

**AGENDA
COUNTYWIDE OVERSIGHT BOARD
(Teleconference)**

MONDAY

JULY 12, 2021

1:30 PM

MEMBERS:

Troy Givans (Vice-Chair), Sacramento County Board of Supervisors appointee; Jay Schenirer (Chair), City Selection Committee appointee; LaShelle Dozier, Employee Organization appointee; Nick Schweizer, Sacramento County Office of Education appointee; Terri Leimbach, Special District appointee; Jeff Frye, Special District alternate; Mario Rodriguez, Community College appointee; Amar Hariharan, Member of the Public

STAFF:

Deon Merene, Legal Counsel; Wendy Hartman, Oversight Board Administrator; Alma Munoz, Assistant Clerk; Grazyna Dawlewicz, Deputy Clerk; John Lundgren, Oversight Board Staff

PUBLIC COMMENT PROCEDURES

In compliance with directives of the County, State, and Centers for Disease Control and Prevention (CDC), this meeting is live stream and closed to in-person public attendance. Meeting procedures are subject to change pursuant to guidelines related to social distancing and minimizing person-to-person contact.

Live Meeting Comment

Make a verbal public comment during a meeting. The public comment phone line will open 15-minutes prior to the start of the meeting. Refer to the agenda and listen to the live meeting to determine when is the best time to call to be placed in queue to make a public comment. Callers may be on hold for up to an extended period of time and should plan accordingly. Dial (916) 875-2500 and follow the prompts to be placed in queue for a specific agenda item or off-agenda matter. When the Chair opens public comment for a specific agenda item or off-agenda matter, callers will be transferred from the queue into the meeting to make a verbal comment. Each agenda item queue will remain open until the public comment period is closed for that specific item.

Written Comment

- Send an email comment to BoardClerk@saccounty.net. Include meeting date and agenda item number or off-agenda item. Contact information is optional.
- Mail a comment to 700 H Street, Suite 2450, Sacramento, CA 95814. Include meeting date and agenda item number or off-agenda item. Contact information is optional.

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- Written comments are distributed to members, filed in the record, and will not be read aloud.

VIEW MEETING

The meeting will be streamed live through BlueJeans Events. Members of the public may watch and/or listen to the meeting as follows:

- Audio from a PC: <https://primetime.bluejeans.com/a2m/live-event/ykwreapj>
- Audio from a mobile device: <https://primetime.bluejeans.com/a2m/live-event/ykwreapj> (Enter Event ID Code: **ykwreapj**)
- Teleconference (audio only) dial: (415) 466-7000 (Enter PIN Code: **1715468#**)

MEETING MATERIAL

The online version of the agenda and associated material is available at <http://sccob.saccounty.net> (click "Public Meetings" and "Sacramento Countywide Oversight Board"). Some documents may not be posted online because of size or format limitations. Contact the Clerk's Office at (916) 874-5411 for arrangements to obtain copies of documents.

ACCOMODATIONS

Requests for accommodations pursuant to the Americans with Disabilities Act (ADA) should be made with the Clerk's Office by telephone at (916) 874-5411 (voice) and CA Relay Services 711 (for the hearing impaired) or email at BoardClerk@saccounty.net prior to the meeting.

SECTION I - CALL TO ORDER

SECTION II - ROLL CALL

SECTION III - ACTION / DISCUSSION MATTERS

1. Amendment And Restatement Of Lease Financing Related To 2008 Acquisition And Rehabilitation Of Office Building At 801 12th Street, Sacramento, California

SECTION IV – SUCCESOR AGENCY STAFF COMMENTS

2. Comments From The Agency Staff

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SECTION V – BOARD MEMBER COMMENTS

3. Comments From The Board Members

SECTION VI – CITIZENS COMMENTS

4. Comments From The Public

SECTION VII - ADJOURNMENT

City of Folsom
City of Galt
City of Isleton
City of Sacramento
County of Sacramento

**SACRAMENTO COUNTYWIDE
OVERSIGHT BOARD**

Oversight Board Members
La Shelle Dozier
Troy Givans
Amar Hariharan
Terri R. Leimbach
Mario Rodriquez
Jay Schenirer
Nick Schweizer

For the Agenda of: July 12, 2021

Agenda Item Number: 1

To: Sacramento Countywide Oversight Board

From: Sacramento Housing & Redevelopment Agency,
Sacramento City Redevelopment Agency Successor Agency,
Successor Agency to the Sacramento County Redevelopment Agency

Subject: Amendment and Restatement of Lease Financing Related to 2008
Acquisition and Rehabilitation of Office Building at 801 12th Street,
Sacramento California

Report Type: Action

Contact: Susana Jackson, Chief Financial Officer, Sacramento Housing &
Redevelopment Agency, 916-440-1373

Wendy Hartman, County of Sacramento, 916-875-0527

Leslie Fritzsche, City of Sacramento, 916-808-5450

Overview

The Sacramento Housing and Redevelopment Agency (Agency), the Redevelopment Agency of the City of Sacramento (City RDA), the Redevelopment Agency of the County of Sacramento (County RDA), the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS) previously entered into a Ground and Facilities Lease, dated as of June 30, 2008 (Original Ground Lease), and Sublease, dated as of June 30, 2008 (Original Sublease; collectively with the Original Ground Lease, the Original Lease Agreements), with Banc of America Public Capital Corp (BAPCC), in order to finance the acquisition of the land and office building at 801 12th Street, Sacramento, California (Office Building), and the rehabilitation of the Office Building. The Agency, the City RDA Successor Agency (City RDA Successor Agency), the Successor Agency to the Sacramento County Redevelopment Agency (County RDA Successor Agency; together with the City RDA Successor Agency, the Successor Agencies), HACS and HACOS (collectively, the Agency Constituent Entities) wish to

amend and restate the Original Lease Agreements by entering into an Amended and Restated Ground and Facilities Lease (A&R Ground Lease) and an Amended and Restated Sublease (A&R Sublease; together with the A&R Sublease, the A&R Lease Agreements; and such amendment and restatement, the Proposed Amendment and Restatement).

Discussion

The purpose of the A&R Lease Agreements is to reduce the Original Lease Agreement obligations for an overall savings of approximately \$218,000 over the life of the financing, as it will not extend the lease term and maintains the original lease payment schedule, with final payoff occurring June 30, 2028. In addition, the execution and delivery of the A&R Lease Agreements will be subject to the conditions that the principal component of the payments under the A&R Sublease (A&R Sublease Payments) does not exceed \$6,250,000 and the interest rate applied to the principal component of the A&R Sublease Payments does not exceed 2.65% (not including any default lease rate).

The Public Property Facilities Corporation of California (Corporation) will be a party to the A&R Lease Agreements in order to act as an intermediary between the Agency Constituent Entities and BAPCC, and the Corporation will assign its rights under the A&R Lease Agreements to BAPCC pursuant to an Assignment Agreement dated and to be recorded in the real property records of the County simultaneously with the A&R Lease Agreements.

Pursuant to Health and Safety Code Section 34181(e), the Oversight Board shall (i) direct the Successor Agencies to "determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval," and (ii) approve the proposed amendment and restatement of the Original Lease Agreements if it finds that the proposed amendments "would be in the best interest of the taxing entities." In this instance, the staff for the Agency Constituent Entities have determined that the A&R Lease Agreements reduce liabilities and increase net revenues to the taxing entities. Final action by the Successor Agencies for the County and the City of Sacramento is anticipated to occur in July and August 2021.

Recommendation

Pass a resolution (i) making the direction required by Health and Safety Code Section 34181(e) (described above) and (ii) approving the Proposed Amendment and Restatement related to the 2008 acquisition and rehabilitation of the Office Building at 801 12th Street, Sacramento, California, on the basis that the Proposed Amendment and Restatement is in the best interest of the taxing entities.

Attachment(s):

1. Resolution - Countywide Oversight Board for the Successor Agency to the Sacramento City Redevelopment Agency Successor Agency
2. Resolution – Countywide Oversight Board for the Successor Agency to the Sacramento County Redevelopment Agency
3. Proposed Amendment and Restatement of Lease Financing for 2008 Acquisition and Rehabilitation of 801 12th Street, Sacramento, California
 - a. Proposed A&R Sublease Payment Schedule
 - b. Original Sublease Payment Schedule
4. Amended and Restated Ground and Facilities Lease
5. Amended and Restated Sublease

RESOLUTION NO.

**ADOPTED BY THE OVERSIGHT BOARD FOR THE SACRAMENTO CITY
REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**A RESOLUTION OF THE SACRAMENTO COUNTYWIDE OVERSIGHT BOARD
APPROVING THE PROPOSED AMENDMENT AND RESTATEMENT OF LEASE
FINANCING DOCUMENTS RELATED TO 2008 ACQUISITION AND
REHABILITATION OF OFFICE BUILDING AT 801 12TH STREET, SACRAMENTO,
CALIFORNIA**

WHEREAS, the Redevelopment Agency of the City of Sacramento (City RDA) was a public body, corporate and politic, duly authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (Law); and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the City RDA was dissolved and no longer exists, and pursuant to Section 34173, the Sacramento City Redevelopment Agency Successor Agency (City RDA Successor Agency) has become the successor entity to the City RDA; and

WHEREAS, pursuant to Section 34179, this oversight board (Oversight Board) serves as the oversight board for each Successor Agency under the Law; and

WHEREAS, the Sacramento Housing and Redevelopment Agency (Agency), the City RDA, the Redevelopment Agency of the County of Sacramento (County RDA), the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS) previously entered into a Ground and Facilities Lease, dated as of June 30, 2008 (Original Lease), and a Sublease, dated as of June 30, 2008 (together with the Original Lease, the Original Lease Agreements), in each case with Banc of America Public Capital Corp (BAPCC), in order to finance the acquisition of the land and office building at 801 12th Street, Sacramento, California (Office Building), and the rehabilitation of such building; and

WHEREAS, this Oversight Board is informed that the Agency, the City RDA Successor Agency, the Successor Agency to the Sacramento County Redevelopment Agency (as successor to the County RDA), HACS and HACOS (collectively, the Agency Constituent Entities) wish to amend and restate the Original Lease Agreements by entering into an Amended and Restated Ground and Facilities Lease (A&R Ground Lease, which is described in more detail below) and Amended and Restated Sublease (A&R Sublease, which is described in more detail below) (collectively with the A&R Lease, A&R Lease Agreements) in substantially the forms on file with the Clerk, so as to reduce their joint and several lease obligations thereunder (the Proposed Amendment and Restatement); and

WHEREAS, the Public Property Facilities Corporation of California (Corporation) will be a party to the A&R Lease Agreements in order to act as an intermediary between the Agency Constituent Entities and BAPCC, and the Corporation will assign its rights under the A&R Lease Agreements to BAPCC pursuant to an Assignment Agreement

dated and to be recorded in the real property records of the County simultaneously with the A&R Lease Agreements; and

WHEREAS, Section 34181(e) authorizes the Oversight Board to direct the City RDA Successor Agency to “determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval”; and

WHEREAS, the Oversight Board has completed its review of the Proposed Amendment and Restatement and wishes at this time to give its approval to the foregoing; and

NOW, THEREFORE, BE IT RESOLVED that the Sacramento County Oversight Board of Sacramento, State of California:

Section 1. The Oversight Board hereby directs the City RDA Successor Agency to make the determination contemplated by Section 34181(e) in respect of the Proposed Amendment and Restatement.

Section 2. As authorized by Section 34181(e), the Oversight Board hereby approves the Proposed Amendment and Restatement as described herein and in accordance with the Law, and subject to the conditions that the principal component of the payments under the A&R Sublease (A&R Sublease Payments) does not exceed \$6,250,000 and the interest rate applied to the principal component of the A&R Sublease Payments does not exceed 2.65% (not including any default lease rate); provided, however, that in no event shall the City RDA Successor Agency enter into the Proposed Amendment and Restatement unless it makes the determination required pursuant to Section 1 of this Resolution. It is hereby found and determined that the Proposed Amendment and Restatement complies with Section 34181(e), in that it is in the best interest of the taxing entities.

Section 3. Pursuant to Health and Safety Code Section 34179(h), the California Department of Finance shall have five (5) business days to request a review of the actions taken in this Resolution, in which case it would have 40 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Sacramento Countywide Oversight Board this 12th day of July 2021 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:
(PER POLITICAL REFORM ACT (§ 18702.5.))

Chairperson, Sacramento Countywide
Oversight Board

(SEAL)

ATTEST:

Clerk, Sacramento Countywide
Oversight Board

RESOLUTION NO.

**ADOPTED BY THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
SACRAMENTO COUNTY REDEVELOPMENT AGENCY**

**A RESOLUTION OF THE SACRAMENTO COUNTYWIDE OVERSIGHT BOARD
APPROVING THE PROPOSED AMENDMENT AND RESTATEMENT OF LEASE
FINANCING DOCUMENTS RELATED TO 2008 ACQUISITION AND
REHABILITATION OF OFFICE BUILDING AT 801 12TH STREET, SACRAMENTO,
CALIFORNIA**

WHEREAS, the Redevelopment Agency of the County of Sacramento (County RDA) was a public body, corporate and politic, duly authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (Law); and

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the County RDA was dissolved and no longer exists, and pursuant to Section 34173, the Successor Agency to the Sacramento County Redevelopment Agency (County RDA Successor Agency) has become the successor entity to the County RDA; and

WHEREAS, pursuant to Section 34179, this oversight board (Oversight Board) serves as the oversight board for each Successor Agency under the Law; and

WHEREAS, the Sacramento Housing and Redevelopment Agency (Agency), the Redevelopment Agency of the City of Sacramento (City RDA), the County RDA, the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS) previously entered into a Ground and Facilities Lease, dated as of June 30, 2008 (Original Lease), and a Sublease, dated as of June 30, 2008 (together with the Original Lease, the Original Lease Agreements), in each case with Banc of America Public Capital Corp (BAPCC), in order to finance the acquisition of the land and office building at 801 12th Street, Sacramento, California (Office Building), and the rehabilitation of such building; and

WHEREAS, this Oversight Board is informed that the Agency, the Sacramento City Redevelopment Agency Successor Agency (as successor to the City RDA), the County RDA Successor Agency, HACS and HACOS (collectively, the Agency Constituent Entities) wish to amend and restate the Original Lease Agreements by entering into an Amended and Restated Ground and Facilities Lease (A&R Ground Lease, which is described in more detail below) and Amended and Restated Sublease (A&R Sublease, which is described in more detail below) (collectively with the A&R Lease, A&R Lease Agreements) in substantially the forms on file with the Clerk, so as to reduce their joint and several lease obligations thereunder (the Proposed Amendment and Restatement); and

WHEREAS, the Public Property Facilities Corporation of California (Corporation) will be a party to the A&R Lease Agreements in order to act as an intermediary between the Agency Constituent Entities and BAPCC, and the Corporation will assign its rights under the A&R Lease Agreements to BAPCC pursuant to an Assignment Agreement

dated and to be recorded in the real property records of the County simultaneously with the A&R Lease Agreements; and

WHEREAS, Section 34181(e) authorizes the Oversight Board to direct the County RDA Successor Agency to “determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval”; and

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Section 3. Pursuant to Health and Safety Code Section 34179(h), the California Department of Finance shall have five (5) business days to request a review of the actions taken in this Resolution, in which case it would have 40 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Sacramento Countywide Oversight Board this 12th day of July 2021 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chairperson, Sacramento Countywide
Oversight Board

(SEAL)

ATTEST:

Clerk, Sacramento Countywide
Oversight Board

Sacramento Housing Redevelopment Authority

REFINANCE PAYMENT SCHEDULE

Payment Date	Payment Amount	Interest 2.65%	Principal	Outstanding Balance
9/30/2021				6,250,000.00
10/30/2021	84,352.10	13,802.08	70,550.02	6,179,449.98
11/30/2021	84,352.10	13,646.28	70,705.82	6,108,744.16
12/30/2021	84,352.10	13,490.14	70,861.96	6,037,882.19
1/30/2022	84,352.10	13,333.65	71,018.45	5,966,863.74
2/28/2022	84,352.10	13,176.82	71,175.28	5,895,688.46
3/30/2022	84,352.10	13,019.64	71,332.46	5,824,356.00
4/30/2022	84,352.10	12,862.11	71,489.99	5,752,866.01
5/30/2022	84,352.10	12,704.24	71,647.86	5,681,218.15
6/30/2022	84,352.10	12,546.02	71,806.08	5,609,412.07
7/30/2022	84,352.10	12,387.45	71,964.65	5,537,447.42
8/30/2022	84,352.10	12,228.52	72,123.58	5,465,323.84
9/30/2022	84,352.10	12,069.25	72,282.85	5,393,040.99
10/30/2022	84,352.10	11,909.63	72,442.47	5,320,598.52
11/30/2022	84,352.10	11,749.65	72,602.45	5,247,996.07
12/30/2022	84,352.10	11,589.32	72,762.78	5,175,233.29
1/30/2023	84,352.10	11,428.63	72,923.47	5,102,309.82
2/28/2023	84,352.10	11,267.60	73,084.50	5,029,225.32
3/30/2023	84,352.10	11,106.20	73,245.90	4,955,979.42
4/30/2023	84,352.10	10,944.45	73,407.65	4,882,571.77
5/30/2023	84,352.10	10,782.34	73,569.76	4,809,002.01
6/30/2023	84,352.10	10,619.87	73,732.23	4,735,269.78
7/30/2023	84,352.10	10,457.05	73,895.05	4,661,374.73
8/30/2023	84,352.10	10,293.86	74,058.24	4,587,316.50
9/30/2023	84,352.10	10,130.32	74,221.78	4,513,094.72
10/30/2023	84,352.10	9,966.41	74,385.69	4,438,709.03
11/30/2023	84,352.10	9,802.14	74,549.96	4,364,159.08
12/30/2023	84,352.10	9,637.51	74,714.59	4,289,444.49
1/30/2024	84,352.10	9,472.52	74,879.58	4,214,564.91
2/29/2024	84,352.10	9,307.16	75,044.94	4,139,519.97
3/30/2024	84,352.10	9,141.44	75,210.66	4,064,309.30
4/30/2024	84,352.10	8,975.35	75,376.75	3,988,932.55
5/30/2024	84,352.10	8,808.89	75,543.21	3,913,389.34
6/30/2024	84,352.10	8,642.06	75,710.04	3,837,679.30
7/30/2024	84,352.10	8,474.87	75,877.23	3,761,802.07
8/30/2024	84,352.10	8,307.31	76,044.79	3,685,757.28
9/30/2024	84,352.10	8,139.38	76,212.72	3,609,544.56
10/30/2024	84,352.10	7,971.07	76,381.03	3,533,163.53
11/30/2024	84,352.10	7,802.40	76,549.70	3,456,613.83
12/30/2024	84,352.10	7,633.35	76,718.75	3,379,895.08
1/30/2025	84,352.10	7,463.93	76,888.17	3,303,006.92
2/28/2025	84,352.10	7,294.14	77,057.96	3,225,948.95
3/30/2025	84,352.10	7,123.97	77,228.13	3,148,720.82
4/30/2025	84,352.10	6,953.42	77,398.68	3,071,322.14
5/30/2025	84,352.10	6,782.50	77,569.60	2,993,752.54
6/30/2025	84,352.10	6,611.20	77,740.90	2,916,011.64

