislaus County in excess of one million dollars (\$1,000,000) and plans to award the project using the best value evaluation approach.

The County's design-build procurements will progress in a four-step process, as follows:

#### **Step 1: Prepare Performance Criteria and Concept Drawings**

Stanislaus County will prepare a set of documents setting forth the performance criteria of the project. The documents may include, but are not limited to, the size, type, and desired design character of the public improvement, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans or building layouts, or any other information deemed necessary to describe adequately Stanislaus County's needs.

The documents shall be reviewed and approved by the appropriate State Offices.

The performance criteria and concept drawings shall be prepared by a design professional that is duly licensed and registered in California. Any architect or engineer retained by Stanislaus County to assist in the development of the project-specific documents shall not be eligible to participate in the preparation of a bid with any design-build team for that project.

#### **Step 2: Prequalify Design-Build Teams**

Stanislaus County shall establish a procedure in accordance with Public Contract Code Section 22164 to prequalify design-build teams using a Request for Statement of Qualifications procedure developed by the Stanislaus County. In preparing the Request for Qualifications, Stanislaus County shall consult with the construction industry, including representatives of the building trades and surety industry. Answers to questions contained in the Request for Qualifications, information about current bonding capacity, a notarized statement from surety, and the most recent audited financial statements, with accompanying notes and supplemental information, are required. The County will use these documents as the basis for evaluating Design-Build Teams. Only those Design-Build Teams deemed prequalified by the Stanislaus County Board of Supervisors will be invited to participate in Step 3.

#### **Step 3: Request Proposals from Prequalified Teams**

Based on the documents prepared in Step 1 and approved by the appropriate State Agencies, and the determinations made in Step 2, Stanislaus County will prepare a

Request for Design-Build Proposals that invites interested parties to submit competitive sealed proposals in the manner prescribed by the Stanislaus County. The Request for Proposals shall be approved by DOF and shall include, but is not limited to, the following elements:

1. Identification of the basic scope and needs of the project, the expected cost range, and other information deemed necessary by Stanislaus County to inform interested parties of the contracting opportunity, to include the methodology that will be used by the Stanislaus County to evaluate the design-build proposals.
2. Significant factors that Stanislaus County reasonably expects to consider in evaluating proposals, including cost or price and all non price related factors.
3. The relative importance of weight assigned to each of the factors identified in the request for proposals.

If Stanislaus County chooses to reserve the right to hold discussions or negotiations with responsive proposers, it shall so specify in the Request for Proposals and shall publish separately or incorporate into the Request for Proposals applicable rules and procedures to be observed by Stanislaus County to ensure that any discussions or negotiations are conducted in good faith.

#### Step 4: Final Selection of Design-Build Team

Final Design and all Construction services shall be provided by a single Design-Build Team for the Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project and their Subcontractors under a design-build method of procurement. The Design-Build Contractor shall complete all Work specified in the Contract Documents, in accordance with the Design-Build Performance Criteria and Concept Drawings, and all other terms and conditions of the Contract Documents.

Stanislaus County shall establish a procedure for final selection of the design-build team that shall be based on a design-build competition based upon best value criteria set forth in the Request for Proposals in accordance with California Public Contract Code Section 22164.

### **B. Project Management**

The Board of Supervisors shall have the power to bind the County and to exercise the rights, responsibilities, authorities, and functions vested therein by the contract documents, except that it shall have the right to designate authorized representatives to act on its behalf. The County has designated the Chief Operations Officer / Assistant Executive Officer as the Project Manager. All work shall be performed under the general direction of the Project Manager. The Project Manager has designated the County's Capital Projects division to handle the day-to-day management of the Project. Capital Projects' staff is comprised of a combination of County employees and other County

resources as designated by the Project Manager. The County may, at any time during the performance of this contract, vest in any such other representatives additional power and authority to act on its behalf.

## **II. CONSTRUCTION MANAGEMENT PLAN**

### **A. DESIGN MANAGEMENT:**

- Project Manager with assistance of Bridging Architect shall monitor development of final construction documents by Design-Build Team to ensure that they meet the Performance Criteria and Concept Drawings approved by the State Public Works Board.
- Project Manager shall ensure that construction documents created by the Design-Build Team are reviewed and approved by the State Fire Marshal and other entities as required by the State Fire Marshal and Board of State and Community Corrections.

### **B. CONSTRUCTION MANAGEMENT:**

- Project Manager shall provide and maintain a construction management team on the Project site to provide contract administration as an agent of the County and to establish and implement coordination and communication procedures among County, BSCC, DOF, Bridging Architect (as necessary), and the Design-Build Team.
- Technical inspection and testing provided by consultants shall be coordinated by Project Manager. Project Manager shall be provided a copy of all inspection and testing reports on the day of the inspection or test or within a reasonable time period.
- Project Manager shall review the Design-Build Contractor's Construction Schedule and shall verify that the schedule is prepared in accordance with the requirements of the Contract Documents and that it establishes completion dates that comply with the requirements of the Contract Documents. If changes in the Master Schedule maintained by Project Manager are appropriate, Project Manager shall make such modifications as approved by the County.
- Project Manager shall establish, implement, and monitor a change order control system and cost accounting system.
- Project Manager shall review the payment applications submitted by the Design-Build Team and determine whether the amount requested reflects the progress of the Design-Build Team's work. Project Manager shall make appropriate adjustments to each payment application and shall forward to the County for payment.
- Project Manager shall establish, implement, and monitor a Quality Control Plan.

### **C. POST-CONSTRUCTION MANAGEMENT:**

- Project Manager shall assist the County in obtaining an Occupancy Permit by accompanying governmental officials during inspections of the Project, preparing and submitting documentation to governmental agencies and coordinating final testing and other activities.



- Project Manager shall assist in the preparation of a final audit of the project for BSCC as required in the BSCC Construction Agreement.



Stanislaus, County Recorder  
Lee Lundrigan Co Recorder Office  
**DOC- 2016-0010532-00**

Acct 402-Counter Customers  
Wednesday, FEB 10, 2016 15:05:38  
Ttl Pd \$0.00 Rcpt # 0003772627  
OJC/R2/1-48

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer )

[Space above for Recorder's use]

GROUND LEASE

by and between the

STANISLAUS COUNTY  
as Landlord,

and

BOARD OF STATE AND COMMUNITY CORRECTIONS  
OF THE STATE OF CALIFORNIA,  
as Tenant

Dated as of January 11, 2016

(FOR AN ADULT LOCAL CRIMINAL JUSTICE FACILITY  
LOCATED IN THE COUNTY OF STANISLAUS)

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code

48 JC  
~~48 JC~~

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:** )  
)  
)  
County of Stanislaus )  
1010 10<sup>th</sup> Street, Suite 6800 )  
Modesto, CA 95354 )  
Attention: Chief Executive Officer )

---

[Space above for Recorder's use]

**GROUND LEASE**

by and between the

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as Landlord,

and

**BOARD OF STATE AND COMMUNITY CORRECTIONS  
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as Tenant

Dated as of January 11, 2016

**(FOR AN ADULT LOCAL CRIMINAL JUSTICE FACILITY  
LOCATED IN THE COUNTY OF STANISLAUS)**

---

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NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code

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**GROUND LEASE**

**THIS GROUND LEASE**, dated as of January 11, 2016 for reference only (this "Ground Lease"), is entered into by and between COUNTY OF STANISLAUS (the "Participating County"), a Political Subdivision of the State of California (the "State"), as Landlord, and the BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA (the "BSCC"), an entity of state government of the State, as Tenant. The Participating County and the BSCC are sometimes referred to collectively as the "Parties", and individually as a "Party".

**RECITALS**

WHEREAS, pursuant to Chapter 3.13 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.92), the State Public Works Board (the "Board") is authorized to finance the acquisition, design and construction of an adult local criminal justice facility approved by the BSCC pursuant to Section 15820.925 and following, as amended, (the "SB 1022 Adult Local Criminal Justice Facilities Financing Program"), the Participating County, the BSCC and the Board entered into the Project Delivery and Construction Agreement (the "PDCA") dated as of December 18, 2015, for reference only; and

WHEREAS, further to the PDCA, the Participating County has proposed to build an adult local criminal justice facility as more particularly described in Exhibit A attached hereto (the "Project"), to be located on real property owned in fee simple by the Participating County and legally described and depicted in Exhibit B attached hereto (the "Site"); and

WHEREAS, further to the PDCA, the BSCC desires to ground lease the Site from the Participating County to assist the Participating County in obtaining eligibility for the Board lease revenue bond financing to finance a portion of the construction of the Project (the "Bonds"); and

WHEREAS, the BSCC and the Board desire that the term of this Ground Lease not terminate or expire until the Bonds have been paid in full or retired under the provisions of the Bond Documents; and

WHEREAS, the Participating County is desirous of maintaining its eligibility to receive financing for the Project, and to achieve this end, the Participating County is willing to lease the Site to the BSCC; and

WHEREAS, concurrently with the execution of this Ground Lease, the BSCC as the Licensor and the Participating County as the Licensee, have entered into a Right of Entry for Construction and Operation (the "Right of Entry") in substantially the form attached as Exhibit C to the PDCA, authorizing the Participating County to enter the Site for the purpose of constructing the Project and for operation of the Project upon substantial completion of construction; and

WHEREAS, if the Participating County maintains its eligibility in the SB 1022 Adult Local Criminal Justice Facilities Financing Program, and the Board in its sole discretion, is able to issue the Bonds to finance the Project in its typical and customary manner, the BSCC will concurrently sublease the Site to the Board, (the "Site Lease"), and enter into a Facility Lease

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(the "Facility Lease") providing for the Board to sublease to the BSCC the Site and the Project (together the "Facility"). The Site Lease and the Facility Lease will provide security for the Bonds to be issued by the Board under an indenture (the "Indenture") between the Board and the Treasurer of the State, as trustee (the "State Treasurer"); and

WHEREAS, if the Board is able to issue the Bonds for the Project in its typical and customary manner, concurrently with executing the Site Lease and the Facility Lease, the BSCC and the Participating County intend to enter into a Facility Sublease (the "Facility Sublease") whereby the BSCC will sublet the Facility to the Participating County pursuant to the terms of the Facility Sublease; and

**NOW, THEREFORE**, in consideration of the mutual obligations of the Parties hereto, the Participating County hereby leases to the BSCC, and the BSCC hereby leases from the Participating County, the Site subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which the Participating County and the BSCC hereby mutually agree.

SECTION 1. Definitions.

As used herein, the following terms shall have the following meanings:

(a) "SB 1022 Adult Local Criminal Justice Facilities Financing Program" has the meaning given to such term in the Recitals.

(b) "Abatement Event" shall have the meaning given to such term in the Facility Lease.

(c) "Board" means the State Public Works Board of the State of California, an entity of state government of the State.

(d) "Bond Documents" mean each and every document evidencing the Bonds, including, but not limited to, the Site Lease, the Facility Lease, the Facility Sublease, and the Indenture.

(e) "Bonds" has the meaning given to such term in the Recitals.

(f) "BSCC" has the meaning given to such term in the preamble and Recitals.

(g) "Claims" has the meaning given to such term in Section 23 of this Ground Lease.

(h) "DGS" means the Department of General Services of the State of California, an entity of state government of the State.

(i) "Easements" mean the access, utilities and repairs easements described in Subsection 4(b) of this Ground Lease.

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(j) “Easement Agreement” means an easement agreement memorializing the grant of Easements by the Participating County, as grantor, to the BSCC, as grantee, in the form of Exhibit C attached hereto.

(k) “Easement Property” means real property owned by the Participating County that is burdened by the Easement Agreement as described in Exhibit 2 to the Easement Agreement.

(l) “Effective Date” means the date this Ground Lease is valid, binding and effective as provided in Section 2 of this Ground Lease.

(m) “Facility” has the meaning given to such term in the Recitals.

(n) “Facility Lease” has the meaning given to such term in the Recitals.

(o) “Facility Sublease” has the meaning given to such term in the Recitals.

(p) “Ground Lease” has the meaning given to such term in the preamble, including all exhibits attached hereto.

(q) “Hazardous Materials” mean any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Talmer Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code.

(r) “Improvements” mean the physical construction of the Project and other buildings, improvements, structures, furnishings and equipment placed in, under or upon the Site by the Participating County under the terms and conditions in the Right of Entry or this Ground Lease.

(s) “Indemnitees” has the meaning given to such term in Section 24 of this Ground Lease.

(t) “Indenture” has the meaning given to such term in the Recitals.

(u) “Landlord” has the meaning given to such term in the preamble.

(v) “Leasehold Estate” means the real property right and interest held by the BSCC as Tenant to possess, use and access the Site and the Project under the terms and conditions of this Ground Lease.

(w) “Participating County” has the meaning given to such term in the preamble.



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- (x) “Parties” has the meaning given to such term in the preamble.
- (y) “Party” has the meaning given to such term in the preamble.
- (z) “PDCA” has the meaning given to such term in the Recitals.
- (aa) “Permitted Encumbrances” has the meaning given to such term in Subsection 3(b)(4) of this Ground Lease.
- (bb) “Project” means the buildings, structures, works and related improvements constructed or to be constructed on the Site, as are more particularly described in Exhibit A attached hereto, and any and all additions, betterments, extensions and improvements thereto.
- (cc) “Resolution” has the meaning given to such term in Subsection 3(b)(1) of this Ground Lease.
- (dd) “Right of Entry” has the meaning given to such term in the Recitals.
- (ee) “Right of First Offer” has the meaning given to such term in Section 13 of this Ground Lease.
- (ff) “Site” has the meaning given to such term in the Recitals.
- (gg) “Site Lease” has the meaning given to such term in the Recitals.
- (hh) “State” means the state government of the State of California.
- (ii) “State Treasurer” has the meaning given to such term in the Recitals.
- (jj) “Tenant” has the meaning given to such term in the preamble.
- (kk) “Term” has the meaning given to such term in Section 10 of this Ground Lease.

### SECTION 2. Effective Date.

The Parties hereby confirm and agree that this Ground Lease is effective and binding on the Parties upon the first day (the “Effective Date”) on which this Ground Lease has been consented to by the Board and a duly authorized representative of the Board has consented to this Ground Lease by executing it below.

### SECTION 3. Representations, Warranties and Covenants.

(a) Representations and Warranties of the BSCC. In addition to any express agreements of Tenant herein, the BSCC makes the following representations and warranties to the Participating County as of the Effective Date:

(1) The BSCC has full legal right, power and authority to enter into this Ground Lease as Tenant and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this

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Ground Lease. The BSCC shall cause an opinion, dated as of January 11, 2016 and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the BSCC's execution of this Ground Lease;

(2) The officers of the BSCC executing this Ground Lease are duly and properly holding their respective offices and are fully authorized to execute this Ground Lease; and

(3) This Ground Lease has been duly authorized, executed and delivered by the BSCC, and will constitute a legal, valid and binding agreement of the BSCC, enforceable against the BSCC in accordance with its terms on the Effective Date.

(b) Representations, Warranties and Covenants of the Participating County. In addition to any express agreements of Landlord herein, the Participating County makes the following representations, warranties and covenants to the BSCC as of the Effective Date:

(1) The Participating County, by Resolution of the Board of Supervisors ("Resolution"), has full legal right, power and authority to enter into this Ground Lease as Landlord, to transfer and convey the Leasehold Estate to the BSCC under this Ground Lease, and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this Ground Lease. The Participating County shall cause an opinion, dated as of January 11, 2016 and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the Participating County's execution of this Ground Lease.

(2) The officers of Participating County executing this Ground Lease are duly and properly holding their respective offices and have the legal power, right and are fully authorized to execute this Ground Lease pursuant to the Resolution.

(3) This Ground Lease has been duly authorized, executed and delivered by Participating County, and will constitute a legal, valid and binding agreement of Participating County, enforceable against the Participating County in accordance with its terms upon the Effective Date.

(4) The Participating County is the owner in fee simple of the Site and has marketable and insurable fee simple title to the Site, there is no suit, action, arbitration, legal, administrative, or other proceeding or inquiry pending against the Site or pending against the Participating County which could affect the Participating County's title to the Site, affect the value of the Site, or subject an owner of the Site to liability and there are no outstanding mortgages, deeds of trust, bond indebtedness, leaseholds, pledges, conditions or restrictions, liens or encumbrances against the Site except as identified in Exhibit E, attached hereto, collectively, the "Permitted Encumbrances".

(5) No consent, permission, authorization, order, license, or registration with any governmental authority is necessary in connection with the execution and delivery of this Ground Lease, except as have been obtained.

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(6) There exists no litigation or other proceeding pending or threatened against the Participating County except as identified in Exhibit F, attached hereto, that, if determined adversely, would materially and adversely affect the ability of the Participating County to perform its obligations under this Ground Lease.

(7) This Ground Lease is, and all other instruments, documents, exhibits, and agreements required to be executed and delivered by the Participating County in connection with this Ground Lease are and shall be, duly authorized, executed and delivered by the Participating County and shall be valid, legally binding obligations of and enforceable against the Participating County in accordance with their terms.

(8) Neither the execution and delivery of this Ground Lease and documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Ground Lease and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any agreements or instruments to which the Participating County is a party or affecting the Site.

(9) There are no attachments, execution proceedings, or assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against the Participating County.

(10) There are no and have been no:

(A) actual or pending public improvements which will result in the creation of any liens, encumbrances or assessments upon the Site, including public assessments or mechanics liens, other than the Permitted Encumbrances, and the Participating County agrees to indemnify, defend and hold the BSCC free and harmless from and against any claims, liabilities, losses, costs, damages, expenses and attorneys' fees arising from any liens, encumbrances or assessments that have been, or may be, imposed upon the Site as a consequence of actual or impending public improvements at or after the Effective Date, including any obligations to pay a fee or assessment for infrastructure to the extent such liability survives or continues at or after the Effective Date, and the BSCC agrees to cooperate with the Participating County, at the Participating County's costs and to the extent permitted by law, with respect to the Participating County's efforts to remove any such liens, fees, assessments, or encumbrances.

(B) uncured notices from any governmental agency notifying the Participating County of any violations of law, ordinance, rule, or regulation, including Environmental Laws, occurring on the Site.

(C) notices of any condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the use, operation or value of the Site.

(11) The Participating County hereby agrees that it will not enter into any new leases or any other obligations or agreements that will affect the Site at or after the Effective Date, without the express prior written consent of the BSCC and approval of the Board.

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(12) The Participating County will not subject the Site to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date without the express prior written consent of the BSCC and the approval of the Board.

(13) The Participating County shall promptly notify the BSCC of any event or circumstance that makes any representation or warranty of the Participating County under this Ground Lease untrue or misleading, or of any covenant of the Participating County under this Ground Lease incapable or less likely of being performed. The Participating County's obligation to provide the notice described in the preceding sentence to the BSCC shall in no way relieve the Participating County of any liability for a breach by the Participating County of any of its representations, warranties or covenants under this Ground Lease.

(14) The BSCC shall at all times during the Term have access to and from the Site.

