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AND WHEN RECORDED MAIL TO:)

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[Space above for Recorder's use]

FACILITIES SUBLEASE

by and between the

INLAND EMPIRE PUBLIC FACILITIES CORPORATION,
as sublessor,

and the

COUNTY OF SAN BERNARDINO, CALIFORNIA
as sublessee

(West Valley Detention Center Refinancing)

Dated as of March 1, 2012

NO DOCUMENTARY TRANSFER
TAX DUE. This Facilities Sublease is
recorded for the benefit of the County
of San Bernardino and the recording is
exempt under Section 27383 of the
California Government Code.

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FACILITIES SUBLEASE
(West Valley Detention Center Refinancing)

This FACILITIES SUBLEASE, dated as of March 1, 2012 (this "Sublease"), is made by and between INLAND EMPIRE PUBLIC FACILITIES CORPORATION, a California nonprofit public benefit corporation (the "Sublessor"), as sublessor, and the COUNTY OF SAN BERNARDINO (the "Sublessee"), a political subdivision of the State of California (the "State"), as sublessee.

WITNESSETH:

WHEREAS, the Sublessor and the Sublessee have previously refinanced in 2001 and 2002 certain improvements to real property through the execution and delivery of certain certificates of participation and are able to refinance these obligations at this time with significant savings (the "2001/2002 Refinancing");

WHEREAS, in connection with the 2001/2002 Refinancing, the Sublessor and the Sublessee previously entered into a Sublease and Option to Purchase (the "2001/2002 Facilities Lease") and a Site Lease (the "2001/2002 Site Lease") both dated as of October 1, 2001;

WHEREAS, the Sublessor and the Sublessee have entered into a Site Lease (as hereinafter defined), amending and restating the 2001/2002 Site Lease, pursuant to which the Sublessee has leased certain real property, together with all buildings and improvements located thereon, as more particularly described in Exhibit "A" hereto, located in the County of San Bernardino, California (collectively, the "Leased Premises") to the Sublessor;

WHEREAS, the Sublessee has determined that in order to accomplish such purpose it is necessary and desirable to acquire the Leased Premises by subleasing the Leased Premises pursuant to this Sublease, which amends and restates the 2001/2002 Facilities Lease; and

WHEREAS, the Sublessor is simultaneously providing for the transfer of certain of its right, title and interest in and to this Sublease to Banc of America Public Capital Corp (the "Purchaser") pursuant to an Assignment Agreement, dated as of March 1, 2012 (the "Assignment Agreement");

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; REPRESENTATIONS, WARRANTIES AND COVENANTS.

SECTION 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Sublease, have the meanings as set forth below.

"Additional Rental" means the amounts specified as such in Section 3.1(b) hereof.

"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 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 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 (1) the existence, cleanup, and/or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Assignment Agreement” means the Assignment Agreement dated as of March 1, 2012 from the Sublessor to the Purchaser.

“Base Rental” means the amounts specified as such in Section 3.1(a) hereof, as such amounts may be adjusted from time to time in accordance with the terms hereof, but does not include Additional Rental.

“Base Rental Payments” means the periodic payments of Base Rental to be paid by the Sublessee in accordance with Section 3.1(a) hereof, the amounts for which are set out in Exhibit “B” hereto.

“Closing Date” means _____, 2012.

“County” means the County of San Bernardino, California.

“Independent Counsel” means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the Sublessee.

“Leased Component” means each of the discrete properties, equipment or facilities comprising the Leased Premises, as described in Exhibit “A” hereto.

“Leased Premises” means the real property, together with all buildings and improvements located thereon, as more particularly described in Exhibit “A” hereto.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A.

“Fiscal Year” means the fiscal year of the Sublessee, which at the date of this Sublease is the period from July 1 to and including the following June 30.

“Hazardous Substance” any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the facilities, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.)

“Interest Component” means the portion of any Base Rental Payment attributable to interest as indicated in Exhibit “B” hereto.

“Permitted Encumbrances” means as of any particular time: (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Sublessee may, pursuant to Section 4.2 hereof, permit to remain unpaid; (2) the Assignment Agreement, as it may be amended from time to time; (3) this Sublease, as it may be amended from time to time; (4) the Site Lease, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law after the Closing Date which is being contested by the Sublessee in accordance with Section 4.4 hereof; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the Sublessee certifies in writing on the Closing Date will not materially impair the use of the Leased Premises for its intended purpose; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Closing Date, or existing on any real property substituted for the Leased Premises, to which the Sublessor, the Purchaser and the Sublessee consent in writing (which consent shall not be unreasonably withheld) and which the Sublessee certifies will not materially impair the use of the Leased Premises or real property substituted for the Leased Premises, as the case may be for its intended purpose and will not, in and of itself, result in abatement of Base Rental Payments hereunder; and (8) any other encumbrances or subleases permitted under the Sublease.

“Principal Component” means, the portion of any Base Rental Payment attributable to principal as indicated in Exhibit “B” hereto.