ATTACHMENT 3a

7/30/2025	84,352.10	6,439.52	77,912.58	2,838,099.06
8/30/2025	84,352.10	6,267.47	78,084.63	2,760,014.43
9/30/2025	84,352.10	6,095.03	78,257.07	2,681,757.36
10/30/2025	84,352.10	5,922.21	78,429.89	2,603,327.47
11/30/2025	84,352.10	5,749.01	78,603.09	2,524,724.38
12/30/2025	84,352.10	5,575.43	78,776.67	2,445,947.71
1/30/2026	84,352.10	5,401.47	78,950.63	2,366,997.08
2/28/2026	84,352.10	5,227.12	79,124.98	2,287,872.10
3/30/2026	84,352.10	5,052.38	79,299.72	2,208,572.38
4/30/2026	84,352.10	4,877.26	79,474.84	2,129,097.54
5/30/2026	84,352.10	4,701.75	79,650.35	2,049,447.19
6/30/2026	84,352.10	4,525.86	79,826.24	1,969,620.95
7/30/2026	84,352.10	4,349.58	80,002.52	1,889,618.43
8/30/2026	84,352.10	4,172.91	80,179.19	1,809,439.24
9/30/2026	84,352.10	3,995.84	80,356.26	1,729,082.98
10/30/2026	84,352.10	3,818.39	80,533.71	1,648,549.27
11/30/2026	84,352.10	3,640.54	80,711.56	1,567,837.71
12/30/2026	84,352.10	3,462.31	80,889.79	1,486,947.92
1/30/2027	84,352.10	3,283.68	81,068.42	1,405,879.50
2/28/2027	84,352.10	3,104.65	81,247.45	1,324,632.05
3/30/2027	84,352.10	2,925.23	81,426.87	1,243,205.17
4/30/2027	84,352.10	2,745.41	81,606.69	1,161,598.48
5/30/2027	84,352.10	2,565.20	81,786.90	1,079,811.58
6/30/2027	84,352.10	2,384.58	81,967.52	997,844.06
7/30/2027	84,352.10	2,203.57	82,148.53	915,695.53
8/30/2027	84,352.10	2,022.16	82,329.94	833,365.59
9/30/2027	84,352.10	1,840.35	82,511.75	750,853.84
10/30/2027	84,352.10	1,658.13	82,693.97	668,159.88
11/30/2027	84,352.10	1,475.52	82,876.58	585,283.30
12/30/2027	84,352.10	1,292.50	83,059.60	502,223.70
1/30/2028	84,352.10	1,109.08	83,243.02	418,980.67
2/29/2028	84,352.10	925.25	83,426.85	335,553.82
3/30/2028	84,352.10	741.01	83,611.09	251,942.73
4/30/2028	84,352.10	556.37	83,795.73	168,147.01
5/30/2028	84,352.10	371.32	83,980.78	84,166.23
6/30/2028	84,352.10	185.87	84,166.23	(0.00)
Total	6,832,520.10	582,520.10	6,250,000.00	

Schedule 1
Base Rent Payment Schedule^{1/}

Base Rent Payment Date	Payment Number	Interest Component 5.1750%	Principal Component	Total Base Rent	Balance
Jun-30-08	0				13,000,000.00
Jul-30-08	1	56,062.11	30,993.60	87,055.71	12,969,006.40
Aug-30-08	2	55,928.45	31,127.26	87,055.71	12,937,879.14
Sep-30-08	3	55,794.21	31,261.50	87,055.71	12,906,617.64
Oct-30-08	4	55,659.40	31,396.31	87,055.71	12,875,221.33
Nov-30-08	5	55,524.00	31,531.71	87,055.71	12,843,689.62
Dec-30-08	6	55,388.03	31,667.68	87,055.71	12,812,021.94
Jan-30-09	7	55,251.46	31,804.25	87,055.71	12,780,217.69
Feb-30-09	8	55,114.30	31,941.41	87,055.71	12,748,276.28
Mar-30-09	9	54,976.56	32,079.15	87,055.71	12,716,197.13
Apr-30-09	10	54,838.22	32,217.49	87,055.71	12,683,979.64
May-30-09	11	54,699.28	32,356.43	87,055.71	12,651,623.21
Jun-30-09	12	54,559.74	32,495.97	87,055.71	12,619,127.24
Jul-30-09	13	54,419.61	32,636.10	87,055.71	12,586,491.14
Aug-30-09	14	54,278.86	32,776.85	87,055.71	12,553,714.29

^{1/} Except as provided in Section 15(a) of the Sublease, the Rent prepayment price must be paid in full in addition to the total Base Rent due on the date of prepayment. The Base Rent Payments scheduled to be paid on or after June 30, 2008, are subject to prepayment in whole prior to their respective scheduled payment dates, upon 30 days' prior written notice from the Sublessee to the Sublessor, on any monthly payment date on or after June 30, 2008 at the following prices (expressed as a percentage of the principal amount of Base Rent Payments to be prepaid), together with the interest component of such Base Rent payments to the date fixed for prepayment:

Redemption Period (both dates inclusive)	Redemption Price
July 1, 2008 through June 30, 2011	102%
July 1, 2011 through June 30, 2014	101.5%
July 1, 2014 through June 30, 2015	100.5%
Thereafter	100%

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Sep-30-09	15	54,137.51	32,918.20	87,055.71	12,520,796.09
Oct-30-09	16	53,995.56	33,060.15	87,055.71	12,487,735.94
Nov-30-09	17	53,852.98	33,202.73	87,055.71	12,454,533.21
Dec-30-09	18	53,709.80	33,345.91	87,055.71	12,421,187.30
Jan-30-10	19	53,566.00	33,489.71	87,055.71	12,387,697.59
Feb-30-10	20	53,421.57	33,634.14	87,055.71	12,354,063.45
Mar-30-10	21	53,276.53	33,779.18	87,055.71	12,320,284.27
Apr-30-10	22	53,130.85	33,924.86	87,055.71	12,286,359.41
May-30-10	23	52,984.56	34,071.15	87,055.71	12,252,288.26
Jun-30-10	24	52,837.62	34,218.09	87,055.71	12,218,070.17
Jul-30-10	25	52,690.06	34,365.65	87,055.71	12,183,704.52
Aug-30-10	26	52,541.86	34,513.85	87,055.71	12,149,190.67
Sep-30-10	27	52,393.02	34,662.69	87,055.71	12,114,527.98
Oct-30-10	28	52,243.54	34,812.17	87,055.71	12,079,715.81
Nov-30-10	29	52,093.41	34,962.30	87,055.71	12,044,753.51
Dec-30-10	30	51,942.63	35,113.08	87,055.71	12,009,640.43
Jan-30-11	31	51,791.21	35,264.50	87,055.71	11,974,375.93
Feb-30-11	32	51,639.14	35,416.57	87,055.71	11,938,959.36
Mar-30-11	33	51,486.40	35,569.31	87,055.71	11,903,390.05
Apr-30-11	34	51,333.01	35,722.70	87,055.71	11,867,667.35
May-30-11	35	51,178.96	35,876.75	87,055.71	11,831,790.60
Jun-30-11	36	51,024.24	36,031.47	87,055.71	11,795,759.13
Jul-30-11	37	50,868.86	36,186.85	87,055.71	11,759,572.28
Aug-30-11	38	50,712.80	36,342.91	87,055.71	11,723,229.37
Sep-30-11	39	50,556.07	36,499.64	87,055.71	11,686,729.73
Oct-30-11	40	50,398.67	36,657.04	87,055.71	11,650,072.69
Nov-30-11	41	50,240.59	36,815.12	87,055.71	11,613,257.57
Dec-30-11	42	50,081.82	36,973.89	87,055.71	11,576,283.68
Jan-30-12	43	49,922.38	37,133.33	87,055.71	11,539,150.35

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Feb-30-12	44	49,762.24	37,293.47	87,055.71	11,501,856.88
Mar-30-12	45	49,601.41	37,454.30	87,055.71	11,464,402.58
Apr-30-12	46	49,439.89	37,615.82	87,055.71	11,426,786.76
May-30-12	47	49,277.67	37,778.04	87,055.71	11,389,008.72
Jun-30-12	48	49,114.76	37,940.95	87,055.71	11,351,067.77
Jul-30-12	49	48,951.14	38,104.57	87,055.71	11,312,963.20
Aug-30-12	50	48,786.81	38,268.90	87,055.71	11,274,694.30
Sep-30-12	51	48,621.78	38,433.93	87,055.71	11,236,260.37
Oct-30-12	52	48,456.03	38,599.68	87,055.71	11,197,660.69
Nov-30-12	53	48,289.58	38,766.13	87,055.71	11,158,894.56
Dec-30-12	54	48,122.39	38,933.32	87,055.71	11,119,961.24
Jan-30-13	55	47,954.50	39,101.21	87,055.71	11,080,860.03
Feb-30-13	56	47,785.88	39,269.83	87,055.71	11,041,590.20
Mar-30-13	57	47,616.52	39,439.19	87,055.71	11,002,151.01
Apr-30-13	58	47,446.45	39,609.26	87,055.71	10,962,541.75
May-30-13	59	47,275.63	39,780.08	87,055.71	10,922,761.67
Jun-30-13	60	47,104.08	39,951.63	87,055.71	10,882,810.04
Jul-30-13	61	46,931.79	40,123.92	87,055.71	10,842,686.12
Aug-30-13	62	46,758.76	40,296.95	87,055.71	10,802,389.17
Sep-30-13	63	46,584.97	40,470.74	87,055.71	10,761,918.43
Oct-30-13	64	46,410.45	40,645.26	87,055.71	10,721,273.17
Nov-30-13	65	46,235.17	40,820.54	87,055.71	10,680,452.63
Dec-30-13	66	46,059.13	40,996.58	87,055.71	10,639,456.05
Jan-30-14	67	45,882.33	41,173.38	87,055.71	10,598,282.67
Feb-30-14	68	45,704.78	41,350.93	87,055.71	10,556,931.74
Mar-30-14	69	45,526.45	41,529.26	87,055.71	10,515,402.48
Apr-30-14	70	45,347.36	41,708.35	87,055.71	10,473,694.13
May-30-14	71	45,167.49	41,888.22	87,055.71	10,431,805.91
Jun-30-14	72	44,986.84	42,068.87	87,055.71	10,389,737.04
Jul-30-14	73	44,805.43	42,250.28	87,055.71	10,347,486.76

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Aug-30-14	74	44,623.23	42,432.48	87,055.71	10,305,054.28
Sep-30-14	75	44,440.23	42,615.48	87,055.71	10,262,438.80
Oct-30-14	76	44,256.46	42,799.25	87,055.71	10,219,639.55
Nov-30-14	77	44,071.89	42,983.82	87,055.71	10,176,655.73
Dec-30-14	78	43,886.52	43,169.19	87,055.71	10,133,486.54
Jan-30-15	79	43,700.36	43,355.35	87,055.71	10,090,131.19
Feb-30-15	80	43,513.38	43,542.33	87,055.71	10,046,588.86
Mar-30-15	81	43,325.62	43,730.09	87,055.71	10,002,858.77
Apr-30-15	82	43,137.02	43,918.69	87,055.71	9,958,940.08
May-30-15	83	42,947.63	44,108.08	87,055.71	9,914,832.00
Jun-30-15	84	42,757.42	44,298.29	87,055.71	9,870,533.71
Jul-30-15	85	42,566.38	44,489.33	87,055.71	9,826,044.38
Aug-30-15	86	42,374.52	44,681.19	87,055.71	9,781,363.19
Sep-30-15	87	42,181.83	44,873.88	87,055.71	9,736,489.31
Oct-30-15	88	41,988.32	45,067.39	87,055.71	9,691,421.92
Nov-30-15	89	41,793.96	45,261.75	87,055.71	9,646,160.17
Dec-30-15	90	41,598.78	45,456.93	87,055.71	9,600,703.24
Jan-30-16	91	41,402.74	45,652.97	87,055.71	9,555,050.27
Feb-30-16	92	41,205.87	45,849.84	87,055.71	9,509,200.43
Mar-30-16	93	41,008.14	46,047.57	87,055.71	9,463,152.86
Apr-30-16	94	40,809.56	46,246.15	87,055.71	9,416,906.71
May-30-16	95	40,610.13	46,445.58	87,055.71	9,370,461.13
Jun-30-16	96	40,409.83	46,645.88	87,055.71	9,323,815.25
Jul-30-16	97	40,208.67	46,847.04	87,055.71	9,276,968.21
Aug-30-16	98	40,006.65	47,049.06	87,055.71	9,229,919.15
Sep-30-16	99	39,803.74	47,251.97	87,055.71	9,182,667.18
Oct-30-16	100	39,599.98	47,455.73	87,055.71	9,135,211.45
Nov-30-16	101	39,395.32	47,660.39	87,055.71	9,087,551.06
Dec-30-16	102	39,189.80	47,865.91	87,055.71	9,039,685.15

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Jan-30-17	103	38,983.37	48,072.34	87,055.71	8,991,612.81
Feb-30-17	104	38,776.05	48,279.66	87,055.71	8,943,333.15
Mar-30-17	105	38,567.86	48,487.85	87,055.71	8,894,845.30
Apr-30-17	106	38,358.75	48,696.96	87,055.71	8,846,148.34
May-30-17	107	38,148.75	48,906.96	87,055.71	8,797,241.38
Jun-30-17	108	37,937.84	49,117.87	87,055.71	8,748,123.51
Jul-30-17	109	37,726.02	49,329.69	87,055.71	8,698,793.82
Aug-30-17	110	37,513.28	49,542.43	87,055.71	8,649,251.39
Sep-30-17	111	37,299.64	49,756.07	87,055.71	8,599,495.32
Oct-30-17	112	37,085.07	49,970.64	87,055.71	8,549,524.68
Nov-30-17	113	36,869.56	50,186.15	87,055.71	8,499,338.53
Dec-30-17	114	36,653.15	50,402.56	87,055.71	8,448,935.97
Jan-30-18	115	36,435.78	50,619.93	87,055.71	8,398,316.04
Feb-30-18	116	36,217.48	50,838.23	87,055.71	8,347,477.81
Mar-30-18	117	35,998.25	51,057.46	87,055.71	8,296,420.35
Apr-30-18	118	35,778.06	51,277.65	87,055.71	8,245,142.70
May-30-18	119	35,556.93	51,498.78	87,055.71	8,193,643.92
Jun-30-18	120	35,334.84	51,720.87	87,055.71	8,141,923.05
Jul-30-18	121	35,111.80	51,943.91	87,055.71	8,089,979.14
Aug-30-18	122	34,887.79	52,167.92	87,055.71	8,037,811.22
Sep-30-18	123	34,662.82	52,392.89	87,055.71	7,985,418.33
Oct-30-18	124	34,436.88	52,618.83	87,055.71	7,932,799.50
Nov-30-18	125	34,209.96	52,845.75	87,055.71	7,879,953.75
Dec-30-18	126	33,982.06	53,073.65	87,055.71	7,826,880.10
Jan-30-19	127	33,753.19	53,302.52	87,055.71	7,773,577.58
Feb-30-19	128	33,523.32	53,532.39	87,055.71	7,720,045.19
Mar-30-19	129	33,292.46	53,763.25	87,055.71	7,666,281.94
Apr-30-19	130	33,060.61	53,995.10	87,055.71	7,612,286.84
May-30-19	131	32,827.76	54,227.95	87,055.71	7,558,058.89
Jun-30-19	132	32,593.90	54,461.81	87,055.71	7,503,597.08

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<u>Jul-30-19</u>	<u>133</u>	<u>32,359.03</u>	<u>54,696.68</u>	<u>87,055.71</u>	<u>7,448,900.40</u>
<u>Aug-30-19</u>	<u>134</u>	<u>32,123.16</u>	<u>54,932.55</u>	<u>87,055.71</u>	<u>7,393,967.85</u>
<u>Sep-30-19</u>	<u>135</u>	<u>31,886.27</u>	<u>55,169.44</u>	<u>87,055.71</u>	<u>7,338,798.41</u>
<u>Oct-30-19</u>	<u>136</u>	<u>31,648.34</u>	<u>55,407.37</u>	<u>87,055.71</u>	<u>7,283,391.04</u>
<u>Nov-30-19</u>	<u>137</u>	<u>31,409.41</u>	<u>55,646.30</u>	<u>87,055.71</u>	<u>7,227,744.74</u>
<u>Dec-30-19</u>	<u>138</u>	<u>31,169.43</u>	<u>55,886.28</u>	<u>87,055.71</u>	<u>7,171,858.46</u>
<u>Jan-30-20</u>	<u>139</u>	<u>30,928.42</u>	<u>56,127.29</u>	<u>87,055.71</u>	<u>7,115,731.17</u>
<u>Feb-30-20</u>	<u>140</u>	<u>30,686.38</u>	<u>56,369.33</u>	<u>87,055.71</u>	<u>7,059,361.84</u>
<u>Mar-30-20</u>	<u>141</u>	<u>30,443.29</u>	<u>56,612.42</u>	<u>87,055.71</u>	<u>7,002,749.42</u>
<u>Apr-30-20</u>	<u>142</u>	<u>30,199.14</u>	<u>56,856.57</u>	<u>87,055.71</u>	<u>6,945,892.85</u>
<u>May-30-20</u>	<u>143</u>	<u>29,953.96</u>	<u>57,101.75</u>	<u>87,055.71</u>	<u>6,888,791.10</u>
<u>Jun-30-20</u>	<u>144</u>	<u>29,707.70</u>	<u>57,348.01</u>	<u>87,055.71</u>	<u>6,831,443.09</u>
<u>Jul-30-20</u>	<u>145</u>	<u>29,460.39</u>	<u>57,595.32</u>	<u>87,055.71</u>	<u>6,773,847.77</u>
<u>Aug-30-20</u>	<u>146</u>	<u>29,212.02</u>	<u>57,843.69</u>	<u>87,055.71</u>	<u>6,716,004.08</u>
<u>Sep-30-20</u>	<u>147</u>	<u>28,962.56</u>	<u>58,093.15</u>	<u>87,055.71</u>	<u>6,657,910.93</u>
<u>Oct-30-20</u>	<u>148</u>	<u>28,712.05</u>	<u>58,343.66</u>	<u>87,055.71</u>	<u>6,599,567.27</u>
<u>Nov-30-20</u>	<u>149</u>	<u>28,460.43</u>	<u>58,595.28</u>	<u>87,055.71</u>	<u>6,540,971.99</u>
<u>Dec-30-20</u>	<u>150</u>	<u>28,207.75</u>	<u>58,847.96</u>	<u>87,055.71</u>	<u>6,482,124.03</u>
<u>Jan-30-21</u>	<u>151</u>	<u>27,953.96</u>	<u>59,101.75</u>	<u>87,055.71</u>	<u>6,423,022.28</u>
<u>Feb-30-21</u>	<u>152</u>	<u>27,699.09</u>	<u>59,356.62</u>	<u>87,055.71</u>	<u>6,363,665.66</u>
<u>Mar-30-21</u>	<u>153</u>	<u>27,443.12</u>	<u>59,612.59</u>	<u>87,055.71</u>	<u>6,304,053.07</u>
<u>Apr-30-21</u>	<u>154</u>	<u>27,186.04</u>	<u>59,869.67</u>	<u>87,055.71</u>	<u>6,244,183.40</u>
<u>May-30-21</u>	<u>155</u>	<u>26,927.85</u>	<u>60,127.86</u>	<u>87,055.71</u>	<u>6,184,055.54</u>
<u>Jun-30-21</u>	<u>156</u>	<u>26,668.55</u>	<u>60,387.16</u>	<u>87,055.71</u>	<u>6,123,668.38</u>
<u>Jul-30-21</u>	<u>157</u>	<u>26,408.14</u>	<u>60,647.57</u>	<u>87,055.71</u>	<u>6,063,020.81</u>
<u>Aug-30-21</u>	<u>158</u>	<u>26,146.59</u>	<u>60,909.12</u>	<u>87,055.71</u>	<u>6,002,111.69</u>
<u>Sep-30-21</u>	<u>159</u>	<u>25,883.93</u>	<u>61,171.78</u>	<u>87,055.71</u>	<u>5,940,939.91</u>
<u>Oct-30-21</u>	<u>160</u>	<u>25,620.13</u>	<u>61,435.58</u>	<u>87,055.71</u>	<u>5,879,504.33</u>
<u>Nov-30-21</u>	<u>161</u>	<u>25,355.18</u>	<u>61,700.53</u>	<u>87,055.71</u>	<u>5,817,803.80</u>
<u>Dec-30-21</u>	<u>162</u>	<u>25,089.11</u>	<u>61,966.60</u>	<u>87,055.71</u>	<u>5,755,837.20</u>