(15) No representation, warranty or statement of the Participating County in this Ground Lease or in any document, certificate, exhibit or schedule furnished or to be furnished to the BSCC pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

### SECTION 4. Lease of the Site, Access, Utilities and Repairs Easements and Recordation of Lease.

(a) Lease of the Site and Recordation of Ground Lease. The Participating County hereby leases the Site to the BSCC and the BSCC leases the Site from the Participating County. The Participating County further agrees to provide, or cause to be provided, to the BSCC and its assigns or sublessees, adequate parking spaces at no cost, and such utility services as the Participating County customarily provides or causes to be provided to facilities similar to the Project, including without limitation electricity, gas, water, sewer, garbage disposal, heating, air conditioning and telephone. The BSCC and the Board shall have the right to record this Ground Lease in the Official Records of the Participating County as of the Effective Date or anytime thereafter.

(b) Access, Utilities and Repairs Easement. As of the Effective Date, the Participating County agrees to grant to the BSCC, for the use, benefit and enjoyment of the BSCC and its lessees, successors and assigns, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public using or visiting the Site or the Project, a non-exclusive easement over, across and under the Easement Property for the purpose of: a) ingress, egress, passage or access to and from the Site by pedestrian or vehicular traffic; b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and c) other purposes and uses necessary or desirable for access to and from the Site for the repair, operation and maintenance of the Facility (collectively the "Easements"). The grant of the Easements shall be memorialized in that certain Easement Agreement for Grants of Access, Utilities and Repairs (the "Easement Agreement") in substantially the form of Exhibit C attached to this Ground Lease. The BSCC and the Board shall have the right to record the

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Easement Agreement in the Official Records of the Participating County as of the Effective Date or anytime thereafter. The Easements to be granted by the Participating County are subject to the limitations set forth in the Easement Agreement. In the event of a conflict or ambiguity, with respect to the terms of the Easements, between this Ground Lease and the Easement Agreement, the terms of the Easement Agreement shall control.

### SECTION 5. Landlord Right of Entry for Construction and Operation.

(a) Landlord Right of Entry for Construction and Operation. Notwithstanding anything to the contrary contained herein, Landlord has reserved the right to enter and use the Site for construction of the Project pursuant to the terms and conditions in the Right of Entry.

(b) Quiet Enjoyment. The Participating County covenants that the BSCC, its assigns or sublessees, may quietly have, hold, and enjoy all of the Site and the Improvements during the Term of this Ground Lease and any extended term hereof, without hindrance or interruption by the Participating County or by any other person or persons lawfully or equitably claiming by, through or under the Participating County, except as limited by the Permitted Encumbrances.

### SECTION 6. Purpose and Use.

The Parties reasonably expect for the Site to be used by the BSCC, and each of its assigns or sublessees during the Term of this Ground Lease, for the purpose of causing the construction, operation and maintenance of the Project and appurtenances thereto; provided however, the Parties acknowledge that the Site may be utilized for other types of correctional housing or other public purposes as may be required to exercise the Board's obligations, rights and remedies under the Bond Documents.

The Participating County acknowledges and confirms that the BSCC's use of the Leasehold Estate created hereunder includes, but is not limited to, allowing for potential financing and construction of the Project and the leasing of the Site and/or the Facility pursuant to the Site Lease, the Facility Lease, and the Facility Sublease and for such other purposes as may be incidental thereto. The Participating County further acknowledges and confirms the Board's right to relet the Facility in the event of a default under the Facility Lease and to provide for all other rights and remedies of the Board, the State Treasurer, and the owners of the Bonds in the event of a default under the Bond Documents.

### SECTION 7. Assignment or Sublease.

The BSCC may sublet or assign all or a portion of the Site or the Project or assign this Ground Lease or any interest therein, without the prior consent or approval of the Participating County; provided, however, any sublet or assignment shall be subject to the prior approval of the Board and Participating County is provided notice of said sublet or assignment. Notwithstanding that the Participating County's consent or approval is not required for any subletting of the Site or the Project, to assist with the Board's financing of the Project, the Participating County hereby consents to and approves the sublease of the Site, together with the Improvements, to the Board under the Site Lease and the further subletting of the Facility by the Board to the BSCC under the Facility Lease.

**SECTION 8. No Commitment to Issue the Bonds and Non-Liability of the BSCC and the State.**

The delivery of this Ground Lease shall not directly, indirectly or contingently, obligate the BSCC, the Board or any other subdivision of the State to issue the Bonds or levy any form of taxation or to make any appropriation with respect to the Project. Any obligation of the BSCC created by or arising out of this Ground Lease shall not impose a debt or pecuniary liability upon the BSCC, the Board or any other subdivision of the State, or a charge upon the general credit or taxing powers thereof but shall be payable solely out of funds duly authorized and appropriated by the State.

**SECTION 9. Cooperation.**

The Participating County has a duty to fully cooperate and provide all necessary assistance to the BSCC and the Board to aid them in their efforts to finance the Project. The Participating County acknowledges that it is authorized and directed to provide cooperation concerning the issuance of the Bonds, including without limitation, executing and delivering such certificates, legal opinions or instruments as the BSCC or the Board may reasonably request. The Participating County's legal counsel, Chief Administrative Officer and its Sheriff are authorized and directed to cooperate in the issuance of the Bonds and to execute all documents reasonably needed to accomplish such financing.

**SECTION 10. Term and Extension.**

The Term of this Ground Lease shall commence on the Effective Date and shall co-terminate on the same date as the Facility Lease, unless such Term is extended by the parties thereto, or unless sooner terminated as provided herein, except no termination of this Ground Lease shall occur until all the Bonds and all other indebtedness incurred by the Board for the Project, if any, have been fully repaid.

**SECTION 11. Rental.**

The BSCC shall pay the Participating County rental in the sum of Ten Dollars (\$10.00) per year, all of which rental shall be deemed to have been prepaid to the Participating County by the BSCC on the Effective Date and, thereby acknowledges the Participating County's match funding requirement has been sufficiently met. The Participating County agrees that the payment of such rental is adequate consideration for the leasing of the Site, together with the Improvements, under this Ground Lease.

**SECTION 12. Taxes and Assessment.**

The BSCC shall pay or cause to be paid all lawful taxes that may be levied at any time upon any interest the BSCC may have under this Ground Lease (including both the Site and the Improvements after the Effective Date). The Participating County and the BSCC each represent and acknowledge that neither Party believes or expects that its respective interests in the Site are subject to payment of property taxes. The BSCC shall have the right to contest the validity of any levy or tax assessment levied upon the BSCC's interest in the Site.

SECTION 13. Right of First Offer and Priority of Ground Lease.

(a) Right of First Offer. Should the Participating County decide to sell the Site at any time during the Term of this Ground Lease, the Participating County shall notify the BSCC and the Board in writing of such intention prior to soliciting offers from any prospective purchasers. In such event, the BSCC and the Board shall have fifteen (15) months from receipt of such notification of intention to sell to inform the Participating County of the BSCC's interest in acquiring the Site. The Participating County understands that the State's acquisition process requires an appropriation of funds and the approval of the Board. The Participating County agrees to reasonably cooperate with the BSCC in obtaining such approval and in meeting any other State property acquisition requirements that may exist at that time. If the BSCC informs the Participating County of the BSCC's intention to acquire the Site within said fifteen (15) month period, the Parties agree to negotiate a purchase agreement in good faith and at a price that is the fair market value of the Site at the time the BSCC exercises its Right of First Offer.

(b) Priority of Ground Lease. If the BSCC and the Participating County are unable to agree on the terms and conditions for the purchase and sale of the Site, or if the Board does not approve the acquisition of the Site by the BSCC, the Participating County shall be free to market and sell the Site to a third party; provided, however, any new owner of the Site shall acquire the Site subject to this Ground Lease and any encumbrances related to the Bonds and the Bond Documents. The BSCC and the Board shall have no obligation to subordinate the Ground Lease, the Bonds or the Bond Documents to accommodate the new owner or lender(s).

SECTION 14. Damage or Destruction.

Damage or destruction to the Project shall not act to terminate or cancel this Ground Lease. In the event of any damage or destruction of the Project, the use of the proceeds of any property casualty or builder's risk insurance required to be procured and maintained pursuant to the PDCA, or any insurance required by the Facility Lease or Facility Sublease shall be governed by the terms of the agreement that required the procurement of such insurance.

SECTION 15. Insurance.

Except for insurance obligations that may arise as a result of the issuance of the Bonds by the Board, or as may be required by the PDCA, the BSCC shall have no obligation to purchase insurance for the Site or the Project, including but not limited to any general liability, earthquake, flood, fire or extended casualty coverage.

SECTION 16. Condition and Title to the Improvements on Termination.

Upon termination or expiration of this Ground Lease, the BSCC shall have no obligation, to remove the Improvements. Title to the Improvements, including the Project, during the Term shall be vested in the State. Subject to the terms and conditions in the Bond Documents, at the termination or expiration of this Ground Lease, fee title to the Improvements, including the Project, shall vest in the Participating County and become the property of the Participating County without further action of any Party and without the necessity of a deed from the BSCC to the Participating County.

SECTION 17. The BSCC's Right to Terminate.

The BSCC, with the approval of the Board, shall have the right to terminate this Ground Lease upon thirty (30) days written notice to the Participating County without any liability; provided, however, no termination of this Ground Lease or reversion of title to any portion of the Site or vesting of title to the Project may occur until the Bonds have been fully paid or retired under the provisions of the Bond Documents.

SECTION 18. The Participating County's Right to Terminate

Participating County's proper exercise of its termination rights pursuant to Article 2, section 2.2(b) of the PDCA serves to terminate this Ground Lease effective on the date of termination of the PDCA.

SECTION 19. Non-Termination, Default and Damages.

This Ground Lease shall expire at the end of the Term. It is expressly agreed by the Parties to this Ground Lease that any default under this Ground Lease will not allow either Party to terminate or otherwise interfere with the BSCC's quiet enjoyment and beneficial use of the Site and the Project under this Ground Lease, the Site Lease or the Facility Lease. Until such time as the Bonds have been fully paid or retired under the provisions of the Bond Documents, the sole remedy of any Party upon such default shall be a suit for money damages or specific performance to remedy such a default.

SECTION 20. Waste and Hazardous Materials.

Neither the Participating County nor the BSCC shall knowingly commit, suffer or permit any waste or nuisance on the Site or any acts to be done thereon in violation of any laws or ordinances. To the Participating County's best knowledge, after having examined its documents, public records and other instruments and having made inquiry of appropriate departments and agencies with respect to the Site and, except as specifically provided in this Ground Lease, no Hazardous Materials, were used, generated, stored, released, discharged or disposed of on, under, in, or about the Site or transported to or from the Site. The Participating County represents with respect to the Site that neither the Participating County nor any other person or entity under the control of, or with the knowledge of the Participating County will cause or permit the use generation, storage, release, discharge, or disposal of any Hazardous Materials on, under, in, or about the Site or transported to or from the Site.

SECTION 21. Eminent Domain.

If the whole or any portion of the Site or the Project shall be taken in eminent domain proceedings, or by sale in lieu of such taking by a governmental entity threatening to use the power of eminent domain, and which taking in the collective judgment of the BSCC, the Board, and the State Treasurer renders the Site and/or the Project unsuitable for the continued use by the State, then this Ground Lease shall terminate when possession is taken by the condemning entity.

If this Ground Lease is terminated because of such taking and any of the Bonds are outstanding, then all proceeds from any permanent or temporary taking shall be used to repay



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any outstanding Bonds as provided in the Bond Documents, including any outstanding or accrued interest, and upon full repayment of the Bonds then the remaining proceeds, if any, shall be distributed to the BSCC and the Participating County according to their respective interests as provided in the Bond Documents. The Participating County and the BSCC shall each have the right to represent its own interest, at its own cost and expense, in any proceedings arising out of such taking, and each of the Participating County and the BSCC shall reasonably cooperate with the other, including without limitation, settling with the condemning authority only with the other Party's consent if such settlement would affect the other Party's rights.

If this Ground Lease is not terminated because of such taking, then it shall remain in full force and effect with respect to the remainder of the Site and the Project. The Participating County and the BSCC each waives the provisions of the California Code of Civil Procedure, Section 1265.130, or any similar law that permits a Party to petition a court to terminate this Ground Lease upon a taking affecting the Site or the Project, the Parties agreeing that any such termination rights shall be only as expressly set forth in this Ground Lease.

### SECTION 22. Non-Discrimination.

During the performance of this Ground Lease, the Participating County shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Participating County shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Participating County shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter I, Part I, Division 3, Title 2 of the Government Code (Government Code, Sections 11135 - 11139.5), and the regulations or standards adopted to implement such article.

### SECTION 23. Liens.

In the event the BSCC, the Board or their designees, at any time during the Term, causes any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Project or the Site, the BSCC, the Board or their designees shall pay, when due, all sums of money that may become due for any labor, services, materials, supplies or equipment furnished to or for the BSCC or the Board, upon or about the Project or the Site and which may be secured by any lien against the Project or the Site or the BSCC's or the Board's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or comes due; except that, if the BSCC or the Board desires to contest any such lien, it may do so. If any such lien is reduced to final judgment and such judgment or other process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, said stay thereafter expires, the BSCC or the Board shall forthwith pay and discharge said judgment.

SECTION 24. Indemnification.

As required by Section 15820.92(d) of the California Government Code, the Participating County hereby agrees that it shall indemnify, protect, defend and hold harmless the State, including but not limited to, the BSCC, the Board, DGS, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants and agents (collectively the “Indemnitees”), for any and all claims, liabilities and losses arising out of the use of the Site or the Project, including, but not limited to all demands, causes of action and liabilities of every kind and nature whatsoever arising out of, related to, or in connection with (a) any breach of this Ground Lease by the Participating County; (b) the construction, operation, maintenance, use and occupancy of the Project; (c) any acts or omissions of any contractor hired by the Participating County or its agents or subcontractor hired by such contractor (collectively the “Claims”). The Participating County’s obligation to indemnify, defend, and save harmless the Indemnitees shall extend to all Claims arising, occurring, alleged, or made any time, including prior to, during, or after this Ground Lease is in full force and effect. The Participating County’s obligation to indemnify, defend, and save harmless the Indemnitees shall apply regardless of any active and/or passive negligent act or omission of the Indemnitees, but the Participating County shall not be obligated to provide indemnity or defense for Indemnitees wherein the Claims arise out of the gross negligence or willful misconduct of the Indemnitees. The indemnification obligation of the Participating County set forth in this Section shall survive the expiration of the Term or earlier termination of this Ground Lease.

SECTION 25. Non-Encumbrance.

The Participating County covenants that the Facility is not and will not be mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been and will not be the subject of a grant of a security interest by the Participating County without the written consent of the BSCC and the Board. The Participating County further covenants that it shall not in any manner impair, impede or challenge the security, rights and benefits of the owners of the Bonds or the trustee for the Bonds.

SECTION 26. Miscellaneous.

(a) Amendments. This Ground Lease may only be amended, changed, modified or altered in writing by the Parties. As long as any of the Bonds are outstanding the Board must consent to any amendment hereto to be effective.

(b) Waiver. The waiver by any Party of a breach by the other Party of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

(c) Law Governing. This Ground Lease shall be governed exclusively by the provisions hereof and by the laws of the State and any action arising from or relating to this Ground Lease shall be filed and maintained in Sacramento County Superior Court, Sacramento, California.

(d) Section Headings. All articles, paragraph and section headings, titles or captions contained in this Ground Lease are for convenience of reference only and are not intended to

define or limit the scope of any provision of this Ground Lease.

(e) Conflicts Between Terms of Documents. Nothing in this Ground Lease is intended to amend, modify or supersede the PDCA except as expressly provided herein. In the event of any inconsistency in the PDCA and this Ground Lease, the inconsistency shall be resolved by giving preference to the PDCA. In the event of any inconsistency between this Ground Lease and the Bond Documents, the inconsistencies shall be resolved by giving preference to the Bond Documents.

(f) Relationship of Parties. The BSCC and its agents and employees involved in the performance of this Ground Lease shall act in an independent capacity and not as officers, employees or agents of the Participating County.

(g) Successors and Assigns. The terms and provisions hereof shall extend to and be binding upon and inure to the benefit of the successors and assigns of the respective Parties.

(h) Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason by a court of competent jurisdiction and the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants or conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

(i) Notices. All notices herein which are to be given or which may be given by either Party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows:

To the BSCC: Board of State and Community Corrections  
2590 Venture Oaks Way, Suite 200  
Sacramento, CA 95833  
Attention: Executive Director  
Facsimile: 916-327-3317

To the Board: State Public Works Board  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, CA 95814  
Attention: Executive Director  
Facsimile: 916-449-5739

To the Participating County: County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer  
Facsimile: 209-544-6226

Nothing herein contained shall preclude the giving of any such written notice by personal

**EXECUTION COPY**

service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed to a Party may be changed by written notice given to all Parties as hereinabove provided.

(j) Execution and Counterparts. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Ground Lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the signatories to this Ground Lease, all with the same force and effect as though the same counterpart had been executed by all of the signatories.

(k) Bankruptcy. In the event of any bankruptcy proceeding, this Ground Lease will not be treated as an executory contract and cannot be rejected by the Participating County.

(l) Exhibits. The following Exhibits are attached to this Ground Lease and incorporated by reference herein.

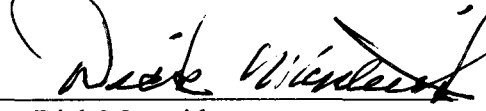
- Exhibit A: Project Description
- Exhibit B: Legal Description and Depiction of the Site
- Exhibit C: Form of Easement Agreement for Grants of Access, Utilities and Repairs
- Exhibit D: Form of Legal Opinion Letter
- Exhibit E: List of the Permitted Encumbrances
- Exhibit F: Pending and Threatened Lawsuits

**[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]**

**EXECUTION COPY**

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

**COUNTY OF STANISLAUS**

By:   
Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

**EXECUTION COPY**

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Title: Deputy Director

Date: \_\_\_\_\_

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By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By:  \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: January 11, 2016

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
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Title: Executive Director

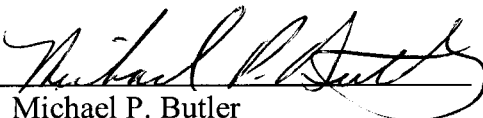
**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

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CALIFORNIA**

(Pursuant to Government Code Section 11005)

By:  \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section



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 )

County of Stanislaus )

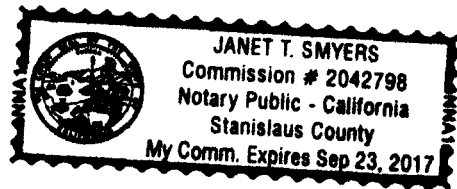
On January 7, 20 ~~16~~ before me, Janet T. Smyers, Notary Public, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Janet T Smyers



(Seal)

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, Board of State and Community Corrections )

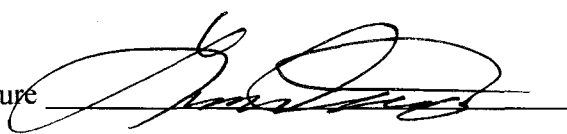
County of Stanislaus )

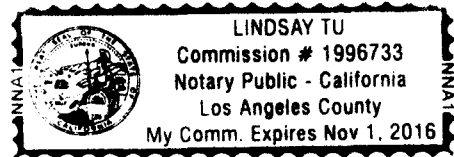
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(here insert name and title of the officer)

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

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WITNESS my hand and official seal.