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Jan-30-22	163	24,821.87	62,233.84	87,055.71	5,693,603.36
Feb-30-22	164	24,553.49	62,502.22	87,055.71	5,631,101.14
Mar-30-22	165	24,283.96	62,771.75	87,055.71	5,568,329.39
Apr-30-22	166	24,013.25	63,042.46	87,055.71	5,505,286.93
May-30-22	167	23,741.39	63,314.32	87,055.71	5,441,972.61
Jun-30-22	168	23,468.34	63,587.37	87,055.71	5,378,385.24
Jul-30-22	169	23,194.12	63,861.59	87,055.71	5,314,523.65
Aug-30-22	170	22,918.73	64,136.98	87,055.71	5,250,386.67
Sep-30-22	171	22,642.13	64,413.58	87,055.71	5,185,973.09
Oct-30-22	172	22,364.35	64,691.36	87,055.71	5,121,281.73
Nov-30-22	173	22,085.38	64,970.33	87,055.71	5,056,311.40
Dec-30-22	174	21,805.19	65,250.52	87,055.71	4,991,060.88
Jan-30-23	175	21,523.80	65,531.91	87,055.71	4,925,528.97
Feb-30-23	176	21,241.20	65,814.51	87,055.71	4,859,714.46
Mar-30-23	177	20,957.37	66,098.34	87,055.71	4,793,616.12
Apr-30-23	178	20,672.32	66,383.39	87,055.71	4,727,232.73
May-30-23	179	20,386.05	66,669.66	87,055.71	4,660,563.07
Jun-30-23	180	20,098.54	66,957.17	87,055.71	4,593,605.90
Jul-30-23	181	19,809.79	67,245.92	87,055.71	4,526,359.98
Aug-30-23	182	19,519.79	67,535.92	87,055.71	4,458,824.06
Sep-30-23	183	19,228.54	67,827.17	87,055.71	4,390,996.89
Oct-30-23	184	18,936.05	68,119.66	87,055.71	4,322,877.23
Nov-30-23	185	18,642.28	68,413.43	87,055.71	4,254,463.80
Dec-30-23	186	18,347.24	68,708.47	87,055.71	4,185,755.33
Jan-30-24	187	18,050.95	69,004.76	87,055.71	4,116,750.57
Feb-30-24	188	17,753.36	69,302.35	87,055.71	4,047,448.22
Mar-30-24	189	17,454.50	69,601.21	87,055.71	3,977,847.01
Apr-30-24	190	17,154.35	69,901.36	87,055.71	3,907,945.65
May-30-24	191	16,852.89	70,202.82	87,055.71	3,837,742.83

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Jun-30-24	192	16,550.15	70,505.56	87,055.71	3,767,237.27
Jul-30-24	193	16,246.10	70,809.61	87,055.71	3,696,427.66
Aug-30-24	194	15,940.74	71,114.97	87,055.71	3,625,312.69
Sep-30-24	195	15,634.05	71,421.66	87,055.71	3,553,891.03
Oct-30-24	196	15,326.05	71,729.66	87,055.71	3,482,161.37
Nov-30-24	197	15,016.71	72,039.00	87,055.71	3,410,122.37
Dec-30-24	198	14,706.05	72,349.66	87,055.71	3,337,772.71
Jan-30-25	199	14,394.05	72,661.66	87,055.71	3,265,111.05
Feb-30-25	200	14,080.69	72,975.02	87,055.71	3,192,136.03
Mar-30-25	201	13,765.99	73,289.72	87,055.71	3,118,846.31
Apr-30-25	202	13,449.93	73,605.78	87,055.71	3,045,240.53
May-30-25	203	13,132.51	73,923.20	87,055.71	2,971,317.33
Jun-30-25	204	12,813.72	74,241.99	87,055.71	2,897,075.34
Jul-30-25	205	12,493.55	74,562.16	87,055.71	2,822,513.18
Aug-30-25	206	12,172.00	74,883.71	87,055.71	2,747,629.47
Sep-30-25	207	11,849.07	75,206.64	87,055.71	2,672,422.83
Oct-30-25	208	11,524.75	75,530.96	87,055.71	2,596,891.87
Nov-30-25	209	11,199.02	75,856.69	87,055.71	2,521,035.18
Dec-30-25	210	10,871.89	76,183.82	87,055.71	2,444,851.36
Jan-30-26	211	10,543.34	76,512.37	87,055.71	2,368,338.99
Feb-30-26	212	10,213.39	76,842.32	87,055.71	2,291,496.67
Mar-30-26	213	9,882.02	77,173.69	87,055.71	2,214,322.98
Apr-30-26	214	9,549.20	77,506.51	87,055.71	2,136,816.47
May-30-26	215	9,214.95	77,840.76	87,055.71	2,058,975.71
Jun-30-26	216	8,879.28	78,176.43	87,055.71	1,980,799.28
Jul-30-26	217	8,542.13	78,513.58	87,055.71	1,902,285.70
Aug-30-26	218	8,203.55	78,852.16	87,055.71	1,823,433.54
Sep-30-26	219	7,863.51	79,192.20	87,055.71	1,744,241.34
Oct-30-26	220	7,521.99	79,533.72	87,055.71	1,664,707.62
Nov-30-26	221	7,179.00	79,876.71	87,055.71	1,584,830.91

Schedule 1

Sublease

<u>Dec-30-26</u>	<u>222</u>	<u>6,834.53</u>	<u>80,221.18</u>	<u>87,055.71</u>	<u>1,504,609.73</u>
<u>Jan-30-27</u>	<u>223</u>	<u>6,488.59</u>	<u>80,567.12</u>	<u>87,055.71</u>	<u>1,424,042.61</u>
<u>Feb-30-27</u>	<u>224</u>	<u>6,141.14</u>	<u>80,914.57</u>	<u>87,055.71</u>	<u>1,343,128.04</u>
<u>Mar-30-27</u>	<u>225</u>	<u>5,792.20</u>	<u>81,263.51</u>	<u>87,055.71</u>	<u>1,261,864.53</u>
<u>Apr-30-27</u>	<u>226</u>	<u>5,441.75</u>	<u>81,613.96</u>	<u>87,055.71</u>	<u>1,180,250.57</u>
<u>May-30-27</u>	<u>227</u>	<u>5,089.80</u>	<u>81,965.91</u>	<u>87,055.71</u>	<u>1,098,284.66</u>
<u>Jun-30-27</u>	<u>228</u>	<u>4,736.32</u>	<u>82,319.39</u>	<u>87,055.71</u>	<u>1,015,965.27</u>
<u>Jul-30-27</u>	<u>229</u>	<u>4,381.32</u>	<u>82,674.39</u>	<u>87,055.71</u>	<u>933,290.88</u>
<u>Aug-30-27</u>	<u>230</u>	<u>4,024.79</u>	<u>83,030.92</u>	<u>87,055.71</u>	<u>850,259.96</u>
<u>Sep-30-27</u>	<u>231</u>	<u>3,666.72</u>	<u>83,388.99</u>	<u>87,055.71</u>	<u>766,870.97</u>
<u>Oct-30-27</u>	<u>232</u>	<u>3,307.11</u>	<u>83,748.60</u>	<u>87,055.71</u>	<u>683,122.37</u>
<u>Nov-30-27</u>	<u>233</u>	<u>2,945.95</u>	<u>84,109.76</u>	<u>87,055.71</u>	<u>599,012.61</u>
<u>Dec-30-27</u>	<u>234</u>	<u>2,583.22</u>	<u>84,472.49</u>	<u>87,055.71</u>	<u>514,540.12</u>
<u>Jan-30-28</u>	<u>235</u>	<u>2,218.94</u>	<u>84,836.77</u>	<u>87,055.71</u>	<u>429,703.35</u>
<u>Feb-30-28</u>	<u>236</u>	<u>1,853.08</u>	<u>85,202.63</u>	<u>87,055.71</u>	<u>344,500.72</u>
<u>Mar-30-28</u>	<u>237</u>	<u>1,485.65</u>	<u>85,570.06</u>	<u>87,055.71</u>	<u>258,930.66</u>
<u>Apr-30-28</u>	<u>238</u>	<u>1,116.63</u>	<u>85,939.08</u>	<u>87,055.71</u>	<u>172,991.58</u>
<u>May-30-28</u>	<u>239</u>	<u>746.03</u>	<u>86,309.68</u>	<u>87,055.71</u>	<u>86,681.90</u>
<u>Jun-30-28</u>	<u>240</u>	<u>373.81</u>	<u>86,681.90</u>	<u>87,055.71</u>	<u>0.00</u>
<u>Total</u>		<u>7,893,370.40</u>	<u>13,000,000.00</u>	<u>20,893,370.40</u>	

Schedule 1

Sublease

RECORDING REQUESTED BY:
Stewart Title Guaranty

AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Josh D. Anzel, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**AMENDED AND RESTATED
GROUND AND FACILITIES LEASE**

This AMENDED AND RESTATED GROUND AND FACILITIES LEASE (this "*A&R Ground Lease*"), dated for convenience as of _____, 2021, is between the SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY, a joint powers agency duly organized and validly existing under the laws of the State of California (the "*Agency*"), together with its constituent public entities of the SACRAMENTO CITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public body, corporate and politic also known as "Redevelopment Agency Successor Agency of the City of Sacramento" and "City of Sacramento, acting as Redevelopment Agency Successor Agency" (the "*City RDA Successor Agency*"), as successor to the Redevelopment Agency of the City of Sacramento (the "*City RDA*"), the SUCCESSOR AGENCY TO THE SACRAMENTO COUNTY REDEVELOPMENT AGENCY, a public body corporate and politic also known as "Successor Agency" to the former Redevelopment Agency of County of Sacramento" (the "*County RDA Successor Agency*"), as successor to the Redevelopment Agency of the County of Sacramento (the "*County RDA*"), the HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a public corporation also known as "Sacramento Housing Authority of the City of Sacramento, California" and the "Sacramento City Housing Authority" ("*HACS*"), and the HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, a public corporation ("*HACOS*," and collectively with the Agency, the City RDA Successor Agency, the County RDA Successor Agency and HACS, the "*Agency Constituent Entities*"), as lessor, and the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the California Corporations Code (the "*Corporation*"), as lessee.

BACKGROUND:

1. The Corporation has been organized for the purpose of acquiring, constructing and financing various public capital improvements, including by leasing certain public capital improvements, for the use, benefit and enjoyment of the public served by the Agency

Constituent Entities and is authorized to enter into financing and lease documents for that purpose.

2. The Agency together with its constituent public entities of HACS, HACOS, the former City RDA and the former County RDA previously entered into a Ground and Facilities Lease, dated as of June 30, 2008 (the "*Original Ground Lease*"), and a Sublease, dated as of June 30, 2008 (the "*Original Sublease*"), in each case with Banc of America Public Capital Corp ("*BAPCC*"), in order to finance the acquisition of the land and office building at 801 12th Street, Sacramento, California 95814 (as described more fully in Appendix A hereof, the "*Leased Property*"), and the rehabilitation of such building.

3. In order to reduce the cost of financing thereunder, the Agency Constituent Entities have agreed with BAPCC to amend and restate the Original Ground Lease and Original Sublease by entering into this A&R Ground Lease and an Amended and Restated Sublease, dated as of the date hereof (as supplemented and amended, the "*A&R Sublease*"), with the Corporation, each of which has been recorded concurrently herewith.

4. The Corporation has assigned certain of its rights in, to and under the A&R Sublease and its rights under this A&R Ground Lease to BAPCC and its successors and assigns (the "*Assignee*") under an Assignment Agreement dated as of _____, 2021 (as supplemented and amended, the "*Assignment*"), which has been recorded concurrently herewith.

A G R E E M E N T :

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

Section 1. Lease of Leased Property. (a) The Agency Constituent Entities hereby represent, warrant and covenant that the Agency Constituent Entities collectively, and only the Agency Constituent Entities, own fee title to the Leased Property (as described in the Recitals hereto and more fully in *Appendix A* hereto). The Agency Constituent Entities hereby lease to the Corporation, and the Corporation hereby leases from the Agency Constituent Entities, the Leased Property (as described in the Recitals hereto and more fully in *Appendix A* hereto), on the terms and conditions hereinafter set forth.

(b) None of the exceptions disclosed in the title insurance policy issued with respect to the Leased Property pursuant to the A&R Sublease and as shown in the CLTA Pro Forma title policy with respect to the Leased Property (collectively, the "*Title Insurance Policy*"), and provided to the Corporation and the Assignee as of the Closing Date (the "*Exceptions*"), will impair the use of the Leased Property for its intended purposes under this A&R Ground Lease or the A&R Sublease or interfere with the Agency Constituent Entities' beneficial use and enjoyment of the Leased Property or result in any abatement of Lease Payments under the A&R Sublease. Each of the Agency Constituent Entities hereby represents, warrants and covenants that: (i) none of the Exceptions encumbers the Leased Property; (ii) none of the Exceptions

impairs the use of the Leased Property for its intended purposes under this A&R Ground Lease and the A&R Sublease and none of the Exceptions will interfere with the Agency Constituent Entities' beneficial use and enjoyment of the Leased Property or result in any abatement of Lease Payments under the A&R Sublease; and (iii) none of the Exceptions adversely affects the rights and interests of the Assignee under this A&R Ground Lease or the A&R Sublease or the Assignment.

Section 2. Term; Possession. The term of this A&R Ground Lease commences, and the Corporation becomes entitled to possession of the Leased Property as of the date of recordation hereof. With respect to the Leased Property, this A&R Ground Lease ends, and the right of the Corporation hereunder to possession of the Leased Property thereupon ceases, on the date on which all of the outstanding Lease Payments are paid in full, or provision is made for such payment in accordance with the Lease, and in either case the A&R Sublease thereafter has been terminated in accordance with its terms.

Section 3. Rental. The Corporation will pay to the Agency Constituent Entities as and for rental of the Leased Property hereunder, the amount of \$1.00 with this A&R Ground Lease, the A&R Sublease and the Assignment by the Assignee by the execution and delivery hereof and thereof by the parties (the "*Ground Lease Payment*"), the receipt of which by the Agency Constituent Entities is hereby acknowledged. No other amounts of rental will be due and payable by the Corporation for the use and occupancy of the Leased Property under this A&R Ground Lease.

Section 4. Purpose; Sublease Back to the Agency Constituent Entities. The purpose for which the Agency Constituent Entities agree to lease the Leased Property to the Corporation hereunder is to reduce the amount of the lease payments required under the Original Sublease. The Leased Property will be maintained accordance with the provisions of Article V of the A&R Sublease. The Corporation hereby agrees to sublease the Leased Property back to the Agency Constituent Entities under the A&R Sublease.

Section 5. Assignments and Subleases. Each Agency Constituent Entity acknowledges and agrees that all rights of the Corporation in this A&R Ground Lease and the A&R Sublease will be assigned by the Corporation to the Assignee. The Corporation may not further assign its rights under this A&R Ground Lease or sublet all or any portion of the Leased Property without the prior written consent of the Assignee.

Section 6. Substitution or Release of Property. If the Agency Constituent Entities exercise their option under Section 4.5 of the A&R Sublease and satisfy the conditions therein provided to substitute property for the Leased Property in whole or in part, such substitution shall also automatically operate to substitute property for the Leased Property that is leased hereunder. If the Agency Constituent Entities exercise their option under Section 4.6 of the A&R Sublease and satisfy the conditions therein provided to release any portion of the Leased Property from the A&R Sublease, such release shall also automatically operate to release property hereunder. The description of the property that is leased under the A&R Sublease shall conform at all times to the description of the Leased Property that is leased hereunder and vice versa.

Section 7. Right of Entry. Unless an Event of Default has occurred, the Agency Constituent Entities reserve the right for any of their respective duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 8. Termination. The Corporation agrees, upon the termination of this A&R Ground Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property will remain thereon and title thereto shall vest thereupon in the Agency Constituent Entities for no additional consideration.

Section 9. Default. If the Corporation is in default in the performance of any obligation on its part to be performed under the terms of this A&R Ground Lease, which default continues for 30 days following notice and demand for correction thereof to the Corporation, the Agency Constituent Entities may exercise any and all remedies granted by law, except that no merger of this A&R Ground Lease and of the A&R Sublease will be deemed to occur as a result thereof and this A&R Ground Lease may not be terminated by the Agency Constituent Entities as a remedy for such default. Notwithstanding the foregoing, so long as the A&R Sublease remains in effect, the Agency Constituent Entities will continue to pay the Lease Payments to the Assignee in accordance with the A&R Sublease and the Assignment.

In the event of the occurrence of an Event of Default under the A&R Sublease, the Corporation may (i) exercise the remedies provided in the A&R Sublease, (ii) use the Leased Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein and under applicable law.

Section 10. Amendments. The Corporation and the Agency Constituent Entities may at any time amend or modify any of the provisions of this A&R Ground Lease, but only with the prior written consent of the Assignee.

Section 11. Quiet Enjoyment. (a) The Corporation at all times during the term of this A&R Ground Lease will peaceably and quietly have, hold and enjoy all of the Leased Property, subject to the provisions of the A&R Sublease and the Assignment, and subject only to Permitted Encumbrances.

(b) All covenants of the Agency Constituent Entities set forth in Section 2.1(i) and 2.1(m) of the A&R Sublease are incorporated herein by reference and shall survive any termination of the A&R Sublease and remain in effect and continue to inure to the benefit of the Corporation and the Assignees so long as this A&R Ground Lease remains in effect or any Lease Payment remains outstanding or unpaid.

Section 12. Waiver of Personal Liability. All liabilities under this A&R Ground Lease on the part of the Corporation are solely corporate liabilities of the Corporation as a nonprofit public benefit corporation, and the Agency Constituent Entities hereby releases each and every director and officer of the Corporation of and from any personal or individual liability under this

A&R Ground Lease. No director or officer of the Corporation or its governing board is at any time or under any circumstances individually or personally liable under this A&R Ground Lease for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. The Agency Constituent Entities will pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and/or any improvements thereon.

Section 14. Eminent Domain; Property Disputes. If the whole or any part of the Leased Property or any improvements thereon are taken by eminent domain proceedings, the interest of the Corporation will be the applicable percentage, as shown in the table below, of the aggregate amount of the then unpaid principal components of the Lease Payments payable under the A&R Sublease *plus* accrued interest component of the Lease Payments and the balance of the award, if any, will be paid to the Agency Constituent Entities.

Rental Period	Prepayment Premium
Rental Periods 1-3	102.0%
Rental Periods 4-6	101.0
Rental Period 7	100.5
Thereafter	100.0

To the fullest extent permitted by law, each Agency Constituent Agency hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Leased Property and/or any improvements thereon through the eminent domain powers of the Agency Constituent Entities. The Agency Constituent Entities hereby agree, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the Agency Constituent Entities with respect to the Leased Property and/or any improvements thereon shall be in an amount not less than the applicable percentage, as shown in the table below, of the aggregate amount of the then unpaid principal components of the Lease Payments payable under the A&R Sublease *plus* the interest component of Lease Payments accrued to the date of payment of all Lease Payments under the A&R Sublease.

Rental Period	Prepayment Premium
Rental Periods 1-3	102.0%
Rental Periods 4-6	101.0
Rental Period 7	100.5
Thereafter	100.0

Section 15. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions contained in this A&R Ground Lease are to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, then such provision or provisions will be deemed severable from the remaining provisions contained in this A&R Ground Lease and such invalidity, illegality or unenforceability will not affect any other provision of this A&R Ground

Lease, and this A&R Ground Lease will be construed as if such invalid or illegal or unenforceable provision had never been contained herein and each provision of this A&R Ground Lease will be valid and enforceable to the fullest extent permitted by law. The Corporation and the Agency Constituent Entities each hereby declare that they would have entered into this A&R Ground Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this A&R Ground Lease may be held illegal, invalid or unenforceable.

Section 16. Notices. Any notice, request, complaint, demand or other communication under this A&R Ground Lease must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice will be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 72 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Agency Constituent Entities, the Corporation, the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Agency Constituent Entities: Sacramento Housing and Redevelopment Agency
801 12th Street
Sacramento, California 95814
Attn: Executive Director
Fax: (916) 264-1644

If to the Corporation: Public Property Financing Corporation of
California
2945 Townsgate Road, Suite 200
Westlake Village, California 91361
Attention: Secretary/Treasurer
Fax: (805) 267-7142

If to the Assignee: Banc of America Public Capital Corp
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration
Fax: (443) 541-3057

Section 17. Governing Law. This A&R Ground Lease shall be governed by and construed in accordance with the laws of the State of California (the "State"). The parties hereto consent and submit to the jurisdiction of the State and venue in any state or Federal court of such State for the purposes of any suit, action or other proceeding arising in connection with this A&R Ground Lease, and each party expressly waives any objections that it may have to the venue of such courts. The parties hereto expressly waive any right to trial by jury in any action brought on or with respect to this A&R Ground Lease. If the waiver of jury trial contained herein

is unenforceable for any reason, then the parties hereto agree that the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision.

Section 18. Third Party Beneficiary. The Assignee is hereby made a third-party beneficiary hereunder with all rights of a third-party beneficiary.

Section 19. Binding Effect. This A&R Ground Lease inures to the benefit of and is binding upon the Corporation, the Agency Constituent Entities and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 20. No Merger. Neither this A&R Ground Lease, the A&R Sublease, nor any provisions hereof or thereof shall be construed to effect a merger of the title of the Agency Constituent Entities to the Leased Property under this A&R Ground Lease and the Agency Constituent Entities' leasehold interest therein under the A&R Sublease.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this A&R Ground Lease.

Section 22. Execution in Counterparts. This A&R Ground Lease may be executed in any number of counterparts, each of which is an original but all together constitute one and the same instrument. It is also agreed that separate counterparts of this A&R Ground Lease may be separately executed by the Corporation and the Agency Constituent Entities, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the Agency Constituent Entities.

Section 23. Defined Terms. All capitalized terms used herein and not otherwise defined herein (including in the Recitals hereto) have the respective meanings given those terms in the A&R Sublease, as the case may be.

Section 24. Further Assurances. The Agency Constituent Entities and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this A&R Ground Lease and the A&R Sublease.

Section 25. Amendment and Restatement of Original Ground Lease. This A&R Ground Lease shall constitute a full amendment and complete restatement of the Original Ground Lease pursuant to Section 24 thereof. In case of any inconsistency between this A&R Ground Lease and the Original Ground Lease, the terms of this A&R Ground Lease shall control.

Section 26. Legal Names and Aliases of Agency Constituent Entities.

(a) The City RDA Successor Agency hereby represents, warrants and covenants that the Sacramento City Redevelopment Agency Successor Agency is (i) the successor to the Redevelopment Agency of the City of Sacramento and (ii) the legal name for the entity also known as (x) "Redevelopment Agency Successor Agency of the City of Sacramento" and (y) "City of Sacramento, acting as Redevelopment Agency Successor Agency";

(b) The County RDA Successor Agency hereby represents, warrants and covenants that the Successor Agency to the Sacramento County Redevelopment Agency is (i) the successor to the Redevelopment Agency of the County of Sacramento and (ii) the legal name for the entity also known as "Successor Agency' to the former Redevelopment Agency of County of Sacramento";

(c) HACS hereby represents, warrants and covenants that the Housing Authority of the City of Sacramento is the legal name for the entity also known as (i) "Sacramento Housing Authority of the City of Sacramento, California" and (ii) the "Sacramento City Housing Authority";

(d) The Agency hereby represents, warrants and covenants that the legal name of the Sacramento Housing and Redevelopment Agency was established for the Agency under section 1 of the Agency's Joint Exercise of Powers Agreement;

(e) HACOS hereby represents, warrants and covenants that the legal name of Housing Authority of the County of Sacramento was established for HACOS by Section 1.1 of its bylaws, which cites Resolution No. 5256 of the Sacramento County Board of Supervisors, dated June 28, 1940; and

(f) in the event any issue relating to the legal name, alias, identity or signatory of an Agency Constituent Entity arises that impacts the validity or enforceability of (or rights or interests of the Corporation or Assignee under) this A&R Ground Lease, the A&R Sublease or the Assignment, such Agency Constituent Entity shall take all steps necessary (with the Assignee's prior written approval) to promptly correct any errors and shall address any such issues with respect to the legal name, alias, identity or signatory of such Agency Constituent Entity and shall protect Assignee's intended rights and interests under this A&R Ground Lease, the A&R Sublease and the Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Agency Constituent Entities and the Corporation have caused this Amended and Restated Ground and Facilities Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

AGENCY CONSTITUENT ENTITIES, as
Lessor:

SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY, a joint powers
agency duly organized and validly existing
under the laws of the State of California

By _____
Name: La Shelle Dozier
Title: Executive Director

SACRAMENTO CITY REDEVELOPMENT
AGENCY SUCCESSOR AGENCY, a public
body, corporate and politic

By _____

Name: Michael Jasso

Title: Assistant City Manager

SUCCESSOR AGENCY TO THE SACRAMENTO
COUNTY REDEVELOPMENT AGENCY, a
public body, corporate and politic

By _____

Name: Ann Edwards

Title: Acting County Executive

HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO, a public corporation

By _____

Name: La Shelle Dozier

Title: Executive Director

HOUSING AUTHORITY OF THE COUNTY OF
SACRAMENTO, a public corporation

By _____

Name: La Shelle Dozier

Title: Executive Director

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA, as Lessee

By _____
Stefan A. Morton
Treasurer

Consented to for purposes of Section 24
of the Original Ground Lease:

BANC OF AMERICA PUBLIC CAPITAL CORP

By _____
Name: _____
Title: _____

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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)**

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title],
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)

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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)

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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
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I certify under PENALTY OF PERJURY under the laws of the State of California that the
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Signature _____ (Seal)

ACKNOWLEDGMENT

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State of California
County of _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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)

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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
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WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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)**

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the land located in the City of Sacramento, County of Sacramento, State of California, which is described as follows, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

PARCEL ONE:

The North half of Lot 1 in the block bounded by "H" and "I", Twelfth and Thirteenth Streets, of the City of Sacramento, according to the official plan or plat thereof.

PARCEL TWO:

The South half of Lot 1 in the block bounded by 12th and 13th and H and I Streets of the City of Sacramento, according to the official plan or plat thereof.

APN: 006-0051-021-0000

(End of Legal Description)

**AMENDED AND RESTATED
GROUND AND FACILITIES LEASE
between the
PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA
and the
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY,
SACRAMENTO CITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY,
SUCCESSOR AGENCY TO THE SACRAMENTO COUNTY REDEVELOPMENT AGENCY,
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO and
HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Amended and Restated Ground and Facilities Lease, dated as of _____, 2021, between the Sacramento Housing and Redevelopment Agency and its constituent entities of the Sacramento City Redevelopment Agency Successor Agency, Successor Agency to the Sacramento County Redevelopment Agency , Housing Authority of the City of Sacramento and Housing Authority of the County of Sacramento, as lessor, and the Public Property Financing Corporation of California, as lessee (the "*Corporation*"), is hereby accepted by the undersigned officer on behalf of the Corporation and the Corporation consents to recordation thereof by its duly authorized officer.

Dated as of _____, 2021

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Lessee

By _____
Stefan A. Morton
Treasurer

RECORDING REQUESTED BY:
Stewart Title Guaranty

AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Josh D. Anzel, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**AMENDED AND RESTATED
SUBLEASE**

Dated as of _____, 2021

between

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA,
as sublessor,

and

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY,
SACRAMENTO CITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY,
SUCCESSOR AGENCY TO THE SACRAMENTO COUNTY REDEVELOPMENT AGENCY,
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO and
HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, *as sublessee*

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AMENDED AND RESTATED SUBLEASE

This AMENDED AND RESTATED SUBLEASE (this “*A&R Sublease*,” as more particularly defined in Section 1.1 hereof), dated as of _____, 2021, is between the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “*Corporation*”), as sublessor, and the SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY, a joint powers agency duly organized and validly existing under the laws of the State of California (the “*Agency*”), together with its constituent public entities of the SACRAMENTO CITY REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public body, corporate and politic also known as “Redevelopment Agency Successor Agency of the City of Sacramento” and “City of Sacramento, acting as Redevelopment Agency Successor Agency” (the “*City RDA Successor Agency*”), as successor to the Redevelopment Agency of the City of Sacramento (the “*City RDA*”), the SUCCESSOR AGENCY TO THE SACRAMENTO COUNTY REDEVELOPMENT AGENCY, a public body corporate and politic also known as “‘Successor Agency’ to the former Redevelopment Agency of County of Sacramento” (the “*County RDA Successor Agency*”), as successor to the Redevelopment Agency of the County of Sacramento (the “*County RDA*”), the HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a public corporation also known as “Sacramento Housing Authority of the City of Sacramento, California” and the “Sacramento City Housing Authority” (“*HACS*”), and the HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, a public corporation (“*HACOS*,” and collectively with the Agency, the City RDA Successor Agency, the County RDA Successor Agency and HACS, the “*Agency Constituent Entities*”), as sublessee.

WITNESSETH:

WHEREAS, all capitalized terms used, but not defined, in these Recitals shall have the respective meanings set forth in Section 1.1 hereof; and

WHEREAS, the Corporation has been organized for the purpose of acquiring, constructing and financing various public capital improvements, including by leasing certain public capital improvements, for the use, benefit and enjoyment of the public served by the Agency Constituent Entities, and is authorized to enter into financing and lease documents for that purpose; and

WHEREAS, the Agency together with its constituent public entities of HACS, HACOS, the former City RDA and the former County RDA previously entered into a Ground and Facilities Lease, dated as of June 30, 2008 (the “*Original Ground Lease*”), and a Sublease, dated as of June 30, 2008 (the “*Original Sublease*”), in each case with the Banc of America Public Capital Corp (with its successors and assigns, “*BAPCC*”), in order to finance the acquisition of the land and office building at 801 12th Street, Sacramento, California 95814 (as described more fully in Appendix A hereof, the “*Leased Property*”), and the rehabilitation of such building; and

WHEREAS, in order to reduce the cost of financing thereunder, the Agency Constituent Entities have agreed with BAPCC to amend and restate the Original Ground Lease and Original Sublease by entering into this Amended and Restated Sublease and an Amended and Restated Ground and Facilities Lease dated as of the date hereof (as supplemented and amended, the

“A&R Ground Lease,” as more particularly defined in Section 1.1 hereof) with the Corporation, each of which has been recorded concurrently herewith; and

WHEREAS, the Corporation has assigned certain of its rights in, to and under this A&R Sublease and the A&R Ground Lease to Banc of America Public Capital Corp and its successors and assigns (the “Assignee,” as more particularly defined in Section 1.1) under an Assignment Agreement dated as of _____, 2021 (the “Assignment”), which has been recorded concurrently herewith.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants herein contained, the Agency Constituent Entities and the Corporation formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this A&R Sublease (including the Recitals hereto).

“Agency Constituent Entities” has the meaning given to it in the preamble hereof.

“A&R Ground Lease” means the Ground and Facility Lease dated as of _____, 2021, between the Agency Constituent Entities, as lessor, and the Corporation, as lessee, of the Leased Property, as originally executed or as hereafter amended under any duly authorized and executed amendments and supplements thereto.

“A&R Sublease” means this Amended and Restated Sublease, dated as of _____, 2021, between the Corporation, as sublessor, and the Agency Constituent Entities, as sublessee, as originally executed or as hereafter amended under any duly authorized and executed amendments hereto.

“Applicable Environmental Laws” means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 *et seq.*; the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, *et seq.*) (together with the regulations promulgated thereunder, “Title III”); the Federal Water Pollution Control Act, 33 USC Sections 1251 *et seq.*; the Clean Air Act, 42 USC Sections 7401 *et seq.*; the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 *et seq.*) (together with the regulations promulgated thereunder, “TSCA”); the Clean Air Act, 42 USC Sections 7401 *et seq.* (“CAA”), the Occupational Health and Safety Act, 29 USC Sections 654 *et seq.* (“OSHA”); the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 *et seq.*; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 *et seq.*; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 *et seq.*; the Air Resources Act, California Health &

Safety Code Sections 3900 *et seq.*; the Asbestos Hazard Emergency Response Act (“AHERA”); the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 *et seq.*; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of human health, safety or the environment from Hazardous Substances or spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the management, use, generation, transport, treatment, removal, or recovery of or exposure to Hazardous Substances, including building materials.

“*APN*” means assessor’s parcel number in the real property records of the County.

“*Assigned Rights*” means all of the Corporation’s rights under this A&R Sublease as sublessor of the Leased Property (excepting only the Corporation’s rights under Sections 5.10, 7.3 and 8.4 of this A&R Sublease) and as lessee of the Leased Property under the A&R Ground Lease, as more particularly described in the Assignment, that are assigned and transferred by the Corporation to the initial Assignee pursuant to the Assignment.

“*Assignee*” means (a) initially, Banc of America Public Capital Corp, a Kansas corporation, or its designee, as assignee of the Assigned Rights pursuant to the Assignment, and (b) any other entity to whom the Assigned Rights (or any interest therein) are assigned and transferred as provided in Section 7.4.

“*Assignment*” means the Assignment Agreement dated as of _____, 2021, between the Corporation, as assignor, and the initial Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“*Business Day*” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California.

“*Closing Costs*” means, with respect to this A&R Sublease, the costs incurred in connection with the execution and delivery of this A&R Sublease, the A&R Ground Lease and the Assignment, including the initial Assignee’s origination fee, fees and expenses of the Custodian (as defined in Section 3.1), fees and expenses of the Special Counsel, fees of the initial Assignee’s counsel, the title insurance premium and other costs related to obtaining the title insurance policy, filing and recording costs and other similar fees and costs.

“*Closing Date*” means _____, 2021, which is the date on which all conditions to effectiveness of this A&R Sublease and the A&R Ground Lease set forth in Exhibit B to the Assignment are satisfied.

“*Closing Date Title Insurance Policy*” means the title insurance policy referenced in Section 5.6 hereof insuring the Corporation’s and Assignee’s leasehold estate in the Leased Property under the A&R Ground Lease and the Agency Constituent Entities’ leasehold interest in the Leased Property under this A&R Sublease.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“*Corporation*” means the Public Property Financing Corporation of California, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

“*County*” means the County of Sacramento.

“*Default Rate*” means a rate of interest equal to the lesser of (a) Tax-Exempt Rate *plus* 5% per annum or (b) the maximum rate permitted by law.

“*Event of Default*” means any of the events of default as defined in Section 8.1.

“*Executive Officer*” means: for the Agency, the Executive Director of the Agency; for HACS, the Executive Director of HACS; for HACOS, the Executive Director of HACOS; for the City RDA Successor Agency, the Agency Executive Director of the City RDA Successor Agency or Assistant City Manager or City Manager of the City of Sacramento; and for the County RDA Successor Agency, County Executive of the County RDA Successor Agency.

“*Extended Lease Term*” means a period (and any successive period) during which the original Lease Term is extended pursuant to Section 4.2 or 6.5 and is equal in duration to any period during which the Agency Constituent Entities do not pay Lease Payments (in whole or in part) when scheduled as a result of the occurrence of an event that results in abatement of the Agency Constituent Entities’ obligation to make Lease Payments in accordance with Section 6.2 or 6.3.

“*Facility*” means the buildings, facilities and other improvements located on the Site and consisting generally of the office building at 801 12th Street, Sacramento, California, which is more particularly described in *Exhibit B* attached hereto and made a part hereof, as the same may be modified pursuant to Section 4.5 or 4.6 hereof.

“*Federal Securities*” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“*Fiscal Year*” means. (i) with respect to the Agency, HACS and HACOS, each twelve-month period during the Lease Term commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by such Agency Constituent Entities as their fiscal year period and (ii) with respect to

the City RDA Successor Agency and County RDA Successor Agency, each twelve-month period during the Lease Term commencing on January 1 in any calendar year and ending on December 31 in that calendar year, or any other twelve-month period selected by such Agency Constituent Entities as their fiscal year period.

“*Hazardous Substance*” shall mean any hazardous, toxic or dangerous substance, waste, material or underground storage tanks that are or may become regulated under any federal, State or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination or clean-up.

“*Lease Payment Commencement Date*” means _____, 2021, which is the effective date of the A&R Ground Lease and this A&R Sublease and the date the Agency Constituent Entities become obligated to commence payment of Lease Payments in accordance with the Payment Schedule attached hereto as *Exhibit A*.

“*Lease Payment Date*” means, with respect to the Lease Term, the 30th calendar day of each month (or, in the case of any February, the 28th calendar day of such month), commencing on the Lease Payment Commencement Date, on which the Agency Constituent Entities are required to make a Lease Payment under this A&R Sublease as specified in the Payment Schedule.

“*Lease Payments*” means, with respect to this A&R Sublease, the basic rental payments payable by the Agency Constituent Entities pursuant to this A&R Sublease on the Lease Payment Dates and in the amounts as specified in the Payment Schedule attached hereto as *Exhibit A*, consisting of a principal component and an interest component as provided therein.

“*Lease Servicer*” is defined in Section 7.4(b).

“*Lease Term*” means the period that begins on the Closing Date and ends on the first Business Day after the last scheduled Lease Payment Date, subject to extension as provided in Section 4.2 or 6.5; *provided* that the Lease Term shall, in any event, terminate no later than May 31, 2043.

“*Leased Property*” means the land and improvements subject to the leasehold interests of the A&R Ground Lease and this A&R Sublease, which initially is comprised of the land and office building at 801 12th Street, Sacramento, California, 95814 and is more particularly described in *Exhibit B* attached hereto and by this reference incorporated herein. From and after the date of substitution of any property under Section 4.5 or release of any property under Section 4.6, the term “*Leased Property*” means the real property that remains subject to this A&R Sublease following such substitution or release.

“*Lien*” means any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, preference, priority or other security or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having

substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC or comparable law of any jurisdiction).

“*Majority Holder*” means the Assignee(s) holding a majority of the aggregate principal component of Lease Payments under this A&R Sublease.

“*Material Adverse Change*” means any change in the Agency Constituent Entities’ creditworthiness that could have a material adverse effect on (a) the financial condition or operations of the Agency Constituent Entities, or (b) the Agency Constituent Entities’ ability to perform its obligations under this A&R Sublease or the A&R Ground Lease.

“*Net Proceeds*” means, any eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers) or any insurance award under Section 5.4, paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“*Payment Schedule*” means the Payment Schedule attached as *Exhibit A* attached hereto.

“*Permitted Encumbrances*” means with respect to the Leased Property: (a) Liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the Agency Constituent Entities may permit to remain unpaid under Article V of this A&R Sublease; (b) the A&R Ground Lease, this A&R Sublease and the Assignment; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy issued with respect to the Leased Property issued as of the Closing Date that the Agency Constituent Entities certify in writing to the Assignee will not impair the use of the Leased Property for its intended purposes under the A&R Ground Lease and this A&R Sublease and will not interfere with the Agency Constituent Entities’ beneficial use and enjoyment of the Leased Property or result in any abatement of Lease Payments under this A&R Sublease or materially adversely affect the rights and interests of Assignee under this A&R Sublease or the A&R Ground Lease; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the Agency Constituent Entities certify in writing to the Assignee will not impair the use of the Leased Property for its intended purposes under the A&R Ground Lease and this A&R Sublease and will not interfere with the Agency Constituent Entities’ beneficial use and enjoyment of the Leased Property or result in any abatement of Lease Payments under this A&R Sublease or materially adversely affect the rights and interests of Assignee under this A&R Sublease or the A&R Ground Lease.