Signature 



(Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the interest in real property conveyed by the Ground Lease dated as of January 11, 2016 for reference only from the County of Stanislaus, a Political Subdivision of the State of California to the State of California on behalf of the Board of State and Community Corrections of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

*Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.*

ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: [Signature]  
Name: Koreen Hansen  
Title: Deputy Director

Date: January 11, 2016

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

Date: \_\_\_\_\_

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: \_\_\_\_\_

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STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: Kathleen T. Howard  
Name: Kathleen T. Howard  
Title: Executive Director

Date: 01/07/16

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: \_\_\_\_\_

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ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

Date: \_\_\_\_\_

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: Michael P. Butler  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: 1/14/2016

**EXHIBIT A**

**Project Description**

Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center

**PROJECT SCOPE**

This project will design and construct a new Reentry and Enhanced Alternatives to Custody Training Center adjacent to an existing jail. The project will be constructed on approximately 3.5 acres of the greater 127± acres of county-owned land at the Stanislaus County Public Safety Center in the City of Ceres. This new facility will be dependent on the adjacent, existing jail for several core operational components, including main kitchen; laundry; offender intake, release, and transportation; and staff support services.

The new building will provide a public lobby and reception area, administration space, a processing area, classrooms, a multipurpose room, counseling rooms, housing for up to approximately 288 adult offenders in secure transitional housing units, and all necessary circulation and common space. The housing units will include a secure sally port, a security control center, video visitation, a re-therm kitchen, secure dayrooms, outdoor recreation space, and showers and toilets. They will also include numerous programs and training rooms for adult education, religious services, counseling, self-help classes, mental health evaluations/classes, and other life-skills and job/career preparation programs.

The project will also include, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems; as well as security fencing and additional staff and visitor parking.

**EXHIBIT B**

**Legal Description and Depiction of the Site**

## LEGAL DESCRIPTION OF THE SITE

ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Southwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

### SITE AREA:

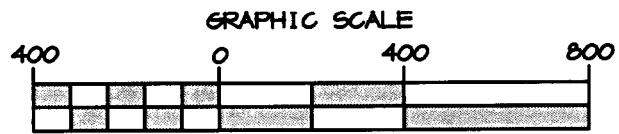
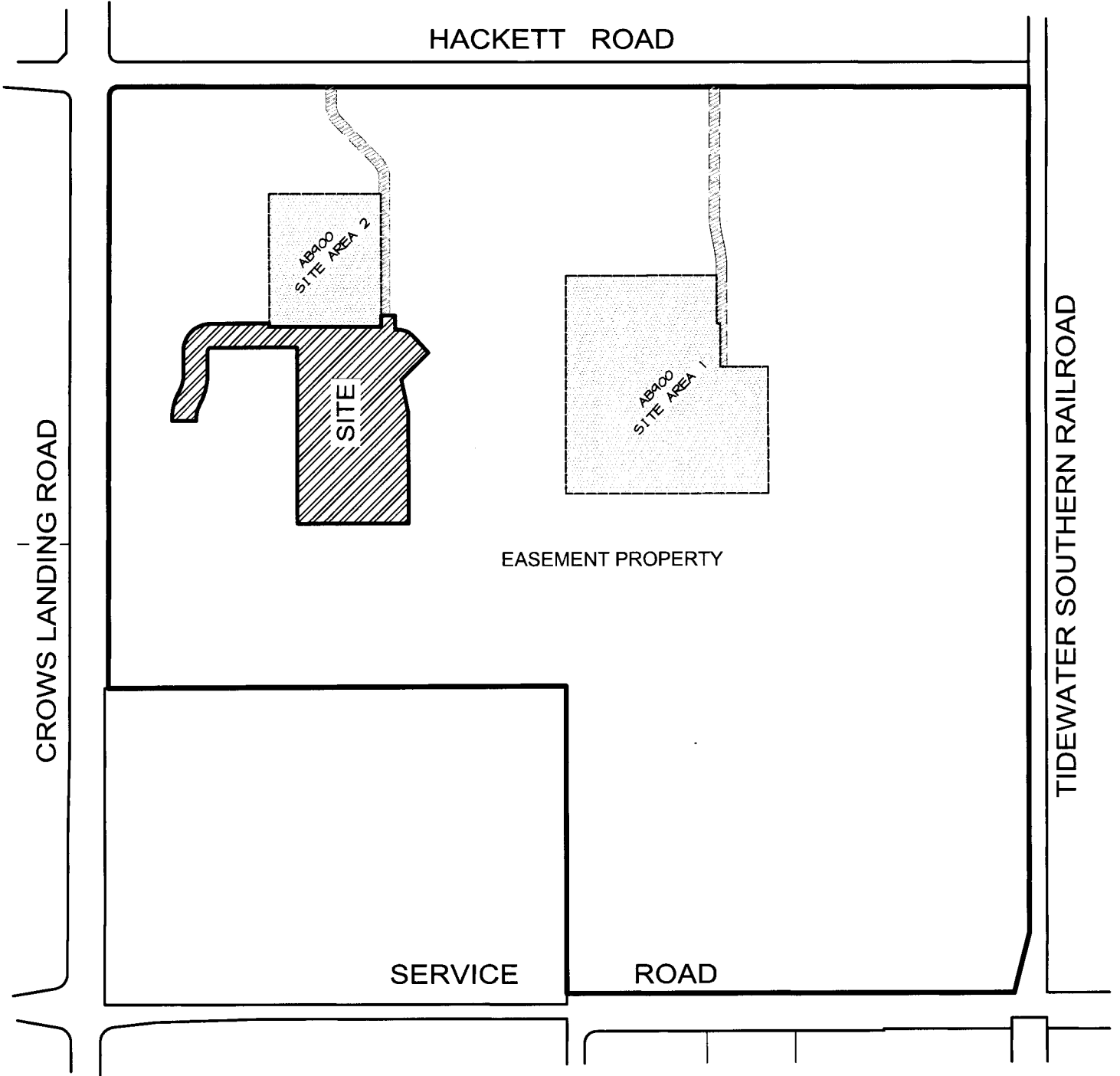
COMMENCING at the Northeast corner of the Southwest Quarter of said 16; thence North 89°52'43" West along the North line of said Southwest Quarter, a distance of 2168.07 feet; thence South 00°00'00" East, a distance of 700.00 feet to the POINT OF BEGINNING of this description; thence continuing 1) South 00°00'00" East, a distance of 10.00 feet; thence 2) South 90°00'00" East, a distance of 315.00 feet; thence 3) North 00°00'00" West, a distance of 30.84 feet; thence 4) North 89°55'51" East, a distance of 39.00 feet; thence 5) South 00°00'00" East, a distance of 38.89 feet; thence 6) North 90°00'00" East, a distance of 7.90 feet to a point of curvature of a tangent curve, concave southwesterly and having a radius of 60.00 feet; thence 7) southeasterly along the arc of said curve, through a central angle of 47°59'26", an arc distance of 50.26 feet; thence 8) South 42°00'34" East, a distance of 61.76 feet; thence 9) South 45°04'41" West, a distance of 107.15 feet; thence 10) South 11°57'54" East, a distance of 93.24 feet; thence 11) South 00°06'00" West, a distance of 314.60 feet; thence 12) North 89°55'19" West, a distance of 312.29 feet; thence 13) North 00°04'41" East, a distance of 496.79 feet; thence 14) North 90°00'00" West, a distance of 243.65 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 10.00 feet; thence 15) southwesterly along the arc of said curve, through a central angle of 89°55'19", an arc distance of 15.69 feet; thence 16) South 00°04'41" West, a distance of 68.97 feet to a point of curvature of a tangent curve, concave northwesterly and having a radius of 159.00 feet; thence 17) southwesterly along the arc of said curve, through a central angle of 29°17'46", an arc distance of 81.30 feet to a point of reverse curvature of a curve, concave southeasterly and having a radius of 91.00 feet of which the radius point bears South 60°37'34" East ; thence 18) southerly along the arc of said curve, through a central angle of 32°08'48", an arc distance of 51.06 feet; thence 19) South 89°57'56" West, a distance of 68.04 feet to a point of curvature of a curve, concave southeasterly and having a radius of 159.00 feet of which the radius point bears North 88°23'55" East; thence 20) northeasterly along the arc of said curve, through a central angle of 30°58'31", an arc distance of 85.96 feet to a point of reverse curvature of a curve, concave northwesterly and having a radius of 91.00 feet of which the radius point bears South 60°37'34" East; thence 21) northerly along the arc of said curve, through a central angle of 29°17'46", an arc distance of 46.53 feet; thence 22) North 00°04'41" East, a distance of 68.97 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 78.00 feet; thence 23) northeasterly along the arc of said curve, through a central angle of 89°55'19", an arc distance of 122.42 feet; thence 24) South 90°00'00" East, a distance of 164.55 feet to the point of beginning.

CONTAINING 4.83 acres more or less

Prepared by:  
Dave L. Skidmore, L.S. 7126  
December 30, 2015







1" = 400'

EXHIBIT C

(Form of Easement Agreement for Grants of Access, Utilities and Repairs)

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code.

[THE AREA ABOVE IS RESERVED FOR RECORDER'S USE]

EASEMENT AGREEMENT FOR GRANTS OF ACCESS, UTILITIES AND REPAIRS

This Easement Agreement for Grants of Access, Utilities and Repairs (this "Easement Agreement"), dated for reference only as of \_\_\_\_\_, 20\_\_, is made by and between COUNTY OF \_\_\_\_\_, (the "Participating County"), a Political Subdivision of the State of California, as grantor, and the ["DEPARTMENT OF CORRECTIONS AND REHABILITATION" OR BOARD OF STATE AND COMMUNITY CORRECTIONS"] OF THE STATE OF CALIFORNIA (the "Department"), an entity of state government of the State of California, as grantee.

RECITALS

A. The Participating County, as landlord, and the Department as tenant, entered into a ground lease dated as of \_\_\_\_\_, 20\_\_ for reference only, (the "Ground Lease") for the lease of that certain real property located in the County of [\_\_\_\_\_] and more particularly described in Exhibit 1, attached hereto and incorporated herein by this reference (the "Site"); and

B. The Ground Lease provides that the Participating County, as owner of certain real property adjacent to the Site, shall grant Easements to the Department in the Easement Property, which is more particularly described in Exhibit 2, attached hereto and incorporated herein by this reference; and

C. The Participating County and the Department desire to the grant of Easements in the Easement Property on the terms and conditions contained in this Easement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

## EXECUTION COPY

1. Definitions. Unless otherwise required by the context, all capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Ground Lease or the Project Delivery and Construction Agreement.

2. Grant and Description of Easements.

2.1 Grant of Access Easement. The Participating County, as the owner of the Easement Property, hereby establishes and grants to and for the benefit of the Department and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement over and across the Easement Property as shown in Exhibit 2 hereto for purposes of ingress and egress to and from the Site and the Project (the "Access Easement"); provided, however, that rights pursuant to such Access Easement shall only be exercised if there is no reasonable access to the Site and the Project via adjacent public streets and roadways and subject to the security limitations set forth in Section 2.3 hereof; and provided further, that such Access Easement is only effective (i) during such times where the Department, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease.

2.2 Grant of Utilities and Repairs Easement. The Participating County, as the owner of the Easement Property, hereby grants to and for the benefit of the Department and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement across, over and under the Easement Property as shown in Exhibit 2 hereto for the purpose of: a) installation, maintenance and replacement of utility wires, cables, conduits and pipes for "Utilities", as defined below; and b) other purposes and uses necessary or desirable for the repair, operation and maintenance of the Facility (the "Utilities and Repairs Easement" and together with the Access Easement, the "Easements"); provided, however, that such Utilities and Repairs Easement is subject to the security limitations set forth in Section 2.3 hereof; and; provided further, that such Utilities and Repairs Easement is only effective (i) during such times where the Department, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease. "Utilities" shall mean any and all wet and dry utilities (including sewer) necessary or required to service the Facility, including, without limitation, all electrical, natural gas, water, sewer, telephone, data, and other telecommunications services.

2.3 Security Limitation on Easements. The exercise of the rights granted under the Easements will be expressly subject to the limitations and requirements imposed by the Participating County's customary security measures for the Participating County's facilities that may be located on the Easement Property (the "Security Measures"). Prior to the exercise of any rights under the Easements, the Department or the Board, as the case may be, or their respective lessees, successors or assigns shall contact the [Title of Appropriate Individual at Participating County] to ensure that such exercise of rights granted under the Easements will be in compliance

with the requirements of the Security Measures.

3. No Unreasonable Interference. The Participating County shall not conduct any activity on, under or about the Easement Property that would unreasonably interfere with the use of the Easements.

4. Term of Easement Agreement; No Termination by Breach. The term of this Easement Agreement shall be coextensive with the Term of the Ground Lease, as such Term may be extended or terminated as provided in the Ground Lease. No breach of this Easement Agreement shall entitle any of the parties hereunder to cancel, rescind, or otherwise terminate this Easement Agreement, but such limitation shall not affect in any manner any other rights or remedies which a party may have hereunder by reason of any breach.

5. Character. The Easements granted by this Easement Agreement shall be appurtenant to the Site and nonexclusive and for the use and benefit of the Department and the Board. This Easement Agreement is not intended to grant a fee interest in the Easement Property, nor is it intended to be a lease or a license. The Department acknowledges that the Easements herein granted are nonexclusive easements and that the Participating County and its successors and assigns may grant one or more additional non-exclusive easements in the Easement Property to third parties, so long as the rights granted by such easements do not materially interfere with or hinder the use of the Easements by the Department or the Board or that of their respective lessees, successors or assigns.

6. Covenants Running with the Land; Binding on Successors. Pursuant to California Civil Code section 1468, this Easement Agreement and the Easements are covenants related to the use, repair, maintenance and improvement of the properties benefited and burdened hereby, and, as such, the covenants set forth herein shall be binding upon the Easement Property and shall be binding upon all parties having or in the future acquiring any interest in the Easement Property.

7. Binding Effect. This Easement Agreement shall be binding on and shall inure to the benefit of the lessees, successors and assigns of the Participating County, the Department, and the Board.

8. Recordation of Easement Agreement. This Easement Agreement shall be recorded in the Official Records of [ENTER COUNTY NAME] County, State of California, and shall serve as notice to all parties succeeding to the interest of the parties hereto that their use of the Site and the Project and the Easement Property shall be benefited or restricted, or both, in the manner herein described.

9. Entire Agreement; Amendments. This Easement Agreement contains the entire agreement of the parties hereto relating to the Easements herein granted. Any representations or modifications concerning this Easement Agreement shall be of no force and effect, excepting a subsequent modification in writing, signed by the Department and approved by the Board and the current owner of the Easement Property and recorded in the Official Records of [ENTER COUNTY NAME] County, State of California.

10. Warranty of Authority. The Participating County represents and warrants as of

**EXECUTION COPY**

the Effective Date that (i) it is the legal owner of the Easement Property, (ii) it has full power and authority to place the encumbrance of this Easement Agreement on the Easement Property, (iii) it has not conveyed (or purported to convey) any right, title or interest in or to the Easement Property, except as has been disclosed in writing to the Department prior to the Effective Date, and (iv) if necessary, it has the written consent of any lenders, tenants and subtenants of the Easement Property to the terms and conditions of this Easement Agreement.

11. Counterparts. This Easement Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Easement Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**THE COUNTY OF [COUNTY]**

By: \_\_\_\_\_  
Name:  
Title:

**[DEPARTMENT OF CORRECTIONS  
AND REHABILITATION OF THE  
STATE OF CALIFORNIA]**

By: \_\_\_\_\_  
Name:  
Title:

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name:  
Title: [Executive Director or Deputy Director]

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)  
By: \_\_\_\_\_  
Name:  
Title:

**EXECUTION COPY**

---

State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXECUTION COPY**

---

State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

---

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the easement interest in real property conveyed by the Easement Agreement for Grants of Access Utilities, and Repairs dated as of \_\_\_\_\_, 20\_\_ for reference only from the County of \_\_\_\_\_, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

*Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.*

ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED

[DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXECUTION COPY**

**EXHIBIT 1 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE SITE**

(To Be Attached)

**EXECUTION COPY**

**EXHIBIT 2 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE EASEMENT PROPERTY**

(To Be Attached)

EXHIBIT D

(Form of Legal Opinion Letter)

[LEGAL COUNSEL LETTERHEAD]

[Client]

State Public Works Board  
of the State of California  
Sacramento, California

Re: Ground Lease By and Between [insert name of the Participating County] and the Department for the [insert name of the Project] Located at [insert address of the Site]

Ladies and Gentlemen:

I am legal counsel for [insert name of client] with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of \_\_\_\_\_, 20\_\_ for reference only between [insert name of the Participating County], as landlord, and the Department of Corrections and Rehabilitation of the State of California (the "Department"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

*[Use one of the following alternatives]*

*[Alternative 1: If the Participating County is the client]*

1. The [insert name of the Participating County] is a political subdivision of the State of California created in accordance with the provisions of the Constitution of the State of California, with full legal right, power and authority to enter into and perform its obligations under the Ground Lease *[if easements are being granted under the terms of an Easement Agreement in the form of Exhibit C to the Ground Lease, add: "and Easement Agreement in the form attached as Exhibit C to the Ground Lease" and revise letter accordingly]*.

*[Alternative 2: If the Department is the client]*

1. The Department is an entity of state government of the State of California with full legal right, power and authority to enter into and perform its obligations under the Ground

**EXECUTION COPY**

Lease [if easements are being granted under the terms of an Easement Agreement in the form of Exhibit C to the Ground Lease, add: "and Easement Agreement in the form attached as Exhibit C to the Ground Lease" and revise letter accordingly].

*[The following provisions apply regardless of the client]*

2. The Ground Lease [and Easement Agreement] [has/have] been duly authorized, executed and delivered by [insert name of client], and [is/are] valid and binding upon and enforceable against the [insert name of client] in accordance with [its/their] terms if [it is/they are] in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the [insert name of client] of the Ground Lease [and Easement Agreement] and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the [insert name of client] a breach of or a default under the law, administrative regulation, judgment, decree or any agreement or other instrument known to me which the [insert name of client] is a party or otherwise subject.

4. All actions on the part of the [insert name of client] necessary for the execution and performance of the Ground Lease [and Easement Agreement] have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the [insert name of client] is required to be obtained by the [insert name of client] for the making and performance of the Ground Lease [and Easement Agreement] .