“*Person*” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or any other entity of whatever nature.

“*Rental Period*” means the annual period commencing on _____ 30 in any year and ending on _____ 29 in the next succeeding year; *provided* that the first Rental Period begins on the Closing Date and ends on _____ 29, 2022.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Site*” means that certain parcel of real property situated in the City of Sacramento, County of Sacramento, State of California, more particularly described in *Exhibit B* attached hereto and made a part hereof, as the same may be modified pursuant to Section 4.5 or 4.6 hereof.

“*Special Counsel*” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys (acceptable to the Assignee) of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income of the owners thereof for federal income tax purposes.

“*State*” means State of California.

“*Tax-Exempt Rate*” has the meaning set forth in Section 4.3(a) hereof.

Section 1.2. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this A&R Sublease; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this A&R Sublease as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the Agency Constituent Entities. The Agency Constituent Entities make the following covenants, representations and warranties to the Corporation as of the Closing Date:

(a) *Due Organization and Existence.* Each Agency Constituent Entity is duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into this A&R Sublease and the A&R Ground Lease and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Agency Constituent Entities have duly authorized the execution and delivery of this A&R Sublease and the A&R Ground Lease.

(b) *Due Execution.* The representatives of the Agency Constituent Entities executing this A&R Sublease and the A&R Ground Lease have been fully authorized to execute the same under a resolution duly adopted by the legislative bodies or governing bodies, as applicable, of the Agency Constituent Entities.

(c) *Valid, Binding and Enforceable Obligations.* This A&R Sublease and the A&R Ground Lease have been duly authorized, executed and delivered by the Agency Constituent Entities and constitute the legal, valid and binding agreements of the Agency Constituent Entities enforceable against the Agency Constituent Entities in accordance with their respective terms.

(d) *No Conflicts.* The amendment and restatement of the Original Sublease and Original Ground Lease, the execution and delivery of this A&R Sublease and the A&R Ground Lease, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and 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, lease, contract or other agreement or instrument to which the Agency Constituent Entities is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Agency Constituent Entities. The amendment and restatement of the Original Sublease and Original Ground Lease, the execution and delivery of this A&R Sublease and the A&R Ground Lease, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and 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 indenture, mortgage, deed of trust, lease, contract or other agreement or instrument relating to the Leased Property.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Agency Constituent Entities or of the voters of the Agency Constituent Entities, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the amendment and restatement of the Original Ground Lease and Original Sublease the execution and delivery of this A&R Sublease and the A&R Ground Lease, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Agency Constituent Entities after reasonable investigation, threatened against or affecting the Agency Constituent Entities or the assets, properties or operations of the Agency Constituent Entities which, if determined adversely to the Agency Constituent Entities or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the

validity of this A&R Sublease or the A&R Ground Lease, or upon the financial condition, assets, properties or operations of the Agency Constituent Entities, and the Agency Constituent Entities are not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this A&R Sublease or the A&R Ground Lease or the financial condition, assets, properties or operations of the Agency Constituent Entities.

(g) *Essential Use.* The Leased Property is essential to the proper, efficient and economic operation of the Agency Constituent Entities and serves an essential governmental function of the Agency Constituent Entities. The Agency Constituent Entities do not intend to sell or otherwise dispose of the Leased Property or any interest therein prior to the last Lease Payment (including all Extended Lease Term) scheduled to be paid under this A&R Sublease. The Agency Constituent Entities have an immediate need for the Leased Property. The Agency Constituent Entities' need for the Leased Property is not temporary and the Agency Constituent Entities does not expect the need for any part of the Leased Property to diminish during the Lease Term.

(h) *CDIAC Fees.* The Agency Constituent Entities shall pay the fee charged by the California Debt and Investment Advisory Commission with respect to the A&R Ground Lease, A&R Sublease and Assignment Agreement pursuant to Section 8856 (or any successor provision) of the California Government Code.

(i) *Ownership of or Rights to Leased Property; Negative Pledge.* (1) So long as this Lease Term is in effect and/or any Lease Payment remains outstanding, unless the Agency Constituent Entities obtain the prior written consent of the Assignee, the Leased Property shall at all times will be owned by the Agency Constituent Entities as fee simple owner. There exists no mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to any of the Leased Property, except for Permitted Encumbrances. Except for Permitted Encumbrances, the Agency Constituent Entities shall not create, incur, assume or permit to exist any mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature whatsoever on the Leased Property or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate. The descriptions of the Leased Property set forth in *Exhibit B* attached hereto, including street addresses and/or legal property descriptions, are true, accurate and complete.

(2) The Agency Constituent Entities covenant and agree that in the event any encumbrance, asserted encumbrance, claim, dispute or other issue arises with respect to the Agency Constituent Entities' legal title to (or the Corporation's interest in) the Leased Property or access to the Leased Property, whether for inspection or repossession or otherwise or any other matters relating to the Agency Constituent Entities' valid and marketable title to, or beneficial use and enjoyment of, the Leased Property (each of the foregoing referred to as a "*Real Property Issue*"), the Agency Constituent Entities will take all steps necessary to promptly quiet, resolve and/or

eliminate such Real Property Issue and ensure the Agency Constituent Entities have beneficial use and enjoyment of the Leased Property and and/or provide the Corporation with, or as applicable, will take all reasonable steps available to the Agency Constituent Entities to ensure the Corporation has, adequate access to the Leased Property for purposes of accessing, inspecting and/or repossessing (if necessary) the Leased Property and the Agency Constituent Entities shall ensure that their fee interest in the Leased Property is and remains free and clear of Real Property Issues. The Agency Constituent Entities covenant and agree that in the event any legal description filed or recorded with respect to the Corporation's interests in the Leased Property reflects any incorrect real property legal description or equipment description, the Agency Constituent Entities shall take all steps necessary (with the Assignee's prior written approval) to promptly correct any errors with respect to such legal descriptions.

(3) All of the exceptions disclosed in the title insurance policies issued with respect to the Leased Property and provided to the Corporation as of the Closing Date are Permitted Encumbrances. The Agency Constituent Entities hereby represent, warrant and covenant that the encumbrances referenced in such exceptions shown in the preliminary title reports and title insurance policies with respect to the Leased Property will not impair the use of the Leased Property for its intended purposes under the A&R Ground Lease and this A&R Sublease and will not interfere with the Agency Constituent Entities' beneficial use and enjoyment of the Leased Property or result in any abatement of Lease Payments under this A&R Sublease.

(4) *[reserved.]*

(5) The Agency Constituent Entities represent, warrant, covenant and agree that the insured and fair rental value of the Leased Property equals or exceeds the aggregate outstanding principal component of Lease Payments and that the insured value of the Leased Property shall at all times equal or exceed the aggregate outstanding principal component of Lease Payments. The Agency Constituent Entities further represent, warrant, covenant and agree that the legal descriptions and APNs for all parcels comprising the Leased Property include all land and improvements needed for the lawful enjoyment and full beneficial use of the Leased Property in its current uses, including all necessary parking. The Agency Constituent Entities further represent, warrant, covenant and agree that under no circumstances shall it permit any change in use of, or any other activities on, the Leased Property for any reasons whatsoever that would directly result in any abatement of any Lease Payments.

Additionally, the Agency Constituent Entities further represent, warrant, covenant and agree that under no circumstances shall it create, incur, assume or permit to exist any mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature on the Leased Property (other than Permitted Encumbrances) or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of the Leased Property without the prior written consent of the Assignee in its sole and absolute discretion.

(6) Notwithstanding any termination of this A&R Sublease, the covenants in this Section 2.1(i) shall remain in effect and continue to inure to the benefit of the Corporation and its assigns so long as any Lease Payment under this A&R Sublease remains outstanding or unpaid.

(j) *No Prior Termination for Lack of Appropriation.* No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which any Agency Constituent Entity has been a party at any time has been terminated by such Agency Constituent Entity as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred that would constitute an event of default under any debt, revenue bond or obligation which any Agency Constituent Entity has issued during the past ten years.

(k) *Compliance with State Law.* Each Agency Constituent Entity has complied with any applicable State law pertaining to the authorization of this A&R Sublease.

(l) *Reporting Requirements.* Each Agency Constituent Entity has kept, and throughout the Lease Term shall keep, its books and records in accordance with generally accepted accounting principles and practices applicable to governmental agencies consistently applied, and shall deliver to the Corporation (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within 270 days of its fiscal year end, (ii) such other financial statements and information as the Corporation may reasonably request, and (iii) upon the Corporation's request, its annual budget for any prior or current fiscal year or the following fiscal year when approved. The financial statements described in this subsection (m) shall be accompanied by an opinion of the Agency Constituent Entities' auditor. Credit information relating to the Agency Constituent Entities may be disseminated among the Assignee and any of its affiliates and any of their respective successors and assigns.

(m) *Further Assurances.* The Agency Constituent Entities will, at their expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents the Corporation may reasonably request in order to protect the Corporation's leasehold interest in the Leased Property and the Corporation's rights and benefits under this A&R Sublease and the A&R Ground Lease.

(n) *Legal Descriptions; Insured Values.* The legal descriptions, APN numbers and addresses set forth in the Closing Date Title Insurance Policy are true, accurate and complete and correspond in full to all portions of the Leased Property and the Leased Property has and will have insured values that equal or exceed the aggregate outstanding principal component of Lease Payments at all times.

(o) *True and Accurate.* All financial statements and other information delivered to the Corporation are correct as of the date thereof. Since the end of its most

recently completed Fiscal Year, no material adverse change has occurred in any Agency Constituent Entity's financial condition that would adversely affect any Agency Constituent Entity's ability to perform its obligations hereunder.

(p) *Compliance with Continuing Disclosure Obligations.* In connection with each Agency Constituent Entity's compliance with any continuing disclosure undertakings (each, a "*Continuing Disclosure Agreement*") entered into by the Agency Constituent Entity pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "*Rule*"), the Agency Constituent Entity may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("*EMMA*"), notice of its incurrence of its obligations under the A&R Ground Lease or this A&R Sublease or the Assignment Agreement (the "*Related Documents*") and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with the Related Documents, in each case including posting a full copy thereof or a description of the material terms thereof (each such posting, an "*EMMA Posting*"). Except to the extent required by applicable law, including the Rule, the Agency Constituent Entity shall not file or submit or permit the filing or submission of any EMMA Posting that includes the following unredacted confidential information about the Assignee or its affiliates in any portion of such EMMA Posting: address and account information of the Lessor or its affiliates and the Escrow Agent, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Assignee or its affiliates .

Each Agency Constituent Entity acknowledges and agrees that the Assignee and its affiliates are not responsible for the Agency Constituent Entity's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule.

Section 2.2. Covenants, Representations and Warranties of the Corporation. The Corporation makes the following covenants, representations and warranties to the Agency Constituent Entities as of the Closing Date:

(a) *Due Organization and Existence.* The Corporation is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into this A&R Sublease, the A&R Ground Lease and the Assignment and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action of its governing board the Corporation has duly authorized the execution and delivery of this A&R Sublease, the A&R Ground Lease and the Assignment.

(b) *Due Execution.* The representatives of the Corporation executing this A&R Sublease, the A&R Ground Lease and the Assignment are fully authorized to execute the same under official action taken by the governing board of the Corporation.

(c) *Valid, Binding and Enforceable Obligations.* This A&R Sublease, the A&R Ground Lease and the Assignment have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of this A&R Sublease, the A&R Ground Lease and the Assignment, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and 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, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, Lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this A&R Sublease, the A&R Ground Lease and the Assignment or the financial condition, assets, properties or operations of the Corporation.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this A&R Sublease, the A&R Ground Lease or the Assignment, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this A&R Sublease, the A&R Ground Lease or the Assignment, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this A&R Sublease, the A&R Ground Lease or the Assignment or the financial condition, assets, properties or operations of the Corporation.

ARTICLE III

CLOSING COSTS

Section 3.1. Payment of Closing Costs. On the Closing Date, the Corporation shall cause to be deposited, from the proceeds of this A&R Sublease received or deemed to be received from BAPCC, an amount equal to \$_____ to pay Closing Costs in the amount of \$_____, which amount shall be transferred by BAPCC to The Bank of New York Mellon Trust Company, N.A., as custodian under that certain Closing Costs Custodia Agreement (the "*Custodian*"), dated as of the date hereof, between the Agency and the Custodian, on the Closing Date for that purpose.

Wire Instructions for The Bank of New York Mellon Trust Company:

The Bank of New York Mellon
 ABA # 021000018
 Account Number _____
 Account Name: Sacramento Housing and Redevelopment Agency

ARTICLE IV

LEASE PAYMENTS; SUBSTITUTION AND RELEASE OF PROPERTY

Section 4.1. Lease of Leased Property. For and in consideration of the amendment and restatement of the Original Lease Documents as provided in this A&R Sublease and the A&R Ground Lease, the Agency Constituent Entities have leased the Leased Property to the Corporation under the A&R Ground Lease. For and in consideration of the Lease Payments to be paid by the Agency Constituent Entities under this A&R Sublease, the Corporation leases the Leased Property to the Agency Constituent Entities, and the Agency Constituent Entities lease the Leased Property from the Corporation for the Lease Term, upon the terms and conditions set forth in this A&R Sublease.

Section 4.2. Term. (a) The Lease Term commences on the Closing Date and ends on the date on which all of the Lease Payments have been paid in full. In the event that the obligation of the Agency Constituent Entities to pay Lease Payments is abated for any period under Article VI, the Lease Term shall automatically extend until such time as all Lease Payments have been paid in full; *provided* that the Lease Term shall, in any event, terminate no later than May 31, 2043. The provisions of this Section 4.2(a) are subject to the provisions of Section 6.2 relating to the taking in eminent domain of the Leased Property or any portion thereof and subject to Section 6.5 generally.

(b) The Agency Constituent Entities may not terminate this A&R Sublease as a remedy for a default by the Corporation hereunder or under the A&R Ground Lease.

Section 4.3. Lease Payments.

(a) *Obligation to Pay; Joint and Several Obligation.* Subject to the provisions of Sections 6.2 and 6.3 and the provisions of Article IX, on a joint and several basis, each Agency Constituent Entity agrees to pay to the Corporation, its successors and assigns, beginning on the Lease Payment Commencement Date the Lease Payments (denominated into components of principal and interest) in the amounts for Lease Payments specified in the Payment Schedule, to be due and payable in immediately available funds on the Lease Payment Dates specified in the Payment Schedule. The Lease Payments payable in any Rental Period are for the right of the beneficial use and enjoyment of the Leased Property during such Rental Period. The interest components of the Lease Payments have been calculated based on an interest rate of _____% per annum (the "*Tax-Exempt Rate*"), on the basis of a 360-day year of twelve 30-day months.

Except as provided in Section 6.2 or 6.3, the obligations of the Agency Constituent Entities to make Lease Payments and to perform and observe the other covenants and agreements contained in this A&R Sublease shall be joint and several and absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Leased Property, any defects, malfunctions, breakdowns or infirmities in the Leased Property or the failure or inability (for whatever reason) of the Agency Constituent Entities to receive (or delay in receipt of) all or any portion of any subsidies, financing or other amounts relating to the Leased Property or any accident, condemnation or unforeseen circumstances.

(b) *Effect of Prepayment.* If the Agency Constituent Entities prepay all Lease Payments in full under Sections 9.1 or 9.2, the Agency Constituent Entities' obligations under this A&R Sublease with respect to Lease Payments will thereupon cease and terminate. If the Agency Constituent Entities prepay the Lease Payments in part but not in whole under Section 9.2, such prepayment shall be applied to repay the principal components of the remaining Lease Payments under this A&R Sublease and allocated in inverse order of the Lease Payment Dates under this A&R Sublease, or shall be applied as otherwise mutually agreed to by the Agency Constituent Entities and the Assignee. In the event there is a partial prepayment of Lease Payments at any time hereunder, the Assignee shall recalculate the Payment Schedule and provide the Agency Constituent Entities with a copy of such revised Payment Schedule which shall replace the original or preceding Payment Schedule.

(c) *Rate on Overdue Payments.* If the Agency Constituent Entities fail to make any of the payments required in this Section 4.3, the payment in default will continue as an obligation of the Agency Constituent Entities until the amount in default has been fully paid, and the Agency Constituent Entities agree to pay the same with interest thereon at the Default Rate from the date of default to the date of payment. If any Lease Payment or other amount payable hereunder is not paid by its due date, the Agency Constituent Entities shall pay an administrative late charge of 5% of the amount not timely paid or the maximum amount permitted by law, whichever is less.

(d) *Fair Rental Value.* The Lease Payments coming due and payable under this A&R Sublease during each Rental Period thereunder constitute the total rental for the Leased Property for such Rental Period, and the Agency Constituent Entities will pay the Lease Payments under this A&R Sublease in each Rental Period for and in consideration of the right of the beneficial use and enjoyment of, and the continued quiet use and enjoyment of, the Leased Property during each Rental Period. The Lease Payments coming due and payable under this A&R Sublease during each Rental Period thereunder constitute the total rental for the Leased Property for such Rental Period, and the Agency Constituent Entities will pay the Lease Payments under this A&R Sublease in each Rental Period for and in consideration of the right of the beneficial use and occupancy of, and the continued quiet use and occupancy of, the Leased Property during each Rental Period. The Corporation and each of the Agency Constituent Entities have agreed and determined that the total Lease Payments are not in excess of the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated fair market value of the Leased Property as of the Closing Date, the replacement costs of the Leased Property, amounts for the payment of Closing Costs to be deposited and applied pursuant to Section 3.1 other obligations of the Agency Constituent Entities and the Corporation under this A&R Sublease, the uses and purposes that may be served by the Leased Property and the benefits therefrom that will accrue to the Agency Constituent Entities.

(e) *Source of Payments; Budget and Appropriation.* The Lease Payments are payable on a joint and several basis from any source of legally available funds of the Agency Constituent Entities, subject to the provisions of Section 4.3 and Articles VI and IX.

Each Agency Constituent Entity covenants to take such action as is necessary under the laws applicable to such Agency Constituent Entity to budget for and include and maintain funds sufficient and available to discharge its obligation to meet all Lease Payments in each of its fiscal years during the Lease Term. Each Agency Constituent Entity covenants to take such action as is necessary to include all Lease Payments in each of its annual budgets during the Lease Term and to make the necessary annual appropriations (including any supplemental appropriations) from any source of legally available funds of such Agency Constituent Entity for all Lease Payments that become due and payable during the period covered by each such budget. The covenants on the part of each Agency Constituent Entity contained herein are duties imposed by law, and it is the duty of each and every public official of such Agency Constituent Entity to take such action and do such things as are required by law in the performance of the official duty of such officials to enable such Agency Constituent Entity to carry out and perform the covenants and agreements in each of this A&R Sublease agreed to be carried out and performed by such Agency Constituent Entity.

(f) *Failure to Maintain Tax-Exemption.* If the Assignee (or a former Assignee) either (i) receives notice, in any form, from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of Special Counsel, in either case that such Assignee may not exclude the interest component of any Lease Payment from such Assignee's gross income for federal income tax purposes due to any Agency Constituent Entity's action or failure to take any action, then the Agency Constituent Entities shall pay to such Assignee, within thirty (30) days after such Assignee notifies the Agency Constituent Entities of such determination, the amount

that, with respect to Lease Payments previously paid under this A&R Sublease and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Lease Payments under this A&R Sublease due through the date of such event) that are imposed on Lease Payments as a result of the loss of the exclusion, will restore to the affected Assignee the same after-tax yield on the transaction evidenced by this A&R Sublease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, the Agency Constituent Entities agree that upon the occurrence of such an event, they shall thereafter pay additional rent on each succeeding Lease Payment Date under this A&R Sublease in such amount as will maintain such after-tax yield to such Assignee.

Section 4.4. Title to the Leased Property.

(a) *Title to the Leased Property.* The Agency Constituent Entities shall hold fee simple title to the Leased Property, subject to the A&R Ground Lease and other applicable Permitted Encumbrances, including all additions that comprise fixtures, repairs, replacements or modifications thereto, and subject to the provisions of Section 5.2.

At all times during the Lease Term, the Corporation shall hold leasehold title to the Leased Property pursuant to the A&R Ground Lease and subject to applicable Permitted Encumbrances. Upon payment in full of all Lease Payments and the termination of this A&R Sublease (other than under Section 8.2 hereof), all right, title and interest of the Corporation in and to the Leased Property shall be transferred to and vested in the Agency Constituent Entities. Upon the payment in full of all Lease Payments under this A&R Sublease, all right, title and interest of the Corporation in and to the Leased Property shall thereupon vest in the Agency Constituent Entities for no additional consideration.

(b) *[reserved]*.

Section 4.5. Substitution of Leased Property. With the prior written consent of the Assignee, in the exercise of its sole and absolute discretion, the Agency Constituent Entities may from time to time, at their own expense and cost, substitute other real property similar in nature and characteristics to the Leased Property (the "*Substitute Property*") for the Leased Property or any portion thereof (in either case, the "*Former Property*"), *provided* that there shall be no reduction in or abatement of the Lease Payments as a result of such substitution and the Agency Constituent Entities must satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(a) The Agency Constituent Entities have certified and reaffirmed to the Corporation and the Assignee that the representations, warranties and covenants of the Agency Constituent Entities contained in this A&R Sublease are true and correct and no event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default shall have occurred or be continuing as of the date of such release and no Material Adverse Change has occurred since the Closing Date.

(b) The Agency Constituent Entities have filed with the Corporation and the Assignee, and caused to be recorded in the office of the County Recorder, sufficient memorialization of an amendment to this A&R Sublease which adds to *Exhibit B* hereto and *Appendix A* to the A&R Ground Lease to provide a description of such Substitute Property and delete therefrom the description of such Former Property.

(c) The Agency Constituent Entities have obtained a CLTA or an ALTA policy of title insurance that insures the Corporation's leasehold estate in such Substitute Property and the remaining Leased Property under the A&R Ground Lease and the Agency Constituent Entities' and Assignee's leasehold interest in such Substitute Property and the remaining Leased Property under this A&R Sublease subject only to applicable Permitted Encumbrances, in an amount at least equal to the aggregate amount of the principal component of the outstanding Lease Payments.

(d) The Agency Constituent Entities have certified in writing to the Corporation and the Assignee that such Substitute Property plus all other Leased Property remaining after the substitution: (i) has an insured and an estimated value at least equal to the aggregate principal amount of outstanding Lease Payments, (ii) serves the public purposes of the Agency Constituent Entities and constitutes property which the Agency Constituent Entities are permitted to lease under the laws of the State of California, (iii) has been determined to be essential to the proper, efficient and economic operation of the Agency Constituent Entities and to serve an essential governmental function of the Agency Constituent Entities, (iv) following the substitution, the total Lease Payments under this A&R Sublease will not be in excess of the total fair rental value of the Substitute Property plus all other Leased Property remaining after the substitution and (v) following the substitution, the annual Lease Payments under this A&R Sublease will not be in excess of the annual fair rental value of the Substitute Property plus all other Leased Property remaining after the substitution. The fair market value of the property that remains subject to this A&R Sublease after the substitution must be at least equal to the aggregate outstanding principal amount of the Lease Payments thereafter coming due and payable under this A&R Sublease and each of the foregoing certifications must be true.

(e) The Substitute Property does not cause the Agency Constituent Entities to violate any of its covenants, representations and warranties made herein.

(f) The Assignee has received an opinion of Special Counsel to the effect that the substitution of the Leased Property will not adversely affect the tax-exempt status of the interest component of Lease Payments under this A&R Sublease for federal income tax purposes.

(g) The Assignee has received an environmental survey or surveys with respect to the Substitute Property, and other documents that the Assignee may reasonably require; *provided, however*, that if the environmental studies have recommended that remedial action be taken with respect to the Substitute Property so that it will be in compliance with applicable environmental laws, the Corporation, at the

direction of the Assignee, does not have an obligation or duty to accept the Substitute Property as Leased Property until such time as the remedial action has been completed and the Assignee has received assurances to its satisfaction that the Substitute Property is in compliance with applicable environmental laws.

(h) The Assignee has received evidence that the Substitute Property is not located in a 100-year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency and other flood diligence documents that the Assignee may reasonably require.

Upon the satisfaction of all such conditions precedent, the Lease Term will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The Agency Constituent Entities are not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution. The Corporation and the Agency Constituent Entities will execute, deliver and cause to be recorded all documents required to discharge the A&R Ground Lease, this A&R Sublease and the Assignment against the Former Property, and to cause the Substitute Property to become subject to all of the terms and conditions of the A&R Ground Lease, this A&R Sublease and the Assignment.

Section 4.6. Release of Leased Property. With the prior written consent of the Assignee, in the exercise of its sole and absolute discretion, the Agency Constituent Entities may, at their own expense and cost, at any time and from time to time, release any portion of the Leased Property from the A&R Ground Lease, this A&R Sublease and the Assignment *provided* that there shall be no reduction in or abatement of the Lease Payments due from the Agency Constituent Entities hereunder as a result of such release the Agency Constituent Entities have satisfied all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The Agency Constituent Entities have certified and reaffirmed to the Corporation and the Assignee that the representations, warranties and covenants of the Agency Constituent Entities contained in this A&R Sublease are true and correct and no event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default shall have occurred or be continuing of the date of such release and no Material Adverse Change has occurred since the Closing Date.

(ii) The Agency Constituent Entities have filed with the Corporation and the Assignee, and caused to be recorded in the office of the County Recorder, sufficient memorialization of an amendment to this A&R Sublease and the A&R Ground Lease that removes the Leased Property from this A&R Sublease and the A&R Ground Lease.

(iii) The Agency Constituent Entities have filed with the Corporation and the Assignee an appraisal or other written documentation prepared by a mutually agreeable third party that establishes that the fair market value of the property that remains subject to this A&R Sublease and the A&R Ground Lease following such release or removal is at

least equal to the aggregate outstanding principal amount of the Lease Payments under this A&R Sublease, and the annual fair rental value of the property that remains subject to this A&R Sublease and the A&R Ground Lease following such removal is at least equal to the annual Lease Payments thereafter coming due and payable under this A&R Sublease. The Agency Constituent Entities have certified in writing to the Corporation and the Assignee that the Leased Property remaining after the release (a) has an insured and an estimated value at least equal to the aggregate principal amount of outstanding Lease Payments, (b) serves the public purposes of the Agency Constituent Entities and constitutes property which the Agency Constituent Entities are permitted to lease under the laws of the State of California, (c) has been determined to be essential to the proper, efficient and economic operation of the Agency Constituent Entities and to serve an essential governmental function of the Agency Constituent Entities, (d) following the release, the total Lease Payments under this A&R Sublease will not be in excess of the fair rental value of the Leased Property remaining after the release and (e) following the release, the annual Lease Payments under this A&R Sublease will not be in excess of the annual fair rental value of the Leased Property remaining after the release. Following the release, the total Lease Payments under this A&R Sublease will not be in excess of the fair rental value of the remaining Leased Property. The fair market value of the property which remains subject to this A&R Sublease after the release must be at least equal to the aggregate outstanding principal amount of the Lease Payments thereafter coming due and payable under this A&R Sublease and each of the foregoing certifications must be true.

(iv) The Assignee has received an opinion of Special Counsel to the effect that the release of the Leased Property will not adversely affect the tax-exempt status of the interest component of Lease Payments under this A&R Sublease for federal income tax purposes.

Upon the satisfaction of all such conditions precedent, the Lease Term will thereupon end as to the Leased Property. The Agency Constituent Entities are not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the Agency Constituent Entities will execute, deliver and cause to be recorded all documents, if any, required to discharge this A&R Sublease, the A&R Ground Lease and the Assignment of record against the Leased Property.

Section 4.7. Quiet Enjoyment. Throughout the Lease Term, so long as the Agency Constituent Entities is not default under this A&R Sublease, and subject to Section 4.5 and 4.6, the Corporation will provide the Agency Constituent Entities with quiet use and enjoyment of the Leased Property and the Agency Constituent Entities will peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this A&R Sublease. The Corporation shall, at the request of the Agency Constituent Entities and at the Agency Constituent Entities' cost, join in any legal action in which the Agency Constituent Entities asserts their right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation has the right to inspect the Leased Property as provided in Section 7.2.

Section 4.8. No Merger. It is the express intention of the Corporation and the Agency Constituent Entities that this A&R Sublease and the obligations of the parties under this A&R Sublease are separate and distinct from the A&R Ground Lease and the obligations of the parties thereunder, and that during the term of the A&R Ground Lease and the Lease Term, no merger of title or interest may occur or be deemed to occur as a result of the respective positions of the Corporation and the Agency Constituent Entities under the A&R Ground Lease and this A&R Sublease.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments with respect to the Leased Property. Throughout the Lease Term, as part of the consideration for the rental of the Leased Property, and in order to ensure that the Agency Constituent Entities maintains the Leased Property in proper working order so that it may be used for its intended purpose, all improvement, repair and maintenance of the Leased Property are the sole responsibility of the Agency Constituent Entities, and the Agency Constituent Entities will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of ordinary care on the part of the Agency Constituent Entities or any assignee or sublessee thereof. In exchange for the Lease Payments pursuant to this A&R Sublease, the Corporation agrees to provide the Leased Property, as more specifically set forth in this A&R Sublease. The Agency Constituent Entities waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the Agency Constituent Entities under the terms of this A&R Sublease.

The Agency Constituent Entities will also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the Agency Constituent Entities affecting the Leased Property or the interests or estates therein; *provided* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Agency Constituent Entities is obligated to pay only such

installments as are required to be paid during the Lease Term as and when the same become due.

The Agency Constituent Entities may, at the Agency Constituent Entities' expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation notifies the Agency Constituent Entities that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Agency Constituent Entities will promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Assignee.

Section 5.2. Modification of Leased Property. During the Lease Term, the Agency Constituent Entities have the right, at their own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof; *provided* that the Agency Constituent Entities covenants and agrees that, regardless of its impact to the Leased Property, in no event shall any addition, modification or improvement to, and/or construction on, the Leased Property undertaken pursuant to this Section in any way be deemed to be an interference of Agency Constituent Entities' beneficial use of the Leased Property or give rise to any abatement of Lease Payments under Section 6.3 hereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this A&R Sublease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The Agency Constituent Entities will not permit any mechanic's or other Lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Agency Constituent Entities under this Section; *provided* that if any such Lien is established and the Agency Constituent Entities first notifies the Corporation of the Agency Constituent Entities' intention to do so, the Agency Constituent Entities may in good faith contest any Lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and will provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the Agency Constituent Entities.

Section 5.3. General Liability and Property Damage Insurance. The Agency Constituent Entities shall maintain or cause to be maintained, throughout the Lease Term, comprehensive general insurance in protection of the Corporation, the Agency Constituent Entities and their respective members, officers, agents and employees. Such insurance must

provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such insurance must name Corporation and Assignee as additional insured that protects Corporation and Assignee from liability with limits of at least \$5,000,000 per occurrence for bodily injury and property damage coverage (such liability insurance coverage may be in a combination of primary general liability and/or excess liability umbrella coverage. The Agency Constituent Entities shall set aside in a segregated account funds sufficient to cover all deductibles. The Agency Constituent Entities will apply the proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which the net proceeds are paid.

Section 5.4. Property Insurance; Flood Coverage.

(a) *Requirement to Maintain Property Insurance.* The Agency Constituent Entities will procure and maintain, or cause to be procured and maintained, throughout the Lease Term, property insurance against loss or damage to the Facility by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance shall cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, including earthquake coverage if such coverage is available at commercially reasonable cost from a reputable insurer in the reasonable determination of the Agency Constituent Entities. Such insurance shall be in an amount at least equal to the greater of (i) the sum of the insured replacement value of the Leased Property, or (ii) the aggregate unpaid principal components of the Lease Payments. The Agency Constituent Entities shall set aside in a segregated account funds sufficient to cover all deductibles. The Agency Constituent Entities will apply the Net Proceeds of such insurance as provided in Article VI.

(b) *Flood Insurance.* If at any time and for so long as any portion of the Facility is located in a 100-year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of property insurance provided under this Section 5.4 shall include insurance against loss or damage to the Facility due to flooding. If the Agency Constituent Entities obtain an exception or waiver to the designation of the Facility as being within a 100-year flood area from the Federal Emergency Management Agency, the Agency Constituent Entities shall not be required to provide flood insurance as set forth in this subsection (b).

(c) *Federal or State Disaster Aid.* Should the Leased Property be damaged or destroyed as a result of an event for which federal or State of California disaster aid is available, the Corporation and/or the Agency Constituent Entities shall promptly apply for disaster aid. Any disaster aid proceeds received shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Leased Property, or, at the option of the Agency Constituent Entities and the Corporation, to prepay the Lease Payments if permitted under the disaster aid program and the law.

(d) *Forms of Insurance and Self-Insurance.* All insurance required by this A&R Sublease shall be issued in form and amount satisfactory to Assignee and by an insurance

company that is authorized to do business in the State and having a financial strength rating by A.M. Best Company of "A-" or better. Notwithstanding the foregoing, Agency Constituent Entities may self-insure against the risks described in Section 5.3 and Section 5.4(a) through a government pooling arrangement, self-funded loss reserves, risk retention program or other self-insurance program, in each case with Assignee's prior consent (which Assignee may grant, withhold or deny in its sole discretion) and *provided* that the Agency Constituent Entities have delivered to Assignee such information as Assignee may request with respect to the adequacy of such self-insurance to cover the risks proposed to be self-insured and otherwise in form and substance acceptable to Assignee. In the event Agency Constituent Entities are permitted, at Assignee's sole discretion, to self-insure as provided in this Section 5.4(d), the Agency Constituent Entities shall provide to Assignee a self-insurance letter satisfactory to Assignee. Agency Constituent Entities shall furnish to Assignee evidence of such insurance or self-insurance coverage throughout the Lease Term. Agency Constituent Entities shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Assignee without first giving written notice thereof to Assignee at least thirty (30) days in advance of such cancellation or modification.

(e) *Worker's Compensation Insurance.* If required by applicable California law, the Agency Constituent Entities shall carry worker's compensation insurance covering all employees on, in, near or about the Leased Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Lease Term.

Section 5.5. Rental Interruption Insurance. The Agency Constituent Entities shall procure and maintain, or cause to be procured and maintained, throughout the Lease Term, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24-month period. Such rental interruption or use and occupancy insurance shall not be self-insured and the Agency Constituent Entities acknowledge that this requirement may limit its ability to self-insure under Section 5.4. The Agency Constituent Entities will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.6. Recordation of this A&R Sublease; Title Insurance. The Agency Constituent Entities shall, at their expense, cause the A&R Ground Lease, this A&R Sublease (or a memorandum thereof) and the Assignment to be recorded in the office of the County Recorder on or before the Closing Date. Concurrently with such recordation, the Agency Constituent Entities shall obtain a CLTA or an ALTA leasehold lender's title insurance policy insuring the Corporation's and the Assignee's leasehold estates in the Leased Property under the A&R Ground Lease and the Agency Constituent Entities' leasehold interest in the Leased Property under this A&R Sublease, subject only to Permitted Encumbrances, in an amount at least equal to \$_____. All Net Proceeds received under such title insurance policies will be credited towards the repayment of the Lease Payments under Section 9.2.

Section 5.7. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of California. Each insurance policy or rider required by Sections 5.3, 5.4 and 5.5 shall name the Assignee as additional insured and loss payee and shall include a lender's loss payable endorsement for the benefit of the Assignee. Prior to the Closing Date, the Agency Constituent Entities will deposit with Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. The Agency Constituent Entities shall pay or cause to be paid when due the premiums for all insurance policies required by this Article V. All such policies shall provide that the Assignee is given at least 10 days' notice of each alteration or expiration of coverage, any intended cancellation thereof or reduction of the coverage provided thereby. The Assignee is not responsible for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. Before the expiration of any such policy (or rider), the Agency Constituent Entities shall furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the Agency Constituent Entities shall notify the Assignee of such fact.

Section 5.8. Installation of Agency Constituent Entities' Personal Property. The Agency Constituent Entities may at any time and from time to time, in their sole discretion and at their own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items will remain the sole property of the Agency Constituent Entities, in which neither the Corporation nor the Assignee has any interest, and may be modified or removed by the Agency Constituent Entities at any time, *provided* that the Agency Constituent Entities must repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this A&R Sublease prevents the Agency Constituent Entities from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's Lien or security agreement, as security for the unpaid portion of the purchase price thereof, *provided* that no such Lien or security interest attaches to any part of the Leased Property.

Section 5.9. Liens. The Agency Constituent Entities shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, deed of trust, security interest, pledge, Lien, charge, encumbrance or claim on or with respect to the Leased Property (including the charge upon property purchased under conditional sales or other title retention agreements), other than Permitted Encumbrances. Except as expressly provided in this Article, the Agency Constituent Entities shall promptly, at their own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, Lien, charge, encumbrance or claim, for which it is responsible, if the same will arise at any time. The Agency Constituent Entities shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, deed of trust, security interest, pledge, Lien, charge, encumbrance or claim.

The Agency Constituent Entities shall keep the Leased Property free of all levies, Liens and encumbrances except Permitted Encumbrances.

Section 5.10. Environmental Covenants. (a) Neither the Assignee nor the Corporation shall be obligated to monitor compliance of the Leased Property with applicable environmental or other laws. Neither the Assignee nor the Corporation shall have any obligations or responsibility to further involve itself with the Leased Property under any circumstance, including any instance where either the Corporation or the Assignee is notified of any non-compliance of the Leased Property with applicable environmental or other laws. Each Agency Constituent Entity represents that the Leased Property is currently in full compliance with all applicable federal, state and local environmental laws. It is expressly understood that neither the Assignee nor the Corporation shall have the right or the obligation to monitor the Agency Constituent Entities' compliance with environmental laws. Each Agency Constituent Entity hereby further represent and warrant to the Corporation and the initial Assignee that the Agency Constituent Entities, its respective officers, employees or agents have neither ever caused or permitted and shall neither ever cause or permit Hazardous Substances (as defined below) to be generated, placed, housed, located or disposed of on, under or in the Leased Property, nor ever use the Leased Property as a dump site, permanent or temporary storage site or transfer station for any Hazardous Substance. Each Agency Constituent Entity further represents and warrants to the Corporation and the initial Assignee that is shall not allow any actual or alleged violation with respected to the Leased Property of any federal, state or locate statute, ordinance, rule regulation or other law pertaining to Hazardous Substances.

(b) The Agency Constituent Entities will comply with all Applicable Environmental Laws with respect to the Leased Property and will not allow the presence of, or otherwise use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon except (i) in strict compliance with all Applicable Environmental Laws; and (ii) or in a manner that would not cause any Hazardous Substance to flow, migrate, leak, leach, be released at or otherwise come to rest on or in the Leased Property.