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease [and Easement Agreement], or in any way contesting or affecting the validity of the Ground Lease [and Easement Agreement].

Very truly yours,

[INSERT NAME OF CLIENT]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



**STANISLAUS COUNTY COUNSEL**

1010 Tenth Street, Suite 6400

Modesto, CA 95354

Phone: 209.525.6376

Fax: 209.525.4473

**John P. Doering**  
County Counsel  
**Thomas E. Boze**  
Assistant County Counsel

**DEPUTIES**

**Amanda M. DeHart**  
**Robin L. Gozzo**  
**Marc Hartley**  
**Deirdre E. McGrath**  
**Alice E. Mimms**  
**Maria Elena R. Ratliff**  
**Carrie M. Stephens**  
**Robert Taro**

January 11, 2016

State Public Works Board  
of the State of California  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, California 95814

**Re: Ground Lease By and Between Stanislaus County and the Board of State and Community Corrections for the Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center Project Located at 200 E. Hackett Road, Ceres, California**

Ladies and Gentlemen:

I am legal counsel for the County of Stanislaus with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of January 11, 2016 for reference only between Stanislaus County, as landlord, and the Board of State and Community Corrections of the State of California (the "Board"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

1. The County of Stanislaus is a political subdivision of the State of California created in accordance with the provisions of the Constitution of the State of California, with full legal right, power and authority to enter into and perform its obligations under the Ground Lease and Easement Agreement in the form attached as Exhibit C to the Ground Lease.
2. The Ground Lease and Easement Agreement have been duly authorized, executed and delivered by the County of Stanislaus, and are valid and binding upon and enforceable against the County of Stanislaus in accordance with their terms if they are

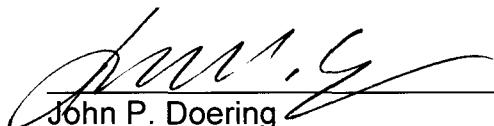
in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the County of Stanislaus of the Ground Lease and Easement Agreement and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the County of Stanislaus a breach of or a default under the law, administrative regulation, judgment, decree or any agreement or other instrument known to me to which the County of Stanislaus is a party or otherwise subject.

4. All actions on the part of the County of Stanislaus necessary for the execution and performance of the Ground Lease and Easement Agreement have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the County of Stanislaus is required to be obtained by the County of Stanislaus for the making and performance of the Ground Lease and Easement Agreement.

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease and Easement Agreement, or in any way contesting or affecting the validity of the Ground Lease and Easement Agreement.

Very truly yours,

  
John P. Doering  
County Counsel

JPD:djc

cc: Patricia Hill Thomas, Chief Operations Officer



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

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(760) 568-2611

Irvine  
(949) 263-2600

Los Angeles  
(213) 617-8100

Ontario  
(909) 989-8584

500 Capitol Mall, Suite 1700, Sacramento, CA 95814  
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Riverside  
(951) 686-1450

San Diego  
(619) 525-1300

Walnut Creek  
(925) 977-3300

Washington, DC  
(202) 785-0600

**Kara K. Ueda**  
(916) 551-2822  
kara.ueda@bbklaw.com

January 11, 2016

State Public Works Board  
of the State of California  
Sacramento, California

Re: Ground Lease By and Between the County of Stanislaus and the Board of State and Community Corrections of the State of California for the SB 1022 Adult Local Criminal Justice Facilities Financing Program Located at 200 East Hackett Road, Ceres, California

Ladies and Gentlemen:

This firm serves as legal counsel for the Board of State and Community Corrections of the State of California with respect to the above referenced matter. We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of January 11, 2016, for reference only between the County of Stanislaus, as landlord, and the Board of State and Community Corrections of the State of California (the "BSCC"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as we have deemed necessary for the purpose of this opinion.

We are of the opinion that:

1. The BSCC is an entity of state government of the State of California with full legal right, power and authority to enter into and perform its obligations under the Ground Lease and Easement Agreement for Grants of Access, Utilities and Repairs ("Easement Agreement"), in the form attached as Exhibit C to the Ground Lease.

2. The Ground Lease and Easement Agreement have been duly authorized, executed and delivered by the BSCC and are valid and binding upon and enforceable against the BSCC in accordance with their terms if they are in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the BSCC of the Ground Lease and Easement Agreement and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the BSCC a breach of or a default under the law, administrative



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

January 11, 2016

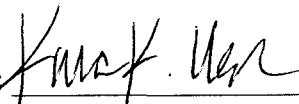
Page 2

regulation, judgment, decree or any agreement or other instrument known to us which the BSCC is a party or otherwise subject.

4. All actions on the part of the BSCC necessary for the execution and performance of the Ground Lease and Easement Agreement have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the BSCC is required to be obtained by the BSCC for the making and performance of the Ground Lease and Easement Agreement.

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease and Easement Agreement or in any way contesting or affecting the validity of the Ground Lease and Easement Agreement.

Very truly yours,

By: 

\_\_\_\_\_  
Name: Kara K. Ueda  
of BEST BEST & KRIEGER LLP  
Its: Counsel



**EXHIBIT E**

**List of the Permitted Encumbrances**

1. Right of Entry for Construction and Operation

**EXHIBIT F**

**Pending and Threatened Lawsuits**

None.



Stanislaus, County Recorder  
Lee Lundrigan Co Recorder Office  
**DOC- 2016-0010533-00**

Acct 402-Counter Customers  
Wednesday, FEB 10, 2016 15:06:04  
Ttl Pd \$0.00 Rcpt # 0003772628  
OJC/R2/1-17

**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**

County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code.

[THE AREA ABOVE IS RESERVED FOR RECORDER'S USE]

**EASEMENT AGREEMENT FOR GRANTS OF  
ACCESS, UTILITIES AND REPAIRS**

This Easement Agreement for Grants of Access, Utilities and Repairs (this "Easement Agreement"), dated for reference only as of January 11, 2016, is made by and between the COUNTY OF STANISLAUS, (the "Participating County"), a Political Subdivision of the State of California, as grantor, and the BOARD OF STATE AND COMMUNITY CORRECTIONS (the "BSCC"), an entity of state government of the State of California, as grantee. The Participating County and the BSCC are sometimes referred to collectively as the "Parties" and individually as a "Party."

**RECITALS**

A. The Participating County, as landlord, and the BSCC as tenant, entered into a ground lease dated as of January 11, 2016 for reference only, (the "Ground Lease") for the lease of that certain real property located in the County of Stanislaus and more particularly described in Exhibit 1, attached hereto and incorporated herein by this reference (the "Site"); and

B. The Ground Lease provides that the Participating County, as owner of certain real property adjacent to the Site, shall grant Easements to the BSCC in the Easement Property, which is more particularly described in Exhibit 2, attached hereto and incorporated herein by this reference; and

C. The Participating County desires to grant and the BSCC desires to accept the grant of Easements in the Easement Property on the terms and conditions contained in this Easement Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. Unless otherwise required by the context, all capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Ground Lease or the Project Delivery and Construction Agreement.

*Handwritten initials: JOC 1/7/16*

**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**

County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code.

[THE AREA ABOVE IS RESERVED FOR RECORDER'S USE]

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ACCESS, UTILITIES AND REPAIRS**

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**RECITALS**

A. The Participating County, as landlord, and the BSCC as tenant, entered into a ground lease dated as of January 11, 2016 for reference only, (the "Ground Lease") for the lease of that certain real property located in the County of Stanislaus and more particularly described in Exhibit 1, attached hereto and incorporated herein by this reference (the "Site"); and

B. The Ground Lease provides that the Participating County, as owner of certain real property adjacent to the Site, shall grant Easements to the BSCC in the Easement Property, which is more particularly described in Exhibit 2, attached hereto and incorporated herein by this reference; and

C. The Participating County desires to grant and the BSCC desires to accept the grant of Easements in the Easement Property on the terms and conditions contained in this Easement Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. Unless otherwise required by the context, all capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Ground Lease or the Project Delivery and Construction Agreement.

2. Grant and Description of Easements.

2.1 Grant of Access Easement. The Participating County, as the owner of the Easement Property, hereby establishes and grants to and for the benefit of the BSCC and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement over and across the Easement Property as shown in Exhibit 2 hereto for purposes of ingress and egress to and from the Site and the Project (the "Access Easement"); provided, however, that rights pursuant to such Access Easement shall only be exercised if there is no reasonable access to the Site and the Project via adjacent public streets and roadways and subject to the security limitations set forth in Section 2.3 hereof; and provided further, that such Access Easement is only effective (i) during such times where the BSCC, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease.

2.2 Grant of Utilities and Repairs Easement. The Participating County, as the owner of the Easement Property, hereby grants to and for the benefit of the BSCC and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement across, over and under the Easement Property as shown in Exhibit 2 hereto for the purpose of: a) installation, maintenance and replacement of utility wires, cables, conduits and pipes for "Utilities", as defined below; and b) other purposes and uses necessary or desirable for the repair, operation and maintenance of the Facility (the "Utilities and Repairs Easement" and together with the Access Easement, the "Easements"); provided, however, that such Utilities and Repairs Easement is subject to the security limitations set forth in Section 2.3 hereof; and; provided further, that such Utilities and Repairs Easement is only effective (i) during such times where the BSCC, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease. "Utilities" shall mean any and all wet and dry utilities (including sewer) necessary or required to service the Facility, including, without limitation, all electrical, natural gas, water, sewer, telephone, data, and other telecommunications services.

2.3 Security Limitation on Easements. The exercise of the rights granted under the Easements will be expressly subject to the limitations and requirements imposed by the Participating County's customary security measures for the Participating County's facilities that may be located on the Easement Property (the "Security Measures"). Prior to the exercise of any rights under the Easements, the BSCC or the Board, as the case may be, or their respective lessees, successors or assigns shall contact the Chief Executive Officer to ensure that such exercise of rights granted under the Easements will be in compliance with the requirements of the Security Measures.

3. No Unreasonable Interference. The Participating County shall not conduct any activity on, under or about the Easement Property that would unreasonably interfere with the use of the Easements.

## EXECUTION COPY

4. Term of Easement Agreement; No Termination by Breach. The term of this Easement Agreement shall be coextensive with the Term of the Ground Lease, as such Term may be extended or terminated as provided in the Ground Lease. No breach of this Easement Agreement shall entitle any of the Parties hereunder to cancel, rescind, or otherwise terminate this Easement Agreement, but such limitation shall not affect in any manner any other rights or remedies which a Party may have hereunder by reason of any breach.

5. Character. The Easements granted by this Easement Agreement shall be appurtenant to the Site and non-exclusive and for the use and benefit of the BSCC and the Board. This Easement Agreement is not intended to grant a fee interest in the Easement Property, nor is it intended to be a lease or a license. The BSCC acknowledges that the Easements herein granted are non-exclusive easements and that the Participating County and its successors and assigns may grant one or more additional non-exclusive easements in the Easement Property to third parties, so long as the rights granted by such easements do not materially interfere with or hinder the use of the Easements by the BSCC or the Board or that of their respective lessees, successors or assigns.

6. Covenants Running with the Land; Binding on Successors. Pursuant to California Civil Code section 1468, this Easement Agreement and the Easements are covenants related to the use, repair, maintenance and improvement of the properties benefited and burdened hereby, and, as such, the covenants set forth herein shall be binding upon the Easement Property and shall be binding upon all parties having or in the future acquiring any interest in the Easement Property.

7. Binding Effect. This Easement Agreement shall be binding on and shall inure to the benefit of the lessees, successors and assigns of the Participating County, the BSCC, and the Board.

8. Recordation of Easement Agreement. This Easement Agreement shall be recorded in the Official Records of Stanislaus County, State of California, and shall serve as notice to all parties succeeding to the interest of the Parties hereto that their use of the Site and the Project and the Easement Property shall be benefited or restricted, or both, in the manner herein described.

9. Entire Agreement; Amendments. This Easement Agreement contains the entire agreement of the Parties hereto relating to the Easements herein granted. Any representations or modifications concerning this Easement Agreement shall be of no force and effect, excepting a subsequent modification in writing, signed by the BSCC and approved by the Board and the current owner of the Easement Property and recorded in the Official Records of Stanislaus County, State of California.

10. Warranty of Authority. The Participating County represents and warrants as of the Effective Date that (i) it is the legal owner of the Easement Property, (ii) it has full power and authority to place the encumbrance of this Easement Agreement on the Easement Property, (iii) it has not conveyed (or purported to convey) any right, title or interest in or to the Easement Property, except as has been disclosed in writing to the BSCC prior to the Effective Date, and (iv) if necessary, it has the written consent of any lenders, tenants and subtenants of the

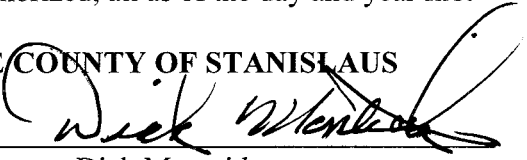
**EXECUTION COPY**

Easement Property to the terms and conditions of this Easement Agreement.

11. Counterparts. This Easement Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Easement Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**THE COUNTY OF STANISLAUS**

By:   
Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

**EXECUTION COPY**

Easement Property to the terms and conditions of this Easement Agreement.

11. Counterparts. This Easement Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Easement Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**THE COUNTY OF STANISLAUS**

By: \_\_\_\_\_

Name: Dick Monteith

Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

By: Kathleen T. Howard

Name: Kathleen T. Howard

Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_

Name: Koreen Hansen

Title: Deputy Director

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_

Name: Michael P. Butler

Title: Section Chief

Real Property Services Section



**EXECUTION COPY**

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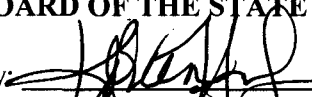
**THE COUNTY OF STANISLAUS**

By: \_\_\_\_\_  
Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
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**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By:  \_\_\_\_\_  
Name: Koreen Hansen  
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**APPROVED: DEPARTMENT OF GENERAL  
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Real Property Services Section

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**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

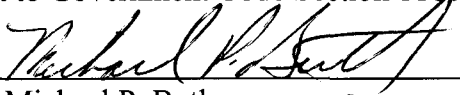
By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By:   
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

EXECUTION COPY

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 )

County of Stanislaus )

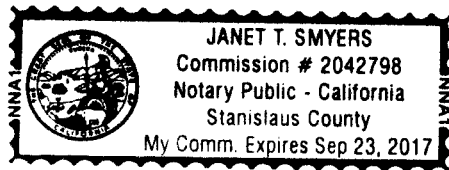
On January 7, 2016 before me, Janet T. Smyers, Notary Public, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Janet T. Smyers



(Seal)

EXECUTION COPY

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, Board of State and Community Corrections )


County of Stanislaus )

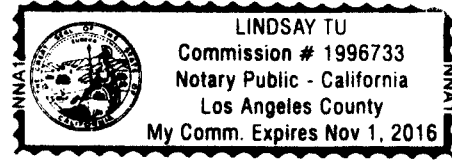
On January 7, 2016 before me, Lindsay Tu, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature 



(Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the easement interest in real property conveyed by the Easement Agreement for Grants of Access Utilities, and Repairs dated as of January 11, 2016 for reference only from the County of Stanislaus, a Political Subdivision of the State of California to the State of California on behalf of the Board of State and Community Corrections of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.

ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: [Signature]  
Name: ~~Koreen Hansen~~  
Title: Deputy Director

Date: January 11, 2016

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

Date: \_\_\_\_\_

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the easement interest in real property conveyed by the Easement Agreement for Grants of Access Utilities, and Repairs dated as of January 11, 2016 for reference only from the County of Stanislaus, a Political Subdivision of the State of California to the State of California on behalf of the Board of State and Community Corrections of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

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ACCEPTED

STATE PUBLIC WORKS BOARD OF THE  
STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

APPROVED

BOARD OF STATE AND COMMUNITY  
CORRECTIONS OF THE STATE OF  
CALIFORNIA

By: Kathleen T. Howard  
Name: Kathleen T. Howard  
Title: Executive Director

Date: 01/07/16

APPROVED

DEPARTMENT OF GENERAL SERVICES OF  
THE STATE OF CALIFORNIA  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: \_\_\_\_\_

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ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

Date: \_\_\_\_\_

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: Michael P. Butler  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: 1/11/2016

**EXECUTION COPY**

**EXHIBIT 1 TO EASEMENT AGREEMENT  
LEGAL DESCRIPTION AND DEPICTION OF THE SITE**



## LEGAL DESCRIPTION OF THE SITE

ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Southwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

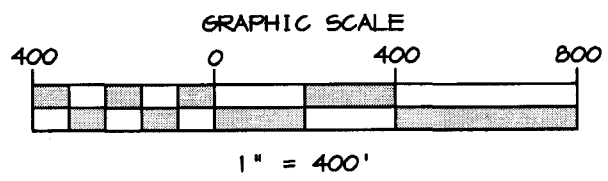
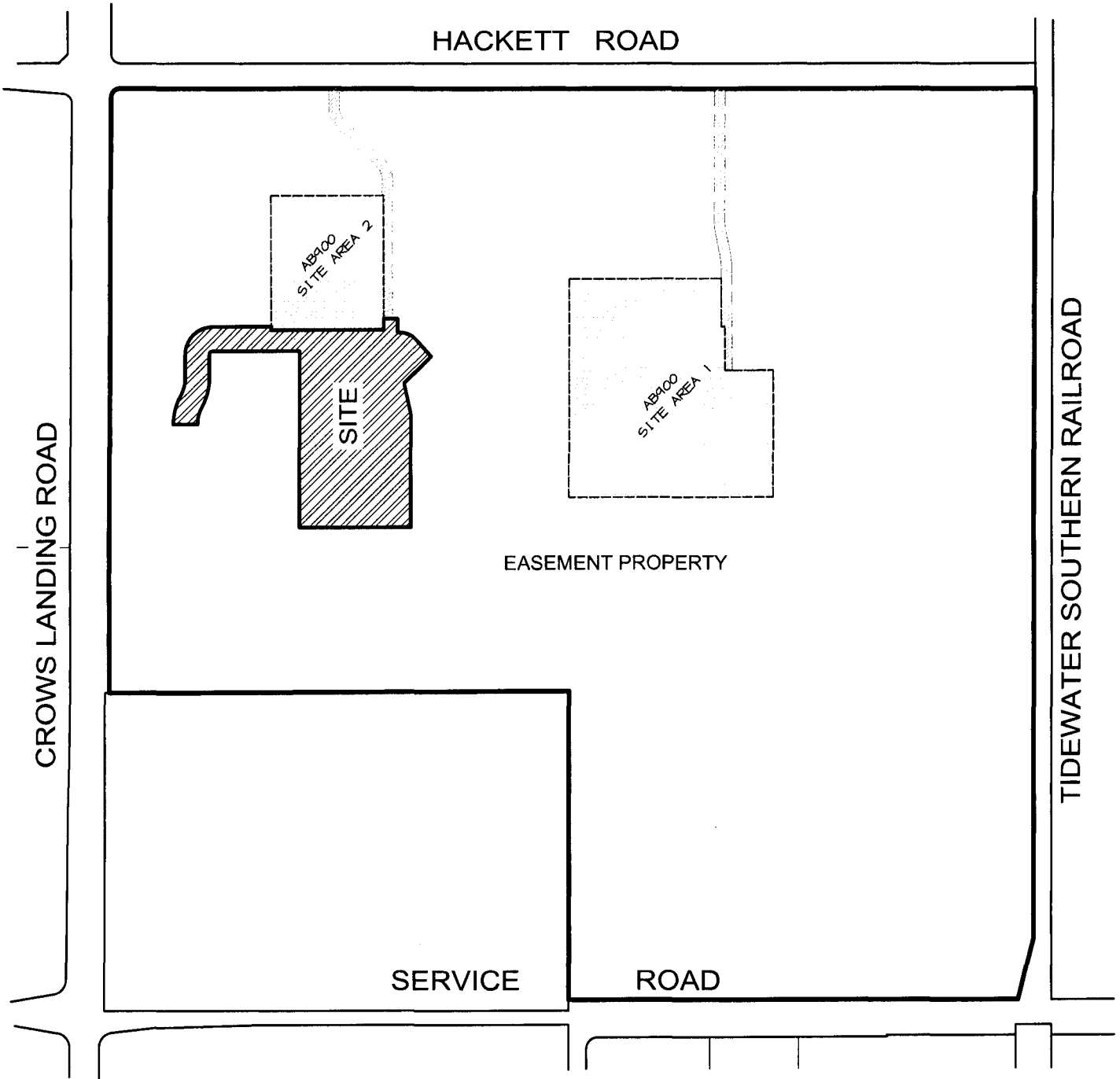
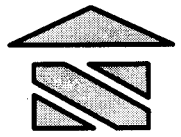
### SITE AREA:

COMMENCING at the Northeast corner of the Southwest Quarter of said 16; thence North  $89^{\circ}52'43''$  West along the North line of said Southwest Quarter, a distance of 2168.07 feet; thence South  $00^{\circ}00'00''$  East, a distance of 700.00 feet to the POINT OF BEGINNING of this description; thence continuing 1) South  $00^{\circ}00'00''$  East, a distance of 10.00 feet; thence 2) South  $90^{\circ}00'00''$  East, a distance of 315.00 feet; thence 3) North  $00^{\circ}00'00''$  West, a distance of 30.84 feet; thence 4) North  $89^{\circ}55'51''$  East, a distance of 39.00 feet; thence 5) South  $00^{\circ}00'00''$  East, a distance of 38.89 feet; thence 6) North  $90^{\circ}00'00''$  East, a distance of 7.90 feet to a point of curvature of a tangent curve, concave southwesterly and having a radius of 60.00 feet; thence 7) southeasterly along the arc of said curve, through a central angle of  $47^{\circ}59'26''$ , an arc distance of 50.26 feet; thence 8) South  $42^{\circ}00'34''$  East, a distance of 61.76 feet; thence 9) South  $45^{\circ}04'41''$  West, a distance of 107.15 feet; thence 10) South  $11^{\circ}57'54''$  East, a distance of 93.24 feet; thence 11) South  $00^{\circ}06'00''$  West, a distance of 314.60 feet; thence 12) North  $89^{\circ}55'19''$  West, a distance of 312.29 feet; thence 13) North  $00^{\circ}04'41''$  East, a distance of 496.79 feet; thence 14) North  $90^{\circ}00'00''$  West, a distance of 243.65 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 10.00 feet; thence 15) southwesterly along the arc of said curve, through a central angle of  $89^{\circ}55'19''$ , an arc distance of 15.69 feet; thence 16) South  $00^{\circ}04'41''$  West, a distance of 68.97 feet to a point of curvature of a tangent curve, concave northwesterly and having a radius of 159.00 feet; thence 17) southwesterly along the arc of said curve, through a central angle of  $29^{\circ}17'46''$ , an arc distance of 81.30 feet to a point of reverse curvature of a curve, concave southeasterly and having a radius of 91.00 feet of which the radius point bears South  $60^{\circ}37'34''$  East ; thence 18) southerly along the arc of said curve, through a central angle of  $32^{\circ}08'48''$ , an arc distance of 51.06 feet; thence 19) South  $89^{\circ}57'56''$  West, a distance of 68.04 feet to a point of curvature of a curve, concave southeasterly and having a radius of 159.00 feet of which the radius point bears North  $88^{\circ}23'55''$  East; thence 20) northeasterly along the arc of said curve, through a central angle of  $30^{\circ}58'31''$ , an arc distance of 85.96 feet to a point of reverse curvature of a curve, concave northwesterly and having a radius of 91.00 feet of which the radius point bears South  $60^{\circ}37'34''$  East; thence 21) northerly along the arc of said curve, through a central angle of  $29^{\circ}17'46''$ , an arc distance of 46.53 feet; thence 22) North  $00^{\circ}04'41''$  East, a distance of 68.97 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 78.00 feet; thence 23) northeasterly along the arc of said curve, through a central angle of  $89^{\circ}55'19''$ , an arc distance of 122.42 feet; thence 24) South  $90^{\circ}00'00''$  East, a distance of 164.55 feet to the point of beginning.

CONTAINING 4.83 acres more or less

Prepared by:  
Dave L. Skidmore, L.S. 7126  
December 30, 2015





**EXECUTION COPY**

**EXHIBIT 2 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE EASEMENT PROPERTY**

**LEGAL DESCRIPTION OF THE EASEMENT PROPERTY**

ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Southwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

Parcel "C" together with Parcel "D" as shown on that certain map filed in the Office of the Recorder of the County of Stanislaus on June 1, 1995 in Book 47 of Parcel Maps at Page 24.

Also together with Parcel 3 as shown on that map filed in the Office of the Recorder of the County of Stanislaus on September 25, 1992 in Book 45 of Parcel Maps at page 36.

All as depicted in that certain "Certificate of Merger" filed in the Office of the Recorder of the County of Stanislaus on June 15, 2012 as Document No. 2012-0053244.

EXCEPTING THEREFROM all that certain Parcel of land known as "Site area Ground Lease for SB1022 Project" being more particularly described as follows:

COMMENCING at the Northeast corner of the Southwest Quarter of said 16; thence North 89°52'43" West along the North line of said Southwest Quarter, a distance of 2168.07 feet; thence South 00°00'00" East, a distance of 700.00 feet to the POINT OF BEGINNING of this description; thence continuing 1) South 00°00'00" East, a distance of 10.00 feet; thence 2) South 90°00'00" East, a distance of 315.00 feet; thence 3) North 00°00'00" West, a distance of 30.84 feet; thence 4) North 89°55'51" East, a distance of 39.00 feet; thence 5) South 00°00'00" East, a distance of 38.89 feet; thence 6) North 90°00'00" East, a distance of 7.90 feet to a point of curvature of a tangent curve, concave southwesterly and having a radius of 60.00 feet; thence 7) southeasterly along the arc of said curve, through a central angle of 47°59'26", an arc distance of 50.26 feet; thence 8) South 42°00'34" East, a distance of 61.76 feet; thence 9) South 45°04'41" West, a distance of 107.15 feet; thence 10) South 11°57'54" East, a distance of 93.24 feet; thence 11) South 00°06'00" West, a distance of 314.60 feet; thence 12) North 89°55'19" West, a distance of 312.29 feet; thence 13) North 00°04'41" East, a distance of 496.79 feet; thence 14) North 90°00'00" West, a distance of 243.65 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 10.00 feet; thence 15) southwesterly along the arc of said curve, through a central angle of 89°55'19", an arc distance of 15.69 feet; thence 16) South 00°04'41" West, a distance of 68.97 feet to a point of curvature of a tangent curve, concave northwesterly and having a radius of 159.00 feet; thence 17) southwesterly along the arc of said curve, through a central angle of 29°17'46", an arc distance of 81.30 feet to a point of reverse curvature of a curve, concave southeasterly and having a radius of 91.00 feet of which the radius point bears South 60°37'34" East ; thence 18) southerly along the arc of said curve, through a central angle of 32°08'48", an arc distance of 51.06 feet; thence 19) South 89°57'56" West, a distance of 68.04 feet to a point of curvature of a curve, concave southeasterly and having a radius of 159.00 feet of which the radius point bears North 88°23'55" East; thence 20) northeasterly along the arc of said curve, through a central angle of 30°58'31", an arc distance of 85.96 feet to a point of reverse curvature of a curve, concave northwesterly and having a radius of 91.00 feet of which the radius point bears South 60°37'34" East; thence 21) northerly along the arc of said curve, through a central angle of 29°17'46", an arc distance of 46.53 feet; thence 22) North 00°04'41" East, a distance of 68.97 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 78.00 feet; thence 23) northeasterly along the arc of said curve, through a central angle of 89°55'19", an arc distance of 122.42 feet; thence 24) South 90°00'00" East, a distance of 164.55 feet to the point of beginning.

CONTAINING 121.7 acres, more or less

Prepared by:  
Dave L. Skidmore, L.S. 7126  
December 30, 2015



**EXECUTION COPY**

<b>Location of Site</b> 200 East Hackett Road Ceres, CA 95358
<b>Agency:</b> Board of State and Community Corrections
<b>Real Property:</b> Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center

**RIGHT OF ENTRY FOR  
CONSTRUCTION AND OPERATION**

This RIGHT OF ENTRY FOR CONSTRUCTION AND OPERATION AGREEMENT (this “License”) is entered into as of January 11, 2016, by and between the BOARD OF STATE AND COMMUNITY CORRECTIONS” OF THE STATE OF CALIFORNIA (the “BSCC”), an entity of state government of the State of California (the “State”), as licensor, and the COUNTY OF STANISLAUS (the “Participating County”), a political subdivision of the State of California, as licensee. The BSCC and the Participating County are sometimes individually referred to as “Party” and collectively as “Parties”.

**RECITALS**

**WHEREAS**, pursuant to Chapter 3.13 of Part 10b of Division 3 of Title 2 of the of the California Government Code (commencing at Section 15820.92), the State Public Works Board (the “Board”) is authorized to finance the acquisition, design and construction of a jail facility approved by the BSCC pursuant to Section 15820.925 of the California Government Code (the “SB 1022 Adult Local Criminal Justice Facilities Financing Program”); and

**WHEREAS**, the Participating County has proposed to build an adult local criminal justice facility, the adult local criminal justice project (the “Project”), to be located at 200 East Hackett Road, Ceres, CA 95358, real property controlled by the Participating County through fee-simple ownership (the “Site”); and

**WHEREAS**, contemporaneous with entry into this License, the Participating County intends to lease the Site to the BSCC pursuant to a Ground Lease executed by and between the Participating County and the BSCC and consented to by the Board (the “Ground Lease”); and

**WHEREAS**, the BSCC, as lessee under the Ground Lease intends to provide the Participating County access to the Site for the purpose of jail construction-related activities and for operation of the Project upon substantial completion of construction.

**WITNESSETH**

**NOW THEREFORE, FOR AND IN CONSIDERATION** of the mutual agreements by the Parties set forth herein and other good and valuable consideration, this License is subject to the following terms and conditions:

## EXECUTION COPY

1. Grant of License – The BSCC hereby grants to the Participating County, its employees, consultants, representatives and contractors a non-exclusive, temporary license to enter the Site for site analysis, Project construction-related activities, and for operation of the Project upon substantial completion of construction (“Activities”), all as contemplated by that certain Project Delivery and Construction Agreement by and among the BSCC, the Board, the BSCC and the Participating County (the “PDCA”). This License is subordinate to all prior or future rights and obligations of the BSCC and the Board in the Site, except that the BSCC and the Board shall grant no rights inconsistent with the reasonable exercise by the Participating County of its rights under this License.
2. License Term – This License shall commence on the Effective Date of the Ground Lease and shall terminate on the date of termination of the PDCA (the “Term”).
3. Compliance with Laws – The Participating County shall conduct all Activities in compliance with all Federal, State and municipal statutes and ordinances, and with all regulations, orders and directives of appropriate governmental agencies (“Laws and Regulations”), as such Laws and Regulations exist during the Term of this License.
4. Inspections – The BSCC, the Board, and their representatives, employees, agents or independent contractors may enter and inspect the Site or any portion thereof or any improvements thereon, and the Project at any time and from time to time at reasonable times to verify the Participating County’s compliance with the terms and conditions of this License.
5. Special Condition – In the performance of the required studies and tests, the Participating County acknowledges that the Participating County will practice all due diligence to protect the Site.
6. Cooperation – In the event the BSCC or the Board has business on the Site or the Project, the Participating County agrees to coordinate the Activities with the BSCC or the Board to minimize any impairment of access to the Site or the Project and any inconvenience to or disruption of the BSCC’s or the Board’s business. BSCC and Board agree to coordinate their business at the Site or the Project so as to minimize any delay or disruption of the Participating County’s Activities.
7. Indemnity – As required by California Government Code Section 15820.92(d) the Participating County hereby agrees that it shall indemnify, defend and save harmless the State, including but not limited to the Board, the BSCC, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants, and agents (collectively, “Indemnitees”) for any and all claims and losses arising out of the acquisition, design, construction, and operation of the Project, including, but not limited to all demands, causes of actions and liabilities of every kind and nature whatsoever arising out of, related to, or in connection with (a) any breach of this License by the Participating County; (b) operation, maintenance, use and occupancy of the Project; (c) any acts or omissions of any contractor hired by the Participating County or its agents or

## EXECUTION COPY

subcontractor hired by such contractor; and (d) personal injury, bodily injury or property damage resulting from the Activities of the Participating County, its employees, consultants, representatives and contractors (collectively, "Claims"). The Participating County's obligation to indemnify, defend and save harmless the Indemnitees shall extend to all Claims arising, occurring, alleged, or made at any time, including prior to, during, or after the period that this License is in full force and effect. The Participating County shall not be obligated to provide indemnity or defense for an Indemnitee where the claim arises out of the active negligence or willful misconduct of the Indemnitee. The indemnification obligations of the Participating County set forth in this Section shall survive any termination of this License.

8. Insurance – The Participating County shall maintain the following insurances: 1) Commercial General Liability with limits of no less than one million dollars (\$1,000,000) per occurrence and Fire Legal Liability of no less than five hundred thousand dollars (\$500,000); 2) Automobile Liability with a combined single limit of no less than one million dollars (\$1,000,000) per accident and 3) Workers Compensation as required by law and Employers Liability with limits of no less than one million dollars (\$1,000,000) per occurrence. The Participating County shall be solely responsible for monitoring and ensuring that the necessary Workers Compensation Insurance is in effect for all persons entering onto the Site.
9. Utilities – The BSCC makes no guarantee as to the reliability or availability of utility services. The BSCC shall not supply any utility services to the Site or the Project.
10. Taxes and Assessments – It is expressly understood that this License is not exclusive and does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in the Site or the Project to the Participating County. Any such acquisition of use rights shall be separate agreements at the sole discretion of the BSCC and the Board. Should taxes or assessments be levied upon any interest in this License, the Participating County agrees to pay all lawful taxes, assessments or charges created by this License. It is understood that this License may create a possessory interest subject to property taxation and the Participating County may be subject to the payment of property taxes levied on such interest.
11. Continuing Liability – No termination of this License shall release the Participating County from any liability or obligations hereunder resulting from any acts, omissions or events happening prior to the termination of this License and restoration of the Site to its prior condition.
12. Attorneys' Fees – In the event of a dispute between the Parties with respect to the terms or condition of this License, it is agreed that each Party, including the prevailing Party, must bear its own costs and attorneys' fees.

**EXECUTION COPY**

13. Assignment, Subletting and Change in Use – The Participating County shall not transfer or assign this License and shall not sublet, license, permit or suffer any use of the Site or the Project or any part thereof.

14. Notices –

a. All notices or other communications required or permitted hereunder shall be in writing and shall be personally delivered (including by means of professional messenger service), sent by overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth below.

b. All such notices or other communications shall be deemed received upon the earlier of 1) if personally delivered or sent by overnight courier, the date of delivery to the address of the person to receive such notices or 2) if mailed as provided above, on the date of receipt or rejection.

To the BSCC: Board of State and Community Corrections  
2590 Venture Oaks Way, Suite 200  
Sacramento, CA 95827  
Attention: Executive Director  
Facsimile: 916-327-3317

To the Board: State Public Works Board  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, CA 95814  
Attention: Executive Director  
Facsimile: 916-449-5739

To the Participating County: County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer  
Facsimile: 209-544-6226

c. Notice of change of address or telephone number shall be given by written notice in the manner described in this Paragraph. The Participating County is obligated to notice all State offices listed above and the failure to provide notice to all State offices will be deemed to constitute a lack of notice.

15. Entire Agreement – This License contains all the agreements of the Parties regarding right of entry for construction and supersedes any prior License or negotiations. There have been no representations by the BSCC or understandings made between the BSCC and the Participating County regarding right of entry for construction and operation other than those set forth in this License. This License may not be modified except by a written instrument duly executed by the Parties hereto with the consent of the Board.

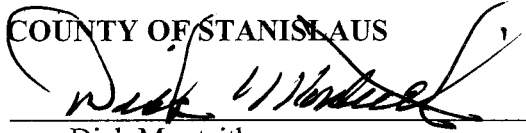


**EXECUTION COPY**

16. Counterparts – This License may be executed in one or more counterparts, each of which shall be deemed as original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this License by their duly authorized representatives on the date first above written.

**THE COUNTY OF STANISLAUS**

By:   
Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND COMMUNITY  
CORRECTIONS OF THE STATE OF  
CALIFORNIA**

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC  
WORKS BOARD OF THE  
STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

**APPROVED: DEPARTMENT OF  
GENERAL SERVICES OF THE  
STATE OF CALIFORNIA**  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

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Stanislaus, County Recorder  
Lee Lundrigan Co Recorder Office  
**DOC- 2016-0010532-00**

Acct 402-Counter Customers  
Wednesday, FEB 10, 2016 15:05:38  
Ttl Pd \$0.00 Rcpt # 0003772627  
OJC/R2/1-48

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer )

[Space above for Recorder's use]

**GROUND LEASE**

by and between the

**STANISLAUS COUNTY**  
as Landlord,

and

**BOARD OF STATE AND COMMUNITY CORRECTIONS  
OF THE STATE OF CALIFORNIA,**  
as Tenant

Dated as of January 11, 2016

**(FOR AN ADULT LOCAL CRIMINAL JUSTICE FACILITY  
LOCATED IN THE COUNTY OF STANISLAUS)**

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code

48JC  
LFB

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**GROUND LEASE**

**THIS GROUND LEASE**, dated as of January 11, 2016 for reference only (this "Ground Lease"), is entered into by and between COUNTY OF STANISLAUS (the "Participating County"), a Political Subdivision of the State of California (the "State"), as Landlord, and the BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA (the "BSCC"), an entity of state government of the State, as Tenant. The Participating County and the BSCC are sometimes referred to collectively as the "Parties", and individually as a "Party".