(c) In connection with its covenants provided in this Section 5.10, the Agency Constituent Entities shall specifically comply with all requirements of the Asbestos Hazard Emergency Response Act (referred to as "AHERA" and constituting an Applicable Environmental Law), including developing, maintaining and updating an Asbestos Management Plan (as hereafter defined) and keeping a copy at the Leased Property; and performing re-inspections of Asbestos Containing Materials (as hereafter defined) at the Leased Property every three years. The Agency Constituent Entities shall maintain all Asbestos Containing Materials in an intact and undamaged state and perform any demolition, renovation or other activities in accordance with all Applicable Environmental Laws. As used herein, (i) the term "*Asbestos Containing Materials*" means material in friable form containing more than one percent (1%) of the asbestiform varieties of chrysotile (serpentine), crocidolite (ricbeckite), amosite (cummington-itegrinerite), anthophyllite, tremolite and antinolite; and (ii) the term "*Asbestos Management Plan*" means that written plan for the Leased Property relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Leased Property in accordance with the Asbestos Hazard Emergency Response Act (AHERA).

(d) To the greatest extent permitted by law, each Agency Constituent Entity agrees to hold harmless, indemnify and defend the Corporation and the Assignee from and against any claim, demand, penalty, fee, Lien, damage, loss expense or liability resulting from (i) any breach of the representations and warranties made by it in this Section or any failure, for any reason to comply with environmental laws, rules and regulations, including reasonable attorneys' fees and costs of, or in preparation for, any trial or appellate review, and (ii) any actual or alleged Hazardous Substance contamination, including the clean-up of Hazardous Substances from the Leased Property or any other properties resulting from any activities on the Leased Property during the Agency Constituent Entities' ownership, possession or control of the Leased Property which directly or indirectly result in the Leased Property or any other property being contaminated with Hazardous Substances. This indemnity shall survive the termination of this A&R Sublease and shall continue to inure to the benefit of the Corporation notwithstanding any assignment of its other rights hereunder, as well as the Assignee of the Corporation's rights hereunder; *provided, however*, that the obligations of the Agency Constituent Entities under this Section are specifically limited to payment from such moneys of the Agency Constituent Entities as are available at such time from the proceeds of insurance, self-insurance and legally available funds.

(e) The Corporation acknowledges that so long as the Agency Constituent Entities operate the Leased Property, any Hazardous Substance generated, placed, housed or located on, under or in the Leased Property, in the ordinary course of the Agency Constituent Entities' operation of the Leased Property, shall not violate this A&R Sublease or the A&R Ground Lease, so long as the Agency Constituent Entities complies with all federal, State or local statues, ordinances, rules, regulation or other laws applicable to the handling and disposal of such Hazardous Substances.

Section 5.11. Taxes and Other Governmental Charges with respect to the Leased Property; Use and Maintenance of the Leased Property. (a) The Agency Constituent Entities and the Corporation contemplate that the Leased Property will be used for a governmental or proprietary purpose of the Agency Constituent Entities and that the Leased Property will therefore be exempt from all property taxes. If the use, possession or acquisition of any Leased Property is nevertheless determined to be subject to taxation, whether imposed on an Agency Constituent Entity, the Corporation or the Assignee, the Agency Constituent Entities shall pay or reimburse when due all taxes and governmental charges lawfully assessed or levied against Agency Constituent Entity, the Corporation or the Assignee or with respect to the Leased Property. The Agency Constituent Entities shall pay such taxes or charges as the same may become due; *provided* that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, the Agency Constituent Entities shall be obligated to pay only such installments as accrue during the Lease Term.

(b) The Agency Constituent Entities shall not install, use, operate or maintain the Leased Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this A&R Sublease. The Agency Constituent Entities shall provide all permits and licenses, if any, necessary for the ownership, leasing, use, installation and operation of the Leased Property. The Agency Constituent Entities shall pay all utility and other charges incurred in the use and maintenance of the Leased Property. In addition, the

Agency Constituent Entities agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body; provided that the Agency Constituent Entities may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of the Corporation, adversely affect the interest of the Corporation in and to the Leased Property or its interest or rights under this A&R Sublease.

(c) The Agency Constituent Entities shall maintain, preserve and keep the Leased Property in good repair and working order, in a condition comparable to that recommended by the manufacturer. The Corporation shall have no responsibility to maintain, repair or make improvements or additions to the Leased Property.

Section 5.12. Advances. If the Agency Constituent Entities fail to perform any of their obligations under this Article V, the Corporation may, but shall be under no obligation to, take any necessary action to cure the failure, including the advancement of money. All amounts so advanced by the Corporation shall constitute additional rent for the Lease Term, and each Agency Constituent Entity covenants and agrees to pay such amounts so advanced by the Corporation with interest thereon from the date advanced until paid at a rate equal to the Default Rate; *provided, however*, that any amount payable by the Agency Constituent Entities pursuant to this Section 5.12 shall be payable solely from moneys appropriated for such purpose by the respective legislative bodies or governing bodies, as applicable, of the Agency Constituent Entities in their discretion, and failure to appropriate such moneys shall not constitute an Event of Default under this A&R Sublease.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Application of Net Proceeds. The Net Proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings, and the Net Proceeds of any insurance award with respect to the Leased Property under Section 5.4, will be applied as hereinafter set forth in this Section 6.1.

If the Leased Property is taken in eminent domain proceedings at any time during the Lease Term, or if the Leased Property is damaged or destroyed, the Agency Constituent Entities shall as soon as practicable after such event, with the prior written consent of the Corporation, apply the Net Proceeds resulting therefrom to one of the following: (a) repair the Leased Property to full use; (b) replace the Leased Property at the Agency Constituent Entities' sole cost and expense, with property of equal or greater value to the Leased Property immediately prior to the time of such destruction or damage, such replacement Leased Property to be subject to the Corporation's reasonable approval, whereupon such replacement shall be substituted in this A&R Sublease and Ground Lease by appropriate amendment; (c) substitute additional property as provided in Section 4.5 or Section 6.5(c); or (d) prepay the Lease Payments in accordance with Section 9.2. The Agency Constituent Entities shall notify the Corporation of which course of action they desire to take within 60 days after the occurrence of such destruction or damage and be pursued diligently to completion. The Corporation may (but

is not required to) in its own name or in the Agency Constituent Entities' names execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and each Agency Constituent Entity hereby grants to the Corporation a power of attorney coupled with an interest to accomplish all or any of the foregoing. The Net Proceeds of all insurance or eminent domain award payable with respect to the Leased Property shall be applied by the Agency Constituent Entities to discharge the Agency Constituent Entities' obligations under this Section. If any Agency Constituent Entity shall make any payments pursuant to this Section, the Agency Constituent Entities shall not be entitled to any reimbursement therefor from the Corporation nor shall the Agency Constituent Entities be entitled to any diminution of the amounts payable under this A&R Sublease.

Section 6.2. Termination or Abatement Due to Eminent Domain. If all of the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, then subject to Section 6.1 hereof, the Lease Term will cease with respect thereto as of the day possession is so taken. If, during any period, less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) this A&R Sublease will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) subject to Section 6.1 and 6.5 hereof, there will be a proportionate partial abatement of Lease Payments allocated thereto such that the resulting Lease Payments represent fair consideration for the use, occupancy and enjoyment of the remaining usable portions of the affected Leased Property during such period as reasonably determined by the Agency Constituent Entities and the Corporation in good faith. Notwithstanding the foregoing, there will be no abatement of Lease Payments under this Section 6.2 to the extent that the proceeds of condemnation awards and rental interruption insurance are available to pay Lease Payments, as the case may be, which would otherwise be abated under this Section 6.2, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of Lease Payments. The Agency Constituent Entities shall immediately notify the Corporation and the Assignee upon the occurrence of any event causing substantial interference with any Agency Constituent Entity's beneficial use and enjoyment of any portion of the Leased Property that is unavailable under this Section 6.2.

Section 6.3. Abatement Due to Damage or Destruction. The amount of Lease Payments will be abated proportionately during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use, occupancy and enjoyment by the Agency Constituent Entities of the Leased Property, or any portion of either thereof. The amount of such abatement will be reasonably determined by the Agency Constituent Entities and the Corporation in good faith such that the resulting Lease Payments, based upon whether such damage or destruction occurs with respect to the Leased Property represent fair consideration during such period for the use, occupancy and enjoyment of the portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the earlier of (i) substantial completion of the work of repair, replacement or reconstruction or (ii) substitution of property as provided in Section 6.1 or Section 6.5(c) (the "*Abatement End Date*"). In the event of any such damage or destruction, this

A&R Sublease will continue in full force and effect and each Agency Constituent Entity waives any right to terminate this A&R Sublease by virtue of any such damage and destruction or other defect. Notwithstanding the foregoing, there will be no abatement of Lease Payments under this Section 6.3 to the extent that the proceeds of property insurance and rental interruption insurance are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of Lease Payments. The Agency Constituent Entities shall immediately notify the Corporation and the Assignee upon the occurrence of any event causing substantial interference with any Agency Constituent Entity's beneficial use and enjoyment of any portion of the Leased Property that is unavailable under this Section 6.3.

Section 6.4. Reserved.

Section 6.5. Extended Lease Term; Recalculation of Lease Payments; Substitution of Leased Property under Certain Circumstances. (a) In case of abatement of any Lease Payments as provided herein, the term of this A&R Sublease shall automatically be extended for an Extended Lease Term and further extended successively for any additional Extended Lease Term as a result of the occurrence of any subsequent similar event; provided, however, that in no event shall any such extension result in the term of this A&R Sublease extending past the date specified in the definition of "*Lease Term*". The terms and conditions during any Extended Lease Term shall be the same as the terms and conditions during the original Lease Term, except that:

(i) the then unpaid aggregate principal component under this A&R Sublease, shall be amortized at the Tax-Exempt Rate on a level debt service basis over a period equal to the duration of the then remainder of such original Lease Term and such Extended Lease Term and with Lease Payments payable on each Lease Payment Date provided in the Payment Schedule;

(ii) the Assignee shall prepare, and the Corporation and the Agency Constituent Entities shall execute and deliver, a revised Payment Schedule as described in the preceding clause (i);

(iii) if the Extended Lease Term does not end on an applicable Lease Payment Date, the final date for payment of Lease Payments shall be the last business day of the Extended Lease Term under this A&R Sublease; and

(iv) the Agency Constituent Entities shall take such actions as may be necessary to maintain the tax-exemption for federal income tax purposes of the interest component of Lease Payments under this A&R Sublease, including preparing, executing and filing an information reporting return in compliance with the Code in the event that the revised Payment Schedule may result in treatment of such revised Payment Schedule as a reissuance of the Tax-Exempt Lease for federal income tax purposes.

In connection with the execution and delivery of a revised Payment Schedule as herein provided, at Assignee's request, the Agency Constituent Entities shall deliver to Assignee, at the

Agency Constituent Entities' expense, a written opinion of special tax counsel (selected by the Agency Constituent Entities and reasonably acceptable to such Assignee) with respect to the federal tax matters described in (iv) above. The Assignee shall establish the Extended Lease Term, calculate the increased interest component and revised amortization of the then unpaid aggregate principal component under this A&R Sublease and prepare the revised Payment Schedule, all as provided in this subsection (a), within thirty days after an Abatement End Date (as described above). Once the Assignee has prepared such revised Payment Schedule, such Assignee shall promptly deliver such revised Payment Schedule to the Agency Constituent Entities for execution and delivery by the Agency Constituent Entities and the Corporation (with a signed copy to the Assignee); *provided* that the revised Payment Schedule prepared in accordance with this subsection (a) shall become immediately effective for the period from and after such Abatement End Date.

(b) Notwithstanding any such interference with the Agency Constituent Entities' beneficial use and enjoyment of a portion of the Leased Property, this A&R Sublease shall continue in full force and effect with respect to any unimpaired or remaining Leased Property hereunder. The Agency Constituent Entities hereby waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this A&R Sublease by virtue of any interference with the use and possession of the Leased Property under any Lease.

(c) In the event of damage to or destruction of all or a portion of the Leased Property due to earthquake or other uninsured casualty for which the proceeds of rental interruption insurance are not available, promptly after the occurrence of such event, each Executive Officer will present to the related legislative body or governing body, as applicable, of each Agency Constituent Entity a request and recommendation that such legislative body or governing body, as applicable, substitute and add as additional Leased Property under this A&R Sublease other real or personal property of the Agency Constituent Entities that is unimpaired and unencumbered, the fair rental value of which shall be at least equal to the Lease Payments due during each fiscal year for the remainder of the Lease Term, provided that any such addition and substitution shall be subject to the approval of the legislative body or governing body, as applicable, of such Agency Constituent Entity.

ARTICLE VII

OTHER COVENANTS

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE AGENCY CONSTITUENT ENTITIES OF THE LEASED PROPERTY OR ANY PORTION OF EITHER THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION OF EITHER THEREOF. EACH AGENCY CONSTITUENT ENTITY ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE AGENCY CONSTITUENT ENTITIES LEASE THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY

THE AGENCY CONSTITUENT ENTITIES. IN NO EVENT SHALL THE CORPORATION BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS A&R SUBLEASE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE AGENCY CONSTITUENT ENTITIES' USE OF THE LEASED PROPERTY.

Section 7.2. Access to the Leased Property. Each Agency Constituent Entity agrees that the Corporation, and the Corporation's successors or assigns, may at all reasonable times enter upon, to examine and inspect, the Leased Property or any part thereof. The Corporation and the Corporation's successors and assigns have such rights of access to the Leased Property or any component thereof as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by any Agency Constituent Entity to perform its obligations hereunder with respect to the Leased Property; *provided, however*, that neither the Corporation nor any of its assigns have any obligation to cause such proper maintenance.

Section 7.3. Risk of Loss; Release and Indemnification Covenants. Whether or not covered by insurance or self-insurance, each Agency Constituent Entity hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Leased Property, from any cause whatsoever, and no such loss of or damage to or liability arising from the Leased Property shall relieve the Agency Constituent Entities of the obligation to make Lease Payments or to perform any other obligation under this A&R Sublease, except as otherwise provided in Sections 6.2 and 6.3. Whether or not covered by insurance or self-insurance, the Agency Constituent Entities shall indemnify (to the fullest extent permitted by applicable law and subject to the appropriation of moneys sufficient for the purpose) the Corporation and the Assignee, and their respective officers, agents, successors and assigns, against all liabilities, obligations, claims, losses and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on or in or relating to the Leased Property or the acquisition, installation, operation, repair, modification, maintenance or repossession of the Leased Property,
- (b) any breach or default on the part of the Agency Constituent Entities in the performance of any of its obligations under this A&R Sublease,
- (c) any negligence, bad faith or willful misconduct of the Agency Constituent Entities or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, or
- (d) any intentional misconduct or negligence of any sublessee of the Agency Constituent Entities with respect to the Leased Property.

No indemnification is made under this Section or elsewhere in this A&R Sublease for willful misconduct or negligence under this A&R Sublease by the Corporation or the Assignee, or their respective officers, agents, employees, successors or assigns. The provisions of this

Section 7.3 shall continue in full force and effect notwithstanding the full payment of all obligations under this A&R Sublease or the termination of the Lease Term for any reason.

Section 7.4. Assignment by the Corporation. (a) The Corporation has assigned and transferred the Assigned Rights to the Assignee pursuant to the Assignment. Each Agency Constituent Entity hereby consents to such assignment and transfer. The Corporation hereby directs the Agency Constituent Entities, and each Agency Constituent Entity hereby agrees, to pay to the Assignee all payments payable by the Agency Constituent Entities pursuant to this A&R Sublease under Section 4.3 and all amounts payable by the Agency Constituent Entities pursuant to this A&R Sublease under Article IX. Whenever in this A&R Sublease any reference is made to the Corporation and such reference concerns any Assigned Rights, such reference shall be deemed to refer to the Assignee.

(b) The Assigned Rights, and all proceeds therefrom, may be further assigned and reassigned in whole or in part to one or more assignees or subassignees by an Assignee without the necessity of obtaining the consent of the Agency Constituent Entities; *provided*, that any such assignment, transfer or conveyance (i) shall be made only to investors each of whom the transferor Assignee reasonably believes is a “*qualified institutional buyer*” as defined in Rule 144A(a)(1) promulgated under the Securities Act or an “*accredited investor*” as defined in Sections 501(a)(1), (2), (3) and (7) of Regulation D promulgated under the Securities Act and is purchasing the related Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute such Assigned Rights (or interest therein), subject to each investor’s right at any time to dispose of its Assigned Rights or any interest therein as it determines to be in its best interests, (ii) shall not result in more than 35 owners of Assigned Rights or the creation of any interest in Assigned Rights in an aggregate principal component that is less than \$250,000 and (iii) shall not require the Agency Constituent Entities to make Lease Payments under this A&R Sublease, send notices or otherwise deal with respect to matters arising under this A&R Sublease with or to more than one trustee, owner, servicer or other fiduciary or agent for this A&R Sublease or the Assignees (herein referred to as the “*Lease Servicer*”) and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Assigned Rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single Lease Servicer to act on their behalf with respect to such Assigned Rights, including with respect to the exercise of rights and remedies on behalf of such owners upon the occurrence of an Event of Default under this A&R Sublease, as the case may be. The Corporation (including the initial Assignee pursuant to the Assignment) and the Agency Constituent Entities hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 7.4 shall apply to the first and subsequent assignees and sub-assignees of any of the Assigned Rights (or any interest therein).

(c) No assignment, transfer or conveyance permitted by this Section 7.4 that changes the Lease Servicer or its payment instructions or mailing address shall be effective until the Agency Constituent Entities shall have received a written notice of assignment that discloses the name, payment instructions and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests evidencing interests in the

Assigned Rights, it shall thereafter be sufficient that the Agency Constituent Entities receives notice of the name, payment instructions and address of such bank or trust company that acts as the Lease Servicer for this A&R Sublease. During the Lease Term, the Agency Constituent Entities shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. The Agency Constituent Entities shall retain all such notices as a register of all Assignees and shall make all payments to the Lease Servicer designated in such register. The Agency Constituent Entities shall not have the right to, and shall not, assert against the initial Assignee or any subsequent Assignee any claim, counterclaim or other right that the Agency Constituent Entities may have against the Corporation. If an Assignee notifies the Agency Constituent Entities of its intent to assign the related Assigned Rights (or any interest therein) to a different Lease Servicer, each Agency Constituent Entity agrees that it shall execute and deliver to the requesting Assignee a notice and acknowledgment of assignment in form reasonably required by such Assignee within five (5) Business Days after its receipt of such request.

Section 7.5. Assignment and Subleasing by the Agency Constituent Entities. (a) After the date of recordation of this A&R Sublease, the Agency Constituent Entities may sublease the Leased Property, or any portion thereof, with the prior written consent of the Assignee, in its sole and absolute discretion, and subject to all of the following conditions:

(i) This A&R Sublease and the obligation of the Agency Constituent Entities to make Lease Payments thereunder shall remain the joint and several obligations of the Agency Constituent Entities.

(ii) The Agency Constituent Entities shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.

(iii) No such sublease by the Agency Constituent Entities may cause the Facility to be used for a purpose which is not authorized under the provisions of the laws of the State of California.

(iv) The Agency Constituent Entities shall furnish the Corporation and the Assignee with a written opinion of Special Counsel to the effect that such sublease does not adversely affect the tax-exempt status of Lease Payments under this A&R Sublease for federal income tax purposes.

(b) None of the Agency Constituent Entities' right, title or interest in, to and under this A&R Sublease, any portion of the Leased Property or the A&R Ground Lease may be assigned, encumbered or subleased by the Agency Constituent Entities for any reason, and any purported assignment, encumbrance or sublease without the Corporation's prior written consent shall be null and void.

Section 7.6. Amendment of Leases. This A&R Sublease may be amended by the mutual consent of the Agency Constituent Entities and the Corporation, with the prior written consent of the Assignee. Prior to the effective date of any such amendment, and as a condition

precedent to the effectiveness thereof, the Agency Constituent Entities at their expense will obtain an opinion of Special Counsel to the effect that such amendment will not adversely affect the tax exemption status of Lease Payments under this A&R Sublease for federal income tax purposes.