**RECITALS**

WHEREAS, pursuant to Chapter 3.13 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.92), the State Public Works Board (the "Board") is authorized to finance the acquisition, design and construction of an adult local criminal justice facility approved by the BSCC pursuant to Section 15820.925 and following, as amended, (the "SB 1022 Adult Local Criminal Justice Facilities Financing Program"), the Participating County, the BSCC and the Board entered into the Project Delivery and Construction Agreement (the "PDCA") dated as of December 18, 2015, for reference only; and

WHEREAS, further to the PDCA, the Participating County has proposed to build an adult local criminal justice facility as more particularly described in Exhibit A attached hereto (the "Project"), to be located on real property owned in fee simple by the Participating County and legally described and depicted in Exhibit B attached hereto (the "Site"); and

WHEREAS, further to the PDCA, the BSCC desires to ground lease the Site from the Participating County to assist the Participating County in obtaining eligibility for the Board lease revenue bond financing to finance a portion of the construction of the Project (the "Bonds"); and

WHEREAS, the BSCC and the Board desire that the term of this Ground Lease not terminate or expire until the Bonds have been paid in full or retired under the provisions of the Bond Documents; and

WHEREAS, the Participating County is desirous of maintaining its eligibility to receive financing for the Project, and to achieve this end, the Participating County is willing to lease the Site to the BSCC; and

WHEREAS, concurrently with the execution of this Ground Lease, the BSCC as the Licensor and the Participating County as the Licensee, have entered into a Right of Entry for Construction and Operation (the "Right of Entry") in substantially the form attached as Exhibit C to the PDCA, authorizing the Participating County to enter the Site for the purpose of constructing the Project and for operation of the Project upon substantial completion of construction; and

WHEREAS, if the Participating County maintains its eligibility in the SB 1022 Adult Local Criminal Justice Facilities Financing Program, and the Board in its sole discretion, is able to issue the Bonds to finance the Project in its typical and customary manner, the BSCC will concurrently sublease the Site to the Board, (the "Site Lease"), and enter into a Facility Lease



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(the "Facility Lease") providing for the Board to sublease to the BSCC the Site and the Project (together the "Facility"). The Site Lease and the Facility Lease will provide security for the Bonds to be issued by the Board under an indenture (the "Indenture") between the Board and the Treasurer of the State, as trustee (the "State Treasurer"); and

WHEREAS, if the Board is able to issue the Bonds for the Project in its typical and customary manner, concurrently with executing the Site Lease and the Facility Lease, the BSCC and the Participating County intend to enter into a Facility Sublease (the "Facility Sublease") whereby the BSCC will sublet the Facility to the Participating County pursuant to the terms of the Facility Sublease; and

**NOW, THEREFORE**, in consideration of the mutual obligations of the Parties hereto, the Participating County hereby leases to the BSCC, and the BSCC hereby leases from the Participating County, the Site subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which the Participating County and the BSCC hereby mutually agree.

### SECTION 1. Definitions.

As used herein, the following terms shall have the following meanings:

(a) "SB 1022 Adult Local Criminal Justice Facilities Financing Program" has the meaning given to such term in the Recitals.

(b) "Abatement Event" shall have the meaning given to such term in the Facility Lease.

(c) "Board" means the State Public Works Board of the State of California, an entity of state government of the State.

(d) "Bond Documents" mean each and every document evidencing the Bonds, including, but not limited to, the Site Lease, the Facility Lease, the Facility Sublease, and the Indenture.

(e) "Bonds" has the meaning given to such term in the Recitals.

(f) "BSCC" has the meaning given to such term in the preamble and Recitals.

(g) "Claims" has the meaning given to such term in Section 23 of this Ground Lease.

(h) "DGS" means the Department of General Services of the State of California, an entity of state government of the State.

(i) "Easements" mean the access, utilities and repairs easements described in Subsection 4(b) of this Ground Lease.

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(j) “Easement Agreement” means an easement agreement memorializing the grant of Easements by the Participating County, as grantor, to the BSCC, as grantee, in the form of Exhibit C attached hereto.

(k) “Easement Property” means real property owned by the Participating County that is burdened by the Easement Agreement as described in Exhibit 2 to the Easement Agreement.

(l) “Effective Date” means the date this Ground Lease is valid, binding and effective as provided in Section 2 of this Ground Lease.

(m) “Facility” has the meaning given to such term in the Recitals.

(n) “Facility Lease” has the meaning given to such term in the Recitals.

(o) “Facility Sublease” has the meaning given to such term in the Recitals.

(p) “Ground Lease” has the meaning given to such term in the preamble, including all exhibits attached hereto.

(q) “Hazardous Materials” mean any substance, material, or waste which is or becomes, regulated by any local governmental authority, the State, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7 of the California Health and Safety Code, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Talmer Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code.

(r) “Improvements” mean the physical construction of the Project and other buildings, improvements, structures, furnishings and equipment placed in, under or upon the Site by the Participating County under the terms and conditions in the Right of Entry or this Ground Lease.

(s) “Indemnitees” has the meaning given to such term in Section 24 of this Ground Lease.

(t) “Indenture” has the meaning given to such term in the Recitals.

(u) “Landlord” has the meaning given to such term in the preamble.

(v) “Leasehold Estate” means the real property right and interest held by the BSCC as Tenant to possess, use and access the Site and the Project under the terms and conditions of this Ground Lease.

(w) “Participating County” has the meaning given to such term in the preamble.

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- (x) “Parties” has the meaning given to such term in the preamble.
- (y) “Party” has the meaning given to such term in the preamble.
- (z) “PDCA” has the meaning given to such term in the Recitals.
- (aa) “Permitted Encumbrances” has the meaning given to such term in Subsection 3(b)(4) of this Ground Lease.
- (bb) “Project” means the buildings, structures, works and related improvements constructed or to be constructed on the Site, as are more particularly described in Exhibit A attached hereto, and any and all additions, betterments, extensions and improvements thereto.
- (cc) “Resolution” has the meaning given to such term in Subsection 3(b)(1) of this Ground Lease.
- (dd) “Right of Entry” has the meaning given to such term in the Recitals.
- (ee) “Right of First Offer” has the meaning given to such term in Section 13 of this Ground Lease.
- (ff) “Site” has the meaning given to such term in the Recitals.
- (gg) “Site Lease” has the meaning given to such term in the Recitals.
- (hh) “State” means the state government of the State of California.
- (ii) “State Treasurer” has the meaning given to such term in the Recitals.
- (jj) “Tenant” has the meaning given to such term in the preamble.
- (kk) “Term” has the meaning given to such term in Section 10 of this Ground Lease.

SECTION 2. Effective Date.

The Parties hereby confirm and agree that this Ground Lease is effective and binding on the Parties upon the first day (the “Effective Date”) on which this Ground Lease has been consented to by the Board and a duly authorized representative of the Board has consented to this Ground Lease by executing it below.

SECTION 3. Representations, Warranties and Covenants.

(a) Representations and Warranties of the BSCC. In addition to any express agreements of Tenant herein, the BSCC makes the following representations and warranties to the Participating County as of the Effective Date:

(1) The BSCC has full legal right, power and authority to enter into this Ground Lease as Tenant and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this

**EXECUTION COPY**

Ground Lease. The BSCC shall cause an opinion, dated as of January 11, 2016 and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the BSCC's execution of this Ground Lease;

(2) The officers of the BSCC executing this Ground Lease are duly and properly holding their respective offices and are fully authorized to execute this Ground Lease; and

(3) This Ground Lease has been duly authorized, executed and delivered by the BSCC, and will constitute a legal, valid and binding agreement of the BSCC, enforceable against the BSCC in accordance with its terms on the Effective Date.

(b) Representations, Warranties and Covenants of the Participating County. In addition to any express agreements of Landlord herein, the Participating County makes the following representations, warranties and covenants to the BSCC as of the Effective Date:

(1) The Participating County, by Resolution of the Board of Supervisors ("Resolution"), has full legal right, power and authority to enter into this Ground Lease as Landlord, to transfer and convey the Leasehold Estate to the BSCC under this Ground Lease, and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this Ground Lease. The Participating County shall cause an opinion, dated as of January 11, 2016 and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the Participating County's execution of this Ground Lease.

(2) The officers of Participating County executing this Ground Lease are duly and properly holding their respective offices and have the legal power, right and are fully authorized to execute this Ground Lease pursuant to the Resolution.

(3) This Ground Lease has been duly authorized, executed and delivered by Participating County, and will constitute a legal, valid and binding agreement of Participating County, enforceable against the Participating County in accordance with its terms upon the Effective Date.

(4) The Participating County is the owner in fee simple of the Site and has marketable and insurable fee simple title to the Site, there is no suit, action, arbitration, legal, administrative, or other proceeding or inquiry pending against the Site or pending against the Participating County which could affect the Participating County's title to the Site, affect the value of the Site, or subject an owner of the Site to liability and there are no outstanding mortgages, deeds of trust, bond indebtedness, leaseholds, pledges, conditions or restrictions, liens or encumbrances against the Site except as identified in Exhibit E, attached hereto, collectively, the "Permitted Encumbrances".

(5) No consent, permission, authorization, order, license, or registration with any governmental authority is necessary in connection with the execution and delivery of this Ground Lease, except as have been obtained.

**EXECUTION COPY**

(6) There exists no litigation or other proceeding pending or threatened against the Participating County except as identified in Exhibit F, attached hereto, that, if determined adversely, would materially and adversely affect the ability of the Participating County to perform its obligations under this Ground Lease.

(7) This Ground Lease is, and all other instruments, documents, exhibits, and agreements required to be executed and delivered by the Participating County in connection with this Ground Lease are and shall be, duly authorized, executed and delivered by the Participating County and shall be valid, legally binding obligations of and enforceable against the Participating County in accordance with their terms.

(8) Neither the execution and delivery of this Ground Lease and documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Ground Lease and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any agreements or instruments to which the Participating County is a party or affecting the Site.

(9) There are no attachments, execution proceedings, or assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against the Participating County.

(10) There are no and have been no:

(A) actual or pending public improvements which will result in the creation of any liens, encumbrances or assessments upon the Site, including public assessments or mechanics liens, other than the Permitted Encumbrances, and the Participating County agrees to indemnify, defend and hold the BSCC free and harmless from and against any claims, liabilities, losses, costs, damages, expenses and attorneys' fees arising from any liens, encumbrances or assessments that have been, or may be, imposed upon the Site as a consequence of actual or impending public improvements at or after the Effective Date, including any obligations to pay a fee or assessment for infrastructure to the extent such liability survives or continues at or after the Effective Date, and the BSCC agrees to cooperate with the Participating County, at the Participating County's costs and to the extent permitted by law, with respect to the Participating County's efforts to remove any such liens, fees, assessments, or encumbrances.

(B) uncured notices from any governmental agency notifying the Participating County of any violations of law, ordinance, rule, or regulation, including Environmental Laws, occurring on the Site.

(C) notices of any condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the use, operation or value of the Site.

(11) The Participating County hereby agrees that it will not enter into any new leases or any other obligations or agreements that will affect the Site at or after the Effective Date, without the express prior written consent of the BSCC and approval of the Board.

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(12) The Participating County will not subject the Site to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date without the express prior written consent of the BSCC and the approval of the Board.

(13) The Participating County shall promptly notify the BSCC of any event or circumstance that makes any representation or warranty of the Participating County under this Ground Lease untrue or misleading, or of any covenant of the Participating County under this Ground Lease incapable or less likely of being performed. The Participating County's obligation to provide the notice described in the preceding sentence to the BSCC shall in no way relieve the Participating County of any liability for a breach by the Participating County of any of its representations, warranties or covenants under this Ground Lease.

(14) The BSCC shall at all times during the Term have access to and from the Site.

(15) No representation, warranty or statement of the Participating County in this Ground Lease or in any document, certificate, exhibit or schedule furnished or to be furnished to the BSCC pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

SECTION 4. Lease of the Site, Access, Utilities and Repairs Easements and Recordation of Lease.

(a) Lease of the Site and Recordation of Ground Lease. The Participating County hereby leases the Site to the BSCC and the BSCC leases the Site from the Participating County. The Participating County further agrees to provide, or cause to be provided, to the BSCC and its assigns or sublessees, adequate parking spaces at no cost, and such utility services as the Participating County customarily provides or causes to be provided to facilities similar to the Project, including without limitation electricity, gas, water, sewer, garbage disposal, heating, air conditioning and telephone. The BSCC and the Board shall have the right to record this Ground Lease in the Official Records of the Participating County as of the Effective Date or anytime thereafter.

(b) Access, Utilities and Repairs Easement. As of the Effective Date, the Participating County agrees to grant to the BSCC, for the use, benefit and enjoyment of the BSCC and its lessees, successors and assigns, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public using or visiting the Site or the Project, a non-exclusive easement over, across and under the Easement Property for the purpose of: a) ingress, egress, passage or access to and from the Site by pedestrian or vehicular traffic; b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and c) other purposes and uses necessary or desirable for access to and from the Site for the repair, operation and maintenance of the Facility (collectively the "Easements"). The grant of the Easements shall be memorialized in that certain Easement Agreement for Grants of Access, Utilities and Repairs (the "Easement Agreement") in substantially the form of Exhibit C attached to this Ground Lease. The BSCC and the Board shall have the right to record the

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Easement Agreement in the Official Records of the Participating County as of the Effective Date or anytime thereafter. The Easements to be granted by the Participating County are subject to the limitations set forth in the Easement Agreement. In the event of a conflict or ambiguity, with respect to the terms of the Easements, between this Ground Lease and the Easement Agreement, the terms of the Easement Agreement shall control.

### SECTION 5. Landlord Right of Entry for Construction and Operation.

(a) Landlord Right of Entry for Construction and Operation. Notwithstanding anything to the contrary contained herein, Landlord has reserved the right to enter and use the Site for construction of the Project pursuant to the terms and conditions in the Right of Entry.

(b) Quiet Enjoyment. The Participating County covenants that the BSCC, its assigns or sublessees, may quietly have, hold, and enjoy all of the Site and the Improvements during the Term of this Ground Lease and any extended term hereof, without hindrance or interruption by the Participating County or by any other person or persons lawfully or equitably claiming by, through or under the Participating County, except as limited by the Permitted Encumbrances.

### SECTION 6. Purpose and Use.

The Parties reasonably expect for the Site to be used by the BSCC, and each of its assigns or sublessees during the Term of this Ground Lease, for the purpose of causing the construction, operation and maintenance of the Project and appurtenances thereto; provided however, the Parties acknowledge that the Site may be utilized for other types of correctional housing or other public purposes as may be required to exercise the Board's obligations, rights and remedies under the Bond Documents.

The Participating County acknowledges and confirms that the BSCC's use of the Leasehold Estate created hereunder includes, but is not limited to, allowing for potential financing and construction of the Project and the leasing of the Site and/or the Facility pursuant to the Site Lease, the Facility Lease, and the Facility Sublease and for such other purposes as may be incidental thereto. The Participating County further acknowledges and confirms the Board's right to relet the Facility in the event of a default under the Facility Lease and to provide for all other rights and remedies of the Board, the State Treasurer, and the owners of the Bonds in the event of a default under the Bond Documents.

### SECTION 7. Assignment or Sublease.

The BSCC may sublet or assign all or a portion of the Site or the Project or assign this Ground Lease or any interest therein, without the prior consent or approval of the Participating County; provided, however, any sublet or assignment shall be subject to the prior approval of the Board and Participating County is provided notice of said sublet or assignment. Notwithstanding that the Participating County's consent or approval is not required for any subletting of the Site or the Project, to assist with the Board's financing of the Project, the Participating County hereby consents to and approves the sublease of the Site, together with the Improvements, to the Board under the Site Lease and the further subletting of the Facility by the Board to the BSCC under the Facility Lease.

SECTION 8. No Commitment to Issue the Bonds and Non-Liability of the BSCC and the State.

The delivery of this Ground Lease shall not directly, indirectly or contingently, obligate the BSCC, the Board or any other subdivision of the State to issue the Bonds or levy any form of taxation or to make any appropriation with respect to the Project. Any obligation of the BSCC created by or arising out of this Ground Lease shall not impose a debt or pecuniary liability upon the BSCC, the Board or any other subdivision of the State, or a charge upon the general credit or taxing powers thereof but shall be payable solely out of funds duly authorized and appropriated by the State.

SECTION 9. Cooperation.

The Participating County has a duty to fully cooperate and provide all necessary assistance to the BSCC and the Board to aid them in their efforts to finance the Project. The Participating County acknowledges that it is authorized and directed to provide cooperation concerning the issuance of the Bonds, including without limitation, executing and delivering such certificates, legal opinions or instruments as the BSCC or the Board may reasonably request. The Participating County's legal counsel, Chief Administrative Officer and its Sheriff are authorized and directed to cooperate in the issuance of the Bonds and to execute all documents reasonably needed to accomplish such financing.

SECTION 10. Term and Extension.

The Term of this Ground Lease shall commence on the Effective Date and shall co-terminate on the same date as the Facility Lease, unless such Term is extended by the parties thereto, or unless sooner terminated as provided herein, except no termination of this Ground Lease shall occur until all the Bonds and all other indebtedness incurred by the Board for the Project, if any, have been fully repaid.

SECTION 11. Rental.

The BSCC shall pay the Participating County rental in the sum of Ten Dollars (\$10.00) per year, all of which rental shall be deemed to have been prepaid to the Participating County by the BSCC on the Effective Date and, thereby acknowledges the Participating County's match funding requirement has been sufficiently met. The Participating County agrees that the payment of such rental is adequate consideration for the leasing of the Site, together with the Improvements, under this Ground Lease.

SECTION 12. Taxes and Assessment.

The BSCC shall pay or cause to be paid all lawful taxes that may be levied at any time upon any interest the BSCC may have under this Ground Lease (including both the Site and the Improvements after the Effective Date). The Participating County and the BSCC each represent and acknowledge that neither Party believes or expects that its respective interests in the Site are subject to payment of property taxes. The BSCC shall have the right to contest the validity of any levy or tax assessment levied upon the BSCC's interest in the Site.



SECTION 13. Right of First Offer and Priority of Ground Lease.

(a) Right of First Offer. Should the Participating County decide to sell the Site at any time during the Term of this Ground Lease, the Participating County shall notify the BSCC and the Board in writing of such intention prior to soliciting offers from any prospective purchasers. In such event, the BSCC and the Board shall have fifteen (15) months from receipt of such notification of intention to sell to inform the Participating County of the BSCC's interest in acquiring the Site. The Participating County understands that the State's acquisition process requires an appropriation of funds and the approval of the Board. The Participating County agrees to reasonably cooperate with the BSCC in obtaining such approval and in meeting any other State property acquisition requirements that may exist at that time. If the BSCC informs the Participating County of the BSCC's intention to acquire the Site within said fifteen (15) month period, the Parties agree to negotiate a purchase agreement in good faith and at a price that is the fair market value of the Site at the time the BSCC exercises its Right of First Offer.

(b) Priority of Ground Lease. If the BSCC and the Participating County are unable to agree on the terms and conditions for the purchase and sale of the Site, or if the Board does not approve the acquisition of the Site by the BSCC, the Participating County shall be free to market and sell the Site to a third party; provided, however, any new owner of the Site shall acquire the Site subject to this Ground Lease and any encumbrances related to the Bonds and the Bond Documents. The BSCC and the Board shall have no obligation to subordinate the Ground Lease, the Bonds or the Bond Documents to accommodate the new owner or lender(s).

SECTION 14. Damage or Destruction.

Damage or destruction to the Project shall not act to terminate or cancel this Ground Lease. In the event of any damage or destruction of the Project, the use of the proceeds of any property casualty or builder's risk insurance required to be procured and maintained pursuant to the PDCA, or any insurance required by the Facility Lease or Facility Sublease shall be governed by the terms of the agreement that required the procurement of such insurance.

SECTION 15. Insurance.

Except for insurance obligations that may arise as a result of the issuance of the Bonds by the Board, or as may be required by the PDCA, the BSCC shall have no obligation to purchase insurance for the Site or the Project, including but not limited to any general liability, earthquake, flood, fire or extended casualty coverage.

SECTION 16. Condition and Title to the Improvements on Termination.

Upon termination or expiration of this Ground Lease, the BSCC shall have no obligation, to remove the Improvements. Title to the Improvements, including the Project, during the Term shall be vested in the State. Subject to the terms and conditions in the Bond Documents, at the termination or expiration of this Ground Lease, fee title to the Improvements, including the Project, shall vest in the Participating County and become the property of the Participating County without further action of any Party and without the necessity of a deed from the BSCC to the Participating County.

SECTION 17. The BSCC's Right to Terminate.

The BSCC, with the approval of the Board, shall have the right to terminate this Ground Lease upon thirty (30) days written notice to the Participating County without any liability; provided, however, no termination of this Ground Lease or reversion of title to any portion of the Site or vesting of title to the Project may occur until the Bonds have been fully paid or retired under the provisions of the Bond Documents.

SECTION 18. The Participating County's Right to Terminate

Participating County's proper exercise of its termination rights pursuant to Article 2, section 2.2(b) of the PDCA serves to terminate this Ground Lease effective on the date of termination of the PDCA.

SECTION 19. Non-Termination, Default and Damages.

This Ground Lease shall expire at the end of the Term. It is expressly agreed by the Parties to this Ground Lease that any default under this Ground Lease will not allow either Party to terminate or otherwise interfere with the BSCC's quiet enjoyment and beneficial use of the Site and the Project under this Ground Lease, the Site Lease or the Facility Lease. Until such time as the Bonds have been fully paid or retired under the provisions of the Bond Documents, the sole remedy of any Party upon such default shall be a suit for money damages or specific performance to remedy such a default.

SECTION 20. Waste and Hazardous Materials.

Neither the Participating County nor the BSCC shall knowingly commit, suffer or permit any waste or nuisance on the Site or any acts to be done thereon in violation of any laws or ordinances. To the Participating County's best knowledge, after having examined its documents, public records and other instruments and having made inquiry of appropriate departments and agencies with respect to the Site and, except as specifically provided in this Ground Lease, no Hazardous Materials, were used, generated, stored, released, discharged or disposed of on, under, in, or about the Site or transported to or from the Site. The Participating County represents with respect to the Site that neither the Participating County nor any other person or entity under the control of, or with the knowledge of the Participating County will cause or permit the use generation, storage, release, discharge, or disposal of any Hazardous Materials on, under, in, or about the Site or transported to or from the Site.

SECTION 21. Eminent Domain.

If the whole or any portion of the Site or the Project shall be taken in eminent domain proceedings, or by sale in lieu of such taking by a governmental entity threatening to use the power of eminent domain, and which taking in the collective judgment of the BSCC, the Board, and the State Treasurer renders the Site and/or the Project unsuitable for the continued use by the State, then this Ground Lease shall terminate when possession is taken by the condemning entity.

If this Ground Lease is terminated because of such taking and any of the Bonds are outstanding, then all proceeds from any permanent or temporary taking shall be used to repay

any outstanding Bonds as provided in the Bond Documents, including any outstanding or accrued interest, and upon full repayment of the Bonds then the remaining proceeds, if any, shall be distributed to the BSCC and the Participating County according to their respective interests as provided in the Bond Documents. The Participating County and the BSCC shall each have the right to represent its own interest, at its own cost and expense, in any proceedings arising out of such taking, and each of the Participating County and the BSCC shall reasonably cooperate with the other, including without limitation, settling with the condemning authority only with the other Party's consent if such settlement would affect the other Party's rights.

If this Ground Lease is not terminated because of such taking, then it shall remain in full force and effect with respect to the remainder of the Site and the Project. The Participating County and the BSCC each waives the provisions of the California Code of Civil Procedure, Section 1265.130, or any similar law that permits a Party to petition a court to terminate this Ground Lease upon a taking affecting the Site or the Project, the Parties agreeing that any such termination rights shall be only as expressly set forth in this Ground Lease.

SECTION 22. Non-Discrimination.

During the performance of this Ground Lease, the Participating County shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Participating County shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Participating County shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter I, Part I, Division 3, Title 2 of the Government Code (Government Code, Sections 11135 - 11139.5), and the regulations or standards adopted to implement such article.

SECTION 23. Liens.

In the event the BSCC, the Board or their designees, at any time during the Term, causes any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Project or the Site, the BSCC, the Board or their designees shall pay, when due, all sums of money that may become due for any labor, services, materials, supplies or equipment furnished to or for the BSCC or the Board, upon or about the Project or the Site and which may be secured by any lien against the Project or the Site or the BSCC's or the Board's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or comes due; except that, if the BSCC or the Board desires to contest any such lien, it may do so. If any such lien is reduced to final judgment and such judgment or other process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed, said stay thereafter expires, the BSCC or the Board shall forthwith pay and discharge said judgment.

SECTION 24. Indemnification.

As required by Section 15820.92(d) of the California Government Code, the Participating County hereby agrees that it shall indemnify, protect, defend and hold harmless the State, including but not limited to, the BSCC, the Board, DGS, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants and agents (collectively the “Indemnitees”), for any and all claims, liabilities and losses arising out of the use of the Site or the Project, including, but not limited to all demands, causes of action and liabilities of every kind and nature whatsoever arising out of, related to, or in connection with (a) any breach of this Ground Lease by the Participating County; (b) the construction, operation, maintenance, use and occupancy of the Project; (c) any acts or omissions of any contractor hired by the Participating County or its agents or subcontractor hired by such contractor (collectively the “Claims”). The Participating County’s obligation to indemnify, defend, and save harmless the Indemnitees shall extend to all Claims arising, occurring, alleged, or made any time, including prior to, during, or after this Ground Lease is in full force and effect. The Participating County’s obligation to indemnify, defend, and save harmless the Indemnitees shall apply regardless of any active and/or passive negligent act or omission of the Indemnitees, but the Participating County shall not be obligated to provide indemnity or defense for Indemnitees wherein the Claims arise out of the gross negligence or willful misconduct of the Indemnitees. The indemnification obligation of the Participating County set forth in this Section shall survive the expiration of the Term or earlier termination of this Ground Lease.

SECTION 25. Non-Encumbrance.

The Participating County covenants that the Facility is not and will not be mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been and will not be the subject of a grant of a security interest by the Participating County without the written consent of the BSCC and the Board. The Participating County further covenants that it shall not in any manner impair, impede or challenge the security, rights and benefits of the owners of the Bonds or the trustee for the Bonds.

SECTION 26. Miscellaneous.

(a) Amendments. This Ground Lease may only be amended, changed, modified or altered in writing by the Parties. As long as any of the Bonds are outstanding the Board must consent to any amendment hereto to be effective.

(b) Waiver. The waiver by any Party of a breach by the other Party of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

(c) Law Governing. This Ground Lease shall be governed exclusively by the provisions hereof and by the laws of the State and any action arising from or relating to this Ground Lease shall be filed and maintained in Sacramento County Superior Court, Sacramento, California.

(d) Section Headings. All articles, paragraph and section headings, titles or captions contained in this Ground Lease are for convenience of reference only and are not intended to

define or limit the scope of any provision of this Ground Lease.

(e) Conflicts Between Terms of Documents. Nothing in this Ground Lease is intended to amend, modify or supersede the PDCA except as expressly provided herein. In the event of any inconsistency in the PDCA and this Ground Lease, the inconsistency shall be resolved by giving preference to the PDCA. In the event of any inconsistency between this Ground Lease and the Bond Documents, the inconsistencies shall be resolved by giving preference to the Bond Documents.

(f) Relationship of Parties. The BSCC and its agents and employees involved in the performance of this Ground Lease shall act in an independent capacity and not as officers, employees or agents of the Participating County.

(g) Successors and Assigns. The terms and provisions hereof shall extend to and be binding upon and inure to the benefit of the successors and assigns of the respective Parties.

(h) Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason by a court of competent jurisdiction and the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants or conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

(i) Notices. All notices herein which are to be given or which may be given by either Party to the other, shall be in writing and shall be deemed to have been given three (3) business days after deposit in the United States Mail, certified and postage prepaid, return receipt requested and addressed as follows:

To the BSCC: Board of State and Community Corrections  
2590 Venture Oaks Way, Suite 200  
Sacramento, CA 95833  
Attention: Executive Director  
Facsimile: 916-327-3317

To the Board: State Public Works Board  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, CA 95814  
Attention: Executive Director  
Facsimile: 916-449-5739

To the Participating County: County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, CA 95354  
Attention: Chief Executive Officer  
Facsimile: 209-544-6226

Nothing herein contained shall preclude the giving of any such written notice by personal

## EXECUTION COPY

service, in which event notice shall be deemed given when actually received. The address to which notices shall be mailed to a Party may be changed by written notice given to all Parties as hereinabove provided.

(j) Execution and Counterparts. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Ground Lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the signatories to this Ground Lease, all with the same force and effect as though the same counterpart had been executed by all of the signatories.

(k) Bankruptcy. In the event of any bankruptcy proceeding, this Ground Lease will not be treated as an executory contract and cannot be rejected by the Participating County.

(l) Exhibits. The following Exhibits are attached to this Ground Lease and incorporated by reference herein.

Exhibit A: Project Description

Exhibit B: Legal Description and Depiction of the Site

Exhibit C: Form of Easement Agreement for Grants of Access, Utilities and Repairs

Exhibit D: Form of Legal Opinion Letter

Exhibit E: List of the Permitted Encumbrances

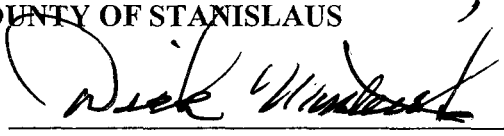
Exhibit F: Pending and Threatened Lawsuits

**[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]**

**EXECUTION COPY**

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

**COUNTY OF STANISLAUS**

By: 

Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

By: \_\_\_\_\_

Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_

Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_

Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

**EXECUTION COPY**

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By: \_\_\_\_\_  
Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
COMMUNITY CORRECTIONS OF  
THE STATE OF CALIFORNIA**

By: KATHLEEN T. HOWARD  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section



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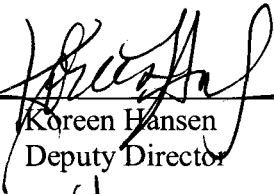
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Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
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THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By:  \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director  
Date: January 11, 2016

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

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Name: Dick Monteith  
Title: Chairman, Board of Supervisors

**BOARD OF STATE AND  
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THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director


**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)

By:   
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

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 )

County of Stanislaus )

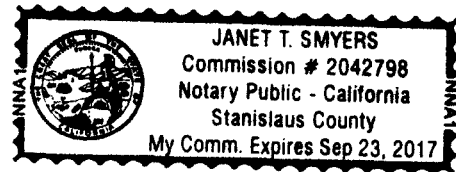
On January 7, 2016 before me, Janet T. Smyers, Notary Public, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Janet T Smyers



(Seal)

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, Board of State and Community Corrections )

County of Stanislaus )

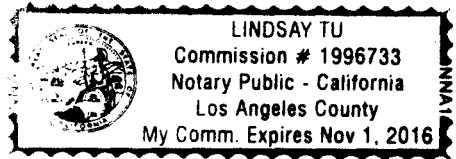
On January 7, 2016 before me, Lindsay Tu, notary,  
(here insert name and title of the officer)

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

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WITNESS my hand and official seal.

Signature 



(Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the interest in real property conveyed by the Ground Lease dated as of January 11, 2016 for reference only from the County of Stanislaus, a Political Subdivision of the State of California to the State of California on behalf of the Board of State and Community Corrections of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.

ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: [Signature]
Name: Koreen Hansen
Title: Deputy Director

Date: January 11, 2016

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By:
Name: Kathleen T. Howard
Title: Executive Director

Date:

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By:
Name: Michael P. Butler
Title: Section Chief
Real Property Services Section

Date:

CERTIFICATE OF ACCEPTANCE

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ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: Kathleen T. Howard  
Name: Kathleen T. Howard  
Title: Executive Director

Date: 01/07/16

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: \_\_\_\_\_

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ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Koreen Hansen  
Title: Deputy Director

Date: \_\_\_\_\_

APPROVED

BOARD OF STATE AND COMMUNITY CORRECTIONS OF THE STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: Kathleen T. Howard  
Title: Executive Director

Date: \_\_\_\_\_

APPROVED

DEPARTMENT OF GENERAL SERVICES OF THE STATE OF CALIFORNIA (Pursuant to Government Code Section 11005)

By: Michael P. Butler  
Name: Michael P. Butler  
Title: Section Chief  
Real Property Services Section

Date: 1/11/2016

**EXHIBIT A**

**Project Description**

Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center

**PROJECT SCOPE**

This project will design and construct a new Reentry and Enhanced Alternatives to Custody Training Center adjacent to an existing jail. The project will be constructed on approximately 3.5 acres of the greater 127± acres of county-owned land at the Stanislaus County Public Safety Center in the City of Ceres. This new facility will be dependent on the adjacent, existing jail for several core operational components, including main kitchen; laundry; offender intake, release, and transportation; and staff support services.

The new building will provide a public lobby and reception area, administration space, a processing area, classrooms, a multipurpose room, counseling rooms, housing for up to approximately 288 adult offenders in secure transitional housing units, and all necessary circulation and common space. The housing units will include a secure sally port, a security control center, video visitation, a re-therm kitchen, secure dayrooms, outdoor recreation space, and showers and toilets. They will also include numerous programs and training rooms for adult education, religious services, counseling, self-help classes, mental health evaluations/classes, and other life-skills and job/career preparation programs.

The project will also include, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems; as well as security fencing and additional staff and visitor parking.



**EXHIBIT B**

**Legal Description and Depiction of the Site**

## LEGAL DESCRIPTION OF THE SITE

ALL that certain real property situated in the County of Stanislaus, State of California, lying within a portion of the Southwest Quarter of Sections 16, Township 4 South, Range 9 East, Mount Diablo Meridian, described as follows:

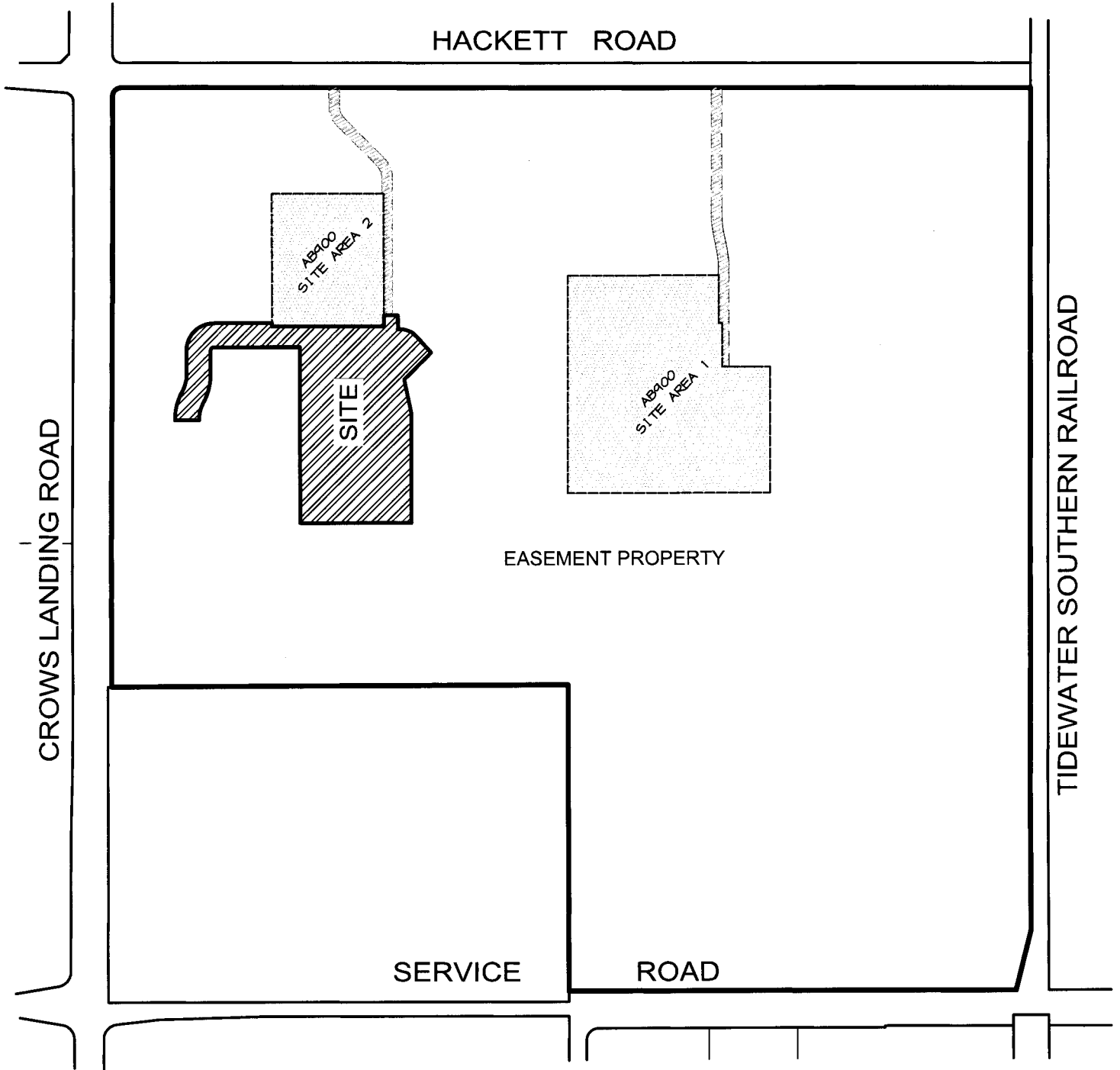
### SITE AREA:

COMMENCING at the Northeast corner of the Southwest Quarter of said 16; thence North 89°52'43" West along the North line of said Southwest Quarter, a distance of 2168.07 feet; thence South 00°00'00" East, a distance of 700.00 feet to the POINT OF BEGINNING of this description; thence continuing 1) South 00°00'00" East, a distance of 10.00 feet; thence 2) South 90°00'00" East, a distance of 315.00 feet; thence 3) North 00°00'00" West, a distance of 30.84 feet; thence 4) North 89°55'51" East, a distance of 39.00 feet; thence 5) South 00°00'00" East, a distance of 38.89 feet; thence 6) North 90°00'00" East, a distance of 7.90 feet to a point of curvature of a tangent curve, concave southwesterly and having a radius of 60.00 feet; thence 7) southeasterly along the arc of said curve, through a central angle of 47°59'26", an arc distance of 50.26 feet; thence 8) South 42°00'34" East, a distance of 61.76 feet; thence 9) South 45°04'41" West, a distance of 107.15 feet; thence 10) South 11°57'54" East, a distance of 93.24 feet; thence 11) South 00°06'00" West, a distance of 314.60 feet; thence 12) North 89°55'19" West, a distance of 312.29 feet; thence 13) North 00°04'41" East, a distance of 496.79 feet; thence 14) North 90°00'00" West, a distance of 243.65 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 10.00 feet; thence 15) southwesterly along the arc of said curve, through a central angle of 89°55'19", an arc distance of 15.69 feet; thence 16) South 00°04'41" West, a distance of 68.97 feet to a point of curvature of a tangent curve, concave northwesterly and having a radius of 159.00 feet; thence 17) southwesterly along the arc of said curve, through a central angle of 29°17'46", an arc distance of 81.30 feet to a point of reverse curvature of a curve, concave southeasterly and having a radius of 91.00 feet of which the radius point bears South 60°37'34" East ; thence 18) southerly along the arc of said curve, through a central angle of 32°08'48", an arc distance of 51.06 feet; thence 19) South 89°57'56" West, a distance of 68.04 feet to a point of curvature of a curve, concave southeasterly and having a radius of 159.00 feet of which the radius point bears North 88°23'55" East; thence 20) northeasterly along the arc of said curve, through a central angle of 30°58'31", an arc distance of 85.96 feet to a point of reverse curvature of a curve, concave northwesterly and having a radius of 91.00 feet of which the radius point bears South 60°37'34" East; thence 21) northerly along the arc of said curve, through a central angle of 29°17'46", an arc distance of 46.53 feet; thence 22) North 00°04'41" East, a distance of 68.97 feet to a point of curvature of a tangent curve, concave southeasterly and having a radius of 78.00 feet; thence 23) northeasterly along the arc of said curve, through a central angle of 89°55'19", an arc distance of 122.42 feet; thence 24) South 90°00'00" East, a distance of 164.55 feet to the point of beginning.