Section 7.7. Tax Covenants.

(a) *Private Activity Bond Limitation.* The Agency Constituent Entities will assure that the proceeds of the Lease Payments are not so used as to cause the obligations of the Agency Constituent Entities under this A&R Sublease to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) *Federal Guarantee Prohibition.* The Agency Constituent Entities will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the obligations of the Agency Constituent Entities under this A&R Sublease to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) *Rebate Requirement.* The Agency Constituent Entities will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Lease Payments.

(d) *No Arbitrage.* The Agency Constituent Entities will not take, or permit or suffer to be taken by the Corporation or otherwise, any action with respect to the proceeds of the Lease Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of delivery of this A&R Sublease would have caused any of the obligations of the Agency Constituent Entities under this A&R Sublease to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) *Maintenance of Tax-Exemption.* The Agency Constituent Entities will take all actions necessary to assure the exclusion of the interest component of the Lease Payments from the gross income of the holder thereof to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of delivery of this A&R Sublease.

(f) *Record Retention.* The Agency Constituent Entities will retain its records of all accounting and monitoring it carries out with respect to this A&R Sublease for at least 3 years after the Lease Payments are paid in full when due or prepaid (whichever is earlier); however, if the Lease Payments are prepaid and refunded, the Agency Constituent Entities will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or repayment of the obligations that refunded the Lease Payments.

(g) *Compliance with Tax Certificate.* The Agency Constituent Entities will comply with the provisions of the Certificate as to Arbitrage and the Use of Proceeds Certificate with respect to this A&R Sublease, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Lease Payments.

Section 7.8. *Reserved.*

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. *Events of Default Defined.* Each of the following events constitutes an Event of Default under this A&R Sublease, as applicable:

(a) Failure by the Agency Constituent Entities (i) to pay any Lease Payment under this A&R Sublease (other than as permitted pursuant to Sections 6.2 and 6.3) or other payment required to be paid hereunder at the time specified therein, (ii) to maintain insurance as specified in Article V, (iii) to observe and perform any covenant, condition or agreement on its part to be observed or performed under Section 2.1(i) or Article V of this A&R Sublease or (iv) to observe and perform any covenant, condition or agreement on its part to be observed or performed under the A&R Ground Lease.

(b) Failure by the Agency Constituent Entities to observe and perform any covenant, condition or agreement on its part to be observed or performed under this A&R Sublease, other than as referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Agency Constituent Entities by the Corporation. However, if the Agency Constituent Entities notify the Corporation that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 30 day period, the failure will not constitute an Event of Default if the Agency Constituent Entities commence to cure the failure within such 30 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.

(c) Any statement, representation or warranty made by any Agency Constituent Entity in or pursuant to this A&R Sublease or the A&R Ground Lease or its execution, delivery or performance shall prove to have been false, misleading, or breached in any material respect on the date when made.

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit (i) that is provided by the Assignee or any affiliate of the Assignee or (ii) under which there is outstanding, owing or committed an aggregate amount in excess of \$100,000, in each case under which any Agency Constituent Entity is an obligor, and such default remains uncured following the applicable cure period, if any, and either (1) arises from a failure to pay any amounts due with respect to such agreement for borrowing money, lease financing of property or provision of credit and/or (2) causes or permits amounts to become immediately due and payable in full as a result of such default.

(e) Any Agency Constituent Entity shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of such Agency Constituent Entity, or of all or a substantial part of the assets of such Agency Constituent Entity, (ii)

be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against such Agency Constituent Entity in any bankruptcy, reorganization, moratorium, readjustment, receivership or insolvency proceeding.

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for an Agency Constituent Entity or of all or a substantial part of the assets of an Agency Constituent Entity, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

(g) Any Agency Constituent Entity or the Corporation shall assign or transfer its interest in this A&R Sublease, the A&R Ground Lease or the Assignment without the prior written consent of the Assignee.

(h) Any provision of the A&R Ground Lease, this A&R Sublease or the Assignment shall for any reason be held to be invalid or unenforceable, or the fee interest of an Agency Constituent Entity in the Leased Property, or the leasehold interest of the Corporation or the Assignee shall for any reason be held to be invalid or unenforceable, or any Agency Constituent Entity shall abandon the Leased Property.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this A&R Sublease. Notwithstanding anything herein or in this A&R Sublease to the contrary, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant under this A&R Sublease to be kept and performed by the Agency Constituent Entities is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted under this A&R Sublease; *provided*, that no termination of this A&R Sublease will be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise each and every one of the following remedies:

(a) *Enforcement of Payments Without Termination.* If the Corporation does not elect to terminate this A&R Sublease in the manner hereinafter provided for in subsection (b) of this Section, each Agency Constituent Entity agrees to remain liable for the payment of all Lease Payments and the performance of all conditions contained in this A&R Sublease, and the Corporation may take whatever action at law or in equity may appear necessary or desirable, to collect each Lease Payment as it becomes due under this A&R Sublease, as applicable, subject, however, in any case to the provisions of Sections 6.2 and 6.3; *provided*, that in no event shall the Agency Constituent Entities

be liable in any Fiscal Year for any amount in excess of the Lease Payments shown for such Fiscal Year in the Payment Schedule. The Agency Constituent Entities shall reimburse the Corporation for any deficiency arising out of the re-leasing or sale of the Leased Property or portion of either thereof, or, if the Corporation is unable to re-lease the Leased Property then for the full amount of all Lease Payments to the end of the Lease Term (subject in any case to the provisions of Sections 6.2 and 6.3), but said Lease Payments and/or deficiency will be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments under this A&R Sublease, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Property or portion thereof or the exercise of any other remedy by the Corporation.

Each Agency Constituent Entity hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the Agency Constituent Entities to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place such property in storage or other suitable place in the State of California for the account of and at the expense of the Agency Constituent Entities, and each Agency Constituent Entity hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Leased Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. Each Agency Constituent Entity agrees that the terms of this A&R Sublease constitute full and sufficient notice of the right of the Corporation to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this A&R Sublease, and further agrees that no acts of the Corporation in effecting such re-leasing constitute a surrender or termination of this A&R Sublease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the Agency Constituent Entities the right to terminate this A&R Sublease will vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subsection (b) of this Section. Each Agency Constituent Entity agrees to surrender and quit possession of the Leased Property upon demand of the Corporation for the purpose of enabling the Leased Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the unpaid Lease Payments and other amounts due under this A&R Sublease will be applied as a credit against future Lease Payments.

(b) *Termination of Lease.* If an Event of Default occurs and is continuing under this A&R Sublease, the Corporation at its option may terminate this A&R Sublease, and with the prior written consent or written direction of the Majority Holder, re-lease all or any portion of the Leased Property. If the Corporation terminates this A&R Sublease at its option and in the manner hereinafter provided on account of default by the Agency Constituent Entities (and notwithstanding any re-entry upon the Leased Property by the Corporation in any manner whatsoever or the re-leasing of the Leased Property), each Agency Constituent Entity nevertheless agrees to pay to the Corporation

all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. All amounts received by the Corporation from such re-leasing will be applied to pay Lease Payments due and owing. Any surplus received by the Corporation from such re-leasing will be applied as a credit against future Lease Payments as and when due. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation will of itself operate to terminate this A&R Sublease, and no termination of this A&R Sublease on account of default by the Agency Constituent Entities will be or become effective by operation of law, or otherwise, unless and until the Corporation has given written notice to the Agency Constituent Entities of the election on the part of the Corporation to terminate this A&R Sublease. Each Agency Constituent Entity agrees that no surrender of the Leased Property, or of the remainder of the Lease Term or any termination of this A&R Sublease will be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) *Reserved.*

(d) *Suit for Payment of Lease Payments.* By action pursuant to the California Code of Civil Procedure, or as otherwise provided by law, obtain the issuance of a writ of mandamus enforcing, for each Fiscal Year seriatim during the entire balance of the remaining Lease Term, subject in any case to the provisions of Sections 6.2 and 6.3, the duty of the Agency Constituent Entities to appropriate and take all other administrative steps necessary for the payment of Lease Payments and other amounts due under this A&R Sublease.

(e) *Proceedings at Law or In Equity.* If an Event of Default occurs and, continues under this A&R Sublease, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due thereunder or to enforce any other of its rights thereunder.

(f) *Remedies under the A&R Ground Lease.* If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the A&R Ground Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy is cumulative and in addition to every other remedy given under this A&R Sublease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it is not necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this A&R Sublease defaults under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party contained in this A&R Sublease, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this A&R Sublease is breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not constitute a waiver of any other breach thereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this A&R Sublease and this Article VIII have been assigned by the Corporation to the Assignee, to which assignment the Agency Constituent Entities hereby consents. Such rights and remedies shall be exercised solely by the Assignee with respect to the Assigned Rights.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Optional Prepayment. The Agency Constituent Entities may exercise their option to prepay the aggregate principal components of the Lease Payments under this A&R Sublease in whole, but not in part, on any Lease Payment Date on or after the Closing Date, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the principal and interest components of the Lease Payments required to be paid on such date, *plus* accrued interest on such prepaid principal components to the prepayment date, *plus* a prepayment premium equal to the applicable percentage of the aggregate principal component of the Lease Payments to be prepaid shown in the table below.

Rental Period	Prepayment Premium
Rental Periods 1-3	2.0%
Rental Periods 4-6	1.0
Rental Period 7	0.5
Thereafter	0.0

The Agency Constituent Entities shall give the Corporation written notice of its intention to exercise its option to prepay Lease Payments under this A&R Sublease under this Section 9.1 not less than 30 days in advance of the intended prepayment date.

Section 9.2. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The Agency Constituent Entities shall prepay the unpaid principal components of the Lease Payments, on a pro rata basis, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of insurance award or eminent domain award allocated to the Leased Property and to be applied for purposes of such prepayment under Article VI, by paying a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid *plus* accrued interest on such prepaid principal components to the prepayment date, *plus* a prepayment premium equal to the applicable percentage of the aggregate principal component of the Lease Payments to be prepaid shown in the table below.

<u>Rental Period</u>	<u>Prepayment Premium</u>
Rental Periods 1-3	2.0%
Rental Periods 4-6	1.0
Rental Period 7	0.5
Thereafter	0.0

The Agency Constituent Entities shall give the Corporation notice of prepayment of Lease Payments under the affected Lease pursuant to this Section 9.2 not less than 30 days in advance of such prepayment date. Prepayment in part of the unpaid principal components of Lease Payments as provided in this Section 9.2 shall be applied to reduce the principal components of Lease Payments in inverse order of the Lease Payment Dates under this A&R Sublease and the Assignee shall recalculate the remaining Lease Payments for the Payment Schedule for this A&R Sublease and provide the Agency Constituent Entities with a copy of such revised Payment Schedule which will replace the prior Payment Schedule.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this A&R Sublease may be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice is effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 72 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the Agency Constituent Entities or the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

<i>If to the Corporation:</i>	Public Property Financing Corporation of California 2945 Townsgate Road, Suite 200 Westlake Village, California 91361 Attention: Secretary/Treasurer Fax: (805) 267-7142
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<p><i>If to the Agency Constituent Entities:</i></p>	<p>Sacramento Housing and Redevelopment Agency 801 12th Street Sacramento, California 95814 Attn: Executive Director Fax: (916) 264-1644</p>
<p><i>If to the Assignee:</i></p>	<p>Banc of America Public Capital Corp 11333 McCormick Road Mail Code: MD5-032-07-05 Hunt Valley, MD 21031 Attn: Contract Administration Fax No.: (443) 541-3057</p>

Section 10.2. Binding Effect. This A&R Sublease inures to the benefit of and is binding upon the Corporation, the Agency Constituent Entities and their respective successors and assigns.

Section 10.3. Severability. If any provision of this A&R Sublease is held invalid or unenforceable by any court of competent jurisdiction, such holding does not invalidate or render unenforceable any other provision hereof or thereof.

Section 10.4. Net-net-net Lease. This A&R Sublease is a “net-net-net lease” and each Agency Constituent Entity hereby agrees that the Lease Payments under this A&R Sublease are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever. It is each Agency Constituent Entity’s and the Corporation’s intention that this A&R Sublease not constitute a “true” lease for federal income tax purposes and therefore, it is each Agency Constituent Entity’s and the Corporation’s intention that the Agency Constituent Entities be considered the owner of the Leased Property under this A&R Sublease for federal income tax purposes.

Section 10.5. Third Party Beneficiary. The Assignee is made a third-party beneficiary under this A&R Sublease with all rights of a third-party beneficiary.

Section 10.6. Further Assurances and Corrective Instruments. The Corporation and the Agency Constituent Entities will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property under this A&R Sublease or for carrying out the expressed intention of this A&R Sublease.

Section 10.7. Execution in Counterparts. This A&R Sublease may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 10.8. Applicable Law. This A&R Sublease is governed by and construed in accordance with the laws of the State of California (the "State"). The parties hereto consent and submit to the jurisdiction of the State and venue in any state or Federal court of such State for the purposes of any suit, action or other proceeding arising in connection with this A&R Sublease, and each party expressly waives any objections that it may have to the venue of such courts. The parties hereto expressly waive any right to trial by jury in any action brought on or with respect to this A&R Sublease. If the waiver of jury trial contained herein is unenforceable for any reason, then the parties hereto agree that the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision

Section 10.9. Corporation and Agency Constituent Entities Representatives. Whenever under the provisions of this A&R Sublease the approval of the Corporation or the Agency Constituent Entities is required, or the Corporation or the Agency Constituent Entities is required to take some action at the request of the other, such approval or such request will be given for the Corporation by an authorized officer, employee or other representative of the Corporation designated and identified to the Agency Constituent Entities (in form and substance acceptable to the Agency Constituent Entities) for such purpose and for the Agency Constituent Entities by an authorized official, employee or other representative of the Agency Constituent Entities designated and identified to the Corporation (in form and substance acceptable to the Corporation) for such purpose, and any party hereto will be authorized to rely upon any such approval or request.

Section 10.10. Captions. The captions or headings in this A&R Sublease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this A&R Sublease.

Section 10.11. Amendment and Restatement of Original Sublease. This A&R Sublease shall constitute a full amendment and complete restatement of the Original Sublease pursuant to Section 22 thereof. In case of any inconsistency between this A&R Sublease and the Original Sublease, the terms of this A&R Sublease shall control.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Corporation and the Agency Constituent Entities have caused this Amended and Restated Sublease to be executed in their respective names by their duly authorized officers, all as of the date first above written.

PUBLIC PROPERTY FINANCING CORPORATION OF
CALIFORNIA, *as Sublessor*

By _____

Stefan A. Morton
Treasurer

AGENCY CONSTITUENT ENTITIES, as Lessor

SACRAMENTO HOUSING AND REDEVELOPMENT
AGENCY, a joint powers agency duly
organized and validly existing under the laws
of the State of California

By _____

Name: La Shelle Dozier

Title: Executive Director

SACRAMENTO CITY REDEVELOPMENT AGENCY
SUCCESSOR AGENCY, a public body,
corporate and politic

By _____

Name: Michael Jasso

Title: Assistant City Manager

SUCCESSOR AGENCY TO THE SACRAMENTO
COUNTY REDEVELOPMENT AGENCY, a public
body, corporate and politic

By _____

Name: Ann Edwards

Title: Acting County Executive

HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO, a public corporation

By _____

Name: La Shelle Dozier

Title: Executive Director

HOUSING AUTHORITY OF THE COUNTY OF
SACRAMENTO, a public corporation

By _____

Name: La Shelle Dozier

Title: Executive Director

Consented to for purposes of Section 22
of the Original Sublease Lease:

BANC OF AMERICA PUBLIC CAPITAL CORP

By _____
Name: _____
Title: _____

ACKNOWLEDGMENT

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 _____)

On _____ [Date] before _____
me, _____
(insert name and title of the officer)

personally appeared _____ [Name and Title] _____,
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)**

ACKNOWLEDGMENT

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County of _____)

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Signature _____ (Seal)

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County of _____)

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Signature _____ (Seal)

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Signature _____ (Seal)

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Signature _____ (Seal)

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County of _____)

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me, _____
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personally appeared _____ [Name and Title] _____,
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)**

EXHIBIT A

PAYMENT SCHEDULE

LEASE PAYMENT DATE	LEASE PAYMENT AMOUNT	INTEREST COMPONENT	PRINCIPAL COMPONENT	OUTSTANDING BALANCE	PREPAYMENT PRICE* (including prepayment premium, if applicable)

* Prepayment Price will be subject to a 2% premium in years #1-3; 1% in years #4-6; 0.5% in year #7; and zero premium thereafter.

EXHIBIT B

DESCRIPTION OF LEASED PROPERTY

The Leased Property consists of the land located in the City of Sacramento, County of Sacramento, State of California, which is described as follows, together with all buildings, facilities and other improvements which constitute real property and which are located thereon:

PARCEL ONE:

The North half of Lot 1 in the block bounded by "H" and "I", Twelfth and Thirteenth Streets, of the City of Sacramento, according to the official plan or plat thereof.

PARCEL TWO:

The South half of Lot 1 in the block bounded by 12th and 13th and H and I Streets of the City of Sacramento, according to the official plan or plat thereof.

APN: 006-0051-021-0000

(End of Legal Description)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by that certain Amended and Restated Sublease, dated as of _____, 2021, between the Public Property Financing Corporation of California, as sublessor, and the Sacramento Housing and Redevelopment Agency, together with its constituent public entities of the Sacramento City Redevelopment Agency Successor Agency, a public body, corporate and politic (the "*City RDA Successor Agency*"), the Successor Agency to the Sacramento County Redevelopment Agency, a public body corporate and politic (the "*County RDA Successor Agency*"), the Housing Authority of the City of Sacramento, a public corporation and the Housing Authority of the County of Sacramento, a public corporation, as sublessee (collectively, the "*Agency Constituent Entities*"), is hereby accepted by the undersigned officer on behalf of the Agency Constituent Entities pursuant to authority conferred by resolution of their respective legislative bodies or governing bodies, as applicable, adopted on _____, 2021, _____, 2021, _____, 2021, _____, 2021, _____, 2021, and, with respect to the County RDA Successor Agency and City RDA Successor Agency, approved as required under Section 34181(e) of the Health and Safety Code, by the Oversight Board for the City RDA Successor Agency on _____, 2021, and the County RDA Successor Agency on _____, 2021, and each Agency Constituent Entity consents to recordation thereof by its duly authorized officer.

Dated _____, 2021.

SACRAMENTO HOUSING AND REDEVELOPMENT
AGENCY, a joint powers agency duly
organized and validly existing under the laws
of the State of California

By _____
Name: La Shelle Dozier
Title: Executive Director

SACRAMENTO CITY REDEVELOPMENT AGENCY
SUCCESSOR AGENCY, a public body,
corporate and politic

By _____

Name: Michael Jasso

Title: Assistant City Manager

SUCCESSOR AGENCY TO THE SACRAMENTO
COUNTY REDEVELOPMENT AGENCY, a public
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By _____

Name: Ann Edwards

Title: Acting County Executive

HOUSING AUTHORITY OF THE CITY OF
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By _____

Name: La Shelle Dozier

Title: Executive Director

HOUSING AUTHORITY OF THE COUNTY OF
SACRAMENTO, a public corporation

By _____
Name: La Shelle Dozier
Title: Executive Director

COUNTYWIDE OVERSIGHT BOARD

No Material Memo

Date: Monday, July 12, 2021

Subject: Comments From The Agency Staff

MATERIAL NOT INCLUDED

COUNTYWIDE OVERSIGHT BOARD

No Material Memo

Date: Monday, July 12, 2021

Subject: Comments From The Board Members

MATERIAL NOT INCLUDED

COUNTYWIDE OVERSIGHT BOARD

No Material Memo

Date: Monday, July 12, 2021

Subject: Comments From The Public

MATERIAL NOT INCLUDED