CONTAINING 4.83 acres more or less

Prepared by:  
Dave L. Skidmore, L.S. 7126  
December 30, 2015





1" = 400'

EXHIBIT C

(Form of Easement Agreement for Grants of Access, Utilities and Repairs)

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NO DOCUMENTARY TRANSFER TAX DUE. This Ground Lease is recorded for the benefit of the State of California and is exempt from California transfer tax pursuant to Section 11928 of the California Revenue and Taxation code and from recording fees pursuant to Sections 6103 and 27383 of the California Government Code.

[THE AREA ABOVE IS RESERVED FOR RECORDER'S USE]

EASEMENT AGREEMENT FOR GRANTS OF ACCESS, UTILITIES AND REPAIRS

This Easement Agreement for Grants of Access, Utilities and Repairs (this "Easement Agreement"), dated for reference only as of \_\_\_\_\_, 20\_\_, is made by and between COUNTY OF \_\_\_\_\_, (the "Participating County"), a Political Subdivision of the State of California, as grantor, and the ["DEPARTMENT OF CORRECTIONS AND REHABILITATION" OR BOARD OF STATE AND COMMUNITY CORRECTIONS"] OF THE STATE OF CALIFORNIA (the "Department"), an entity of state government of the State of California, as grantee.

RECITALS

A. The Participating County, as landlord, and the Department as tenant, entered into a ground lease dated as of \_\_\_\_\_, 20\_\_ for reference only, (the "Ground Lease") for the lease of that certain real property located in the County of [\_\_\_\_\_] and more particularly described in Exhibit 1, attached hereto and incorporated herein by this reference (the "Site"); and

B. The Ground Lease provides that the Participating County, as owner of certain real property adjacent to the Site, shall grant Easements to the Department in the Easement Property, which is more particularly described in Exhibit 2, attached hereto and incorporated herein by this reference; and

C. The Participating County and the Department desire the grant of Easements in the Easement Property on the terms and conditions contained in this Easement Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. Unless otherwise required by the context, all capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Ground Lease or the Project Delivery and Construction Agreement.

2. Grant and Description of Easements.

2.1 Grant of Access Easement. The Participating County, as the owner of the Easement Property, hereby establishes and grants to and for the benefit of the Department and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement over and across the Easement Property as shown in Exhibit 2 hereto for purposes of ingress and egress to and from the Site and the Project (the "Access Easement"); provided, however, that rights pursuant to such Access Easement shall only be exercised if there is no reasonable access to the Site and the Project via adjacent public streets and roadways and subject to the security limitations set forth in Section 2.3 hereof; and provided further, that such Access Easement is only effective (i) during such times where the Department, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease.

2.2 Grant of Utilities and Repairs Easement. The Participating County, as the owner of the Easement Property, hereby grants to and for the benefit of the Department and the Board and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement across, over and under the Easement Property as shown in Exhibit 2 hereto for the purpose of: a) installation, maintenance and replacement of utility wires, cables, conduits and pipes for "Utilities", as defined below; and b) other purposes and uses necessary or desirable for the repair, operation and maintenance of the Facility (the "Utilities and Repairs Easement" and together with the Access Easement, the "Easements"); provided, however, that such Utilities and Repairs Easement is subject to the security limitations set forth in Section 2.3 hereof; and; provided further, that such Utilities and Repairs Easement is only effective (i) during such times where the Department, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Sublease or (ii) during such times where the Board, or its lessees, successors or assigns, is in possession of the Facility and is responsible for maintenance and repair of the Facility under the terms of the Facility Lease. "Utilities" shall mean any and all wet and dry utilities (including sewer) necessary or required to service the Facility, including, without limitation, all electrical, natural gas, water, sewer, telephone, data, and other telecommunications services.

2.3 Security Limitation on Easements. The exercise of the rights granted under the Easements will be expressly subject to the limitations and requirements imposed by the Participating County's customary security measures for the Participating County's facilities that may be located on the Easement Property (the "Security Measures"). Prior to the exercise of any rights under the Easements, the Department or the Board, as the case may be, or their respective lessees, successors or assigns shall contact the [Title of Appropriate Individual at Participating County] to ensure that such exercise of rights granted under the Easements will be in compliance

with the requirements of the Security Measures.

3. No Unreasonable Interference. The Participating County shall not conduct any activity on, under or about the Easement Property that would unreasonably interfere with the use of the Easements.

4. Term of Easement Agreement; No Termination by Breach. The term of this Easement Agreement shall be coextensive with the Term of the Ground Lease, as such Term may be extended or terminated as provided in the Ground Lease. No breach of this Easement Agreement shall entitle any of the parties hereunder to cancel, rescind, or otherwise terminate this Easement Agreement, but such limitation shall not affect in any manner any other rights or remedies which a party may have hereunder by reason of any breach.

5. Character. The Easements granted by this Easement Agreement shall be appurtenant to the Site and nonexclusive and for the use and benefit of the Department and the Board. This Easement Agreement is not intended to grant a fee interest in the Easement Property, nor is it intended to be a lease or a license. The Department acknowledges that the Easements herein granted are nonexclusive easements and that the Participating County and its successors and assigns may grant one or more additional non-exclusive easements in the Easement Property to third parties, so long as the rights granted by such easements do not materially interfere with or hinder the use of the Easements by the Department or the Board or that of their respective lessees, successors or assigns.

6. Covenants Running with the Land; Binding on Successors. Pursuant to California Civil Code section 1468, this Easement Agreement and the Easements are covenants related to the use, repair, maintenance and improvement of the properties benefited and burdened hereby, and, as such, the covenants set forth herein shall be binding upon the Easement Property and shall be binding upon all parties having or in the future acquiring any interest in the Easement Property.

7. Binding Effect. This Easement Agreement shall be binding on and shall inure to the benefit of the lessees, successors and assigns of the Participating County, the Department, and the Board.

8. Recordation of Easement Agreement. This Easement Agreement shall be recorded in the Official Records of [ENTER COUNTY NAME] County, State of California, and shall serve as notice to all parties succeeding to the interest of the parties hereto that their use of the Site and the Project and the Easement Property shall be benefited or restricted, or both, in the manner herein described.

9. Entire Agreement; Amendments. This Easement Agreement contains the entire agreement of the parties hereto relating to the Easements herein granted. Any representations or modifications concerning this Easement Agreement shall be of no force and effect, excepting a subsequent modification in writing, signed by the Department and approved by the Board and the current owner of the Easement Property and recorded in the Official Records of [ENTER COUNTY NAME] County, State of California.

10. Warranty of Authority. The Participating County represents and warrants as of

**EXECUTION COPY**

the Effective Date that (i) it is the legal owner of the Easement Property, (ii) it has full power and authority to place the encumbrance of this Easement Agreement on the Easement Property, (iii) it has not conveyed (or purported to convey) any right, title or interest in or to the Easement Property, except as has been disclosed in writing to the Department prior to the Effective Date, and (iv) if necessary, it has the written consent of any lenders, tenants and subtenants of the Easement Property to the terms and conditions of this Easement Agreement.

11. Counterparts. This Easement Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Easement Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first written above.

**THE COUNTY OF [COUNTY]**

By: \_\_\_\_\_  
Name:  
Title:

**[DEPARTMENT OF CORRECTIONS  
AND REHABILITATION OF THE  
STATE OF CALIFORNIA]**

By: \_\_\_\_\_  
Name:  
Title:

**CONSENT: STATE PUBLIC WORKS  
BOARD OF THE STATE OF CALIFORNIA**

By: \_\_\_\_\_  
Name:  
Title: [Executive Director or Deputy Director]

**APPROVED: DEPARTMENT OF GENERAL  
SERVICES OF THE STATE OF  
CALIFORNIA**

(Pursuant to Government Code Section 11005)  
By: \_\_\_\_\_  
Name:  
Title:

---

State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)



State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, notary,  
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**CERTIFICATE OF ACCEPTANCE**

This is to certify that, pursuant to Section 27281 of the California Government Code, the easement interest in real property conveyed by the Easement Agreement for Grants of Access Utilities, and Repairs dated as of \_\_\_\_\_, 20\_\_ for reference only from the County of \_\_\_\_\_, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

*Note to Recorder: If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed if any.*

**ACCEPTED**

STATE PUBLIC WORKS BOARD OF THE  
STATE OF CALIFORNIA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED**

[DEPARTMENT OF CORRECTIONS AND  
REHABILITATION OF THE STATE OF  
CALIFORNIA]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED**

DEPARTMENT OF GENERAL SERVICES OF  
THE STATE OF CALIFORNIA  
(Pursuant to Government Code Section 11005)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXECUTION COPY**

**EXHIBIT 1 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE SITE**

(To Be Attached)

**EXHIBIT 2 TO EASEMENT AGREEMENT**

**LEGAL DESCRIPTION OF THE EASEMENT PROPERTY**

(To Be Attached)

EXHIBIT D

(Form of Legal Opinion Letter)

[LEGAL COUNSEL LETTERHEAD]

[Client]

State Public Works Board  
of the State of California  
Sacramento, California

Re: Ground Lease By and Between [insert name of the Participating County] and the Department for the [insert name of the Project] Located at [insert address of the Site]

Ladies and Gentlemen:

I am legal counsel for [insert name of client] with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of \_\_\_\_\_, 20\_\_ for reference only between [insert name of the Participating County], as landlord, and the Department of Corrections and Rehabilitation of the State of California (the "Department"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

*[Use one of the following alternatives]*

*[Alternative 1: If the Participating County is the client]*

1. The [insert name of the Participating County] is a political subdivision of the State of California created in accordance with the provisions of the Constitution of the State of California, with full legal right, power and authority to enter into and perform its obligations under the Ground Lease *[if easements are being granted under the terms of an Easement Agreement in the form of Exhibit C to the Ground Lease, add: "and Easement Agreement in the form attached as Exhibit C to the Ground Lease" and revise letter accordingly]*.

*[Alternative 2: If the Department is the client]*

1. The Department is an entity of state government of the State of California with full legal right, power and authority to enter into and perform its obligations under the Ground

**EXECUTION COPY**

Lease [if easements are being granted under the terms of an Easement Agreement in the form of Exhibit C to the Ground Lease, add: "and Easement Agreement in the form attached as Exhibit C to the Ground Lease" and revise letter accordingly].

*[The following provisions apply regardless of the client]*

2. The Ground Lease [and Easement Agreement] [has/have] been duly authorized, executed and delivered by [insert name of client], and [is/are] valid and binding upon and enforceable against the [insert name of client] in accordance with [its/their] terms if [it is/they are] in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the [insert name of client] of the Ground Lease [and Easement Agreement] and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the [insert name of client] a breach of or a default under the law, administrative regulation, judgment, decree or any agreement or other instrument known to me which the [insert name of client] is a party or otherwise subject.

4. All actions on the part of the [insert name of client] necessary for the execution and performance of the Ground Lease [and Easement Agreement] have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the [insert name of client] is required to be obtained by the [insert name of client] for the making and performance of the Ground Lease [and Easement Agreement] .

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease [and Easement Agreement], or in any way contesting or affecting the validity of the Ground Lease [and Easement Agreement].

Very truly yours,

[INSERT NAME OF CLIENT]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



**STANISLAUS COUNTY COUNSEL**  
1010 Tenth Street, Suite 6400  
Modesto, CA 95354  
Phone: 209.525.6376  
Fax: 209.525.4473

**John P. Doering**  
County Counsel  
**Thomas E. Boze**  
Assistant County Counsel

**DEPUTIES**  
Amanda M. DeHart  
Robin L. Gozzo  
Marc Hartley  
Deirdre E. McGrath  
Alice E. Mimms  
Maria Elena R. Ratliff  
Carrie M. Stephens  
Robert Taro

January 11, 2016

State Public Works Board  
of the State of California  
915 L Street, 9<sup>th</sup> Floor  
Sacramento, California 95814

**Re: Ground Lease By and Between Stanislaus County and the Board of State and Community Corrections for the Stanislaus County Reentry and Enhanced Alternatives to Custody Training Center Project Located at 200 E. Hackett Road, Ceres, California**

Ladies and Gentlemen:

I am legal counsel for the County of Stanislaus with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of January 11, 2016 for reference only between Stanislaus County, as landlord, and the Board of State and Community Corrections of the State of California (the "Board"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

1. The County of Stanislaus is a political subdivision of the State of California created in accordance with the provisions of the Constitution of the State of California, with full legal right, power and authority to enter into and perform its obligations under the Ground Lease and Easement Agreement in the form attached as Exhibit C to the Ground Lease.
2. The Ground Lease and Easement Agreement have been duly authorized, executed and delivered by the County of Stanislaus, and are valid and binding upon and enforceable against the County of Stanislaus in accordance with their terms if they are

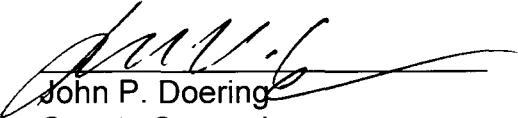
in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the County of Stanislaus of the Ground Lease and Easement Agreement and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the County of Stanislaus a breach of or a default under the law, administrative regulation, judgment, decree or any agreement or other instrument known to me to which the County of Stanislaus is a party or otherwise subject.

4. All actions on the part of the County of Stanislaus necessary for the execution and performance of the Ground Lease and Easement Agreement have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the County of Stanislaus is required to be obtained by the County of Stanislaus for the making and performance of the Ground Lease and Easement Agreement.

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease and Easement Agreement, or in any way contesting or affecting the validity of the Ground Lease and Easement Agreement.

Very truly yours,

  
John P. Doering  
County Counsel

JPD:djc

cc: Patricia Hill Thomas, Chief Operations Officer





**BEST BEST & KRIEGER**  
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**Kara K. Ueda**  
(916) 551-2822  
kara.ueda@bbklaw.com

January 11, 2016

State Public Works Board  
of the State of California  
Sacramento, California

Re: Ground Lease By and Between the County of Stanislaus and the Board of State and Community Corrections of the State of California for the SB 1022 Adult Local Criminal Justice Facilities Financing Program Located at 200 East Hackett Road, Ceres, California

Ladies and Gentlemen:

This firm serves as legal counsel for the Board of State and Community Corrections of the State of California with respect to the above referenced matter. We have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of January 11, 2016, for reference only between the County of Stanislaus, as landlord, and the Board of State and Community Corrections of the State of California (the "BSCC"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as we have deemed necessary for the purpose of this opinion.

We are of the opinion that:

1. The BSCC is an entity of state government of the State of California with full legal right, power and authority to enter into and perform its obligations under the Ground Lease and Easement Agreement for Grants of Access, Utilities and Repairs ("Easement Agreement"), in the form attached as Exhibit C to the Ground Lease.

2. The Ground Lease and Easement Agreement have been duly authorized, executed and delivered by the BSCC and are valid and binding upon and enforceable against the BSCC in accordance with their terms if they are in like fashion valid and binding upon and enforceable against the respective other parties thereto, except that enforceability may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

3. The execution and delivery by the BSCC of the Ground Lease and Easement Agreement and compliance with the provisions thereof do not and will not materially conflict with or constitute on the part of the BSCC a breach of or a default under the law, administrative



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

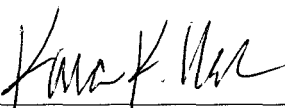
January 11, 2016  
Page 2

regulation, judgment, decree or any agreement or other instrument known to us which the BSCC is a party or otherwise subject.

4. All actions on the part of the BSCC necessary for the execution and performance of the Ground Lease and Easement Agreement have been duly and effectively taken, and no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body not already obtained or not obtainable in due course by the BSCC is required to be obtained by the BSCC for the making and performance of the Ground Lease and Easement Agreement.

5. There is no action, suit or proceeding pending (with the service of process having been accomplished) to restrain or enjoin the execution and delivery of the Ground Lease and Easement Agreement or in any way contesting or affecting the validity of the Ground Lease and Easement Agreement.

Very truly yours,

By: 

Name: Kara K. Ueda  
of BEST BEST & KRIEGER LLP  
Its: Counsel

**EXHIBIT E**

**List of the Permitted Encumbrances**

1. Right of Entry for Construction and Operation

**EXHIBIT F**

**Pending and Threatened Lawsuits**

None.