“Purchaser” means Banc of America Public Capital Corp, or any permitted assignee pursuant to Section 5 of the Assignment Agreement.

“Site Lease” means that certain Site Lease, dated as of the date hereof, by and between the Sublessee and the Sublessor with respect to the Leased Premises, including any amendments or supplements thereto.

“Sublease” means this Facilities Sublease, including any amendments or supplements hereto.

“Sublease Term” means the term of this Sublease, as provided in Section 2 hereof.

“Sublease Year” means the period from the Closing Date to November 1, 2012, and thereafter the period from each November 2 to and including the following November 1, during the Sublease Term.

“Sublessee” means the County of San Bernardino, its successors or assigns.

“Sublessee Representative” means the Chief Executive Officer of the County, any Assistant Executive Officer, any Deputy Executive Officer, or such officials’ designee or other official designated by the Board of Supervisors of the County and authorized to act on behalf of the Sublessee under or with respect to this Sublease and all other agreements related hereto.

“Sublessee Resolution” means the resolution approving the execution of this Sublease, adopted by the Sublessee on _____, 2012.

“Sublessor” means Inland Empire Public Facilities Corporation, its successors and assigns.

“Sublessor Resolution” means the resolution approving the execution of this Sublease, adopted by the Sublessor on March 13, 2012.

SECTION 1.2 Representations, Warranties and Covenants of the Sublessee. The Sublessee represents, warrants and covenants as follows:

(a) The Sublessee is a political subdivision of the State of California duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Sublessee Resolution and to enter into and perform its duties under this Sublease and the Site Lease. The Sublessee Resolution has been adopted and has not been rescinded, and this Sublease and the Site Lease constitute legal, valid and binding obligations of the Sublessee enforceable against the Sublessee in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought.

(b) The adoption of the Sublessee Resolution and the execution and delivery of this Sublease and the Site Lease, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Sublessee’s duties under this Sublease, the Site Lease, the Sublessee Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the Sublessee is subject or by which it or any of its property is bound.

(c) Except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Sublessee, other than the approval and authorization of the Board of Supervisors, required for the adoption of the Sublessee Resolution and execution and delivery of this Sublease and the Site Lease or the consummation by the Sublessee of the other transactions contemplated by the Sublessee Resolution, this Sublease or the Site Lease.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Sublessee, threatened against the Sublessee to restrain or enjoin the delivery of the payments to be made pursuant to the Sublease, or in any way contesting or affecting the validity of this Sublease, the Site Lease or the Sublessee Resolution, or contesting the powers of the Sublessee to enter into or perform its obligations under any of the foregoing, or which, if determined adversely to the Sublessee, would have a material adverse effect on the Sublessee’s ability to perform its obligations under any of the foregoing.

(e) By official action of the Sublessee prior to the execution hereof, the Sublessee has duly adopted the Sublessee Resolution and has duly authorized and approved the execution and delivery of, and the performance by the Sublessee of the obligations on its part contained in, this Sublease and the Site Lease and the consummation by it of all other transactions contemplated by this Sublease and the Site Lease.

(f) The Sublessee is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or

decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Sublessee is a party or is otherwise subject which breach or default would have a material and adverse impact on the Sublessee's ability to perform its obligations under this Sublease and the Site Lease, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(g) The Sublessee represents that it is not, and has not been at any time, in default as to principal or interest with respect to any indebtedness for borrowed money issued or guaranteed by it, or as to lease payments in connection with certificates of participation.

(h) The Leased Premises is integral for performing the Sublessee's governmental functions and during the term of this Sublease will be used by the Sublessee only for the purpose of performing one or more essential functions of the Sublessee.

(i) The Sublessee covenants that it will not take any action which would cause the Interest Components of the Base Rental Payments made by the Sublessee under the Sublease to be included in gross income for federal income tax purposes or subject to California personal income taxes (other than to the extent that the Interest Components of the Base Rental Payments made by the Sublessee under the Sublease will be included in gross income for federal income tax purposes as described in the opinion of Bond Counsel delivered in connection with the execution of this Sublease).

(j) The financial statements of the Sublessee for the fiscal year ended June 30, 2011 fairly present the financial condition and results of the operations of the Sublessee as of the date and for the period therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles as consistently applied. The Sublessee is not aware of any events or circumstances since the time of its June 30, 2011 audited financial statements that would materially adversely affect the Sublessee's credit quality, including, among other things, the Sublessee's ability to pay the Base Rental Payments pursuant to this Sublease.

(k) The Sublessee is the owner in fee of the Leased Premises and no lien or encumbrance on the Leased Premises materially impairs the Sublessee's use of the Leased Premises.

(l) The Leased Premises is not located in a flood hazard area or flood zone and has never been subject to material damage from flooding.

(m) The insured value of the Leased Premises, based on replacement cost, is not less than the aggregate Principal Components of all of the Base Rental Payments.

(n) The Sublessee reasonably believes that sufficient funds can be obtained to make all Base Rental Payments and all other amounts required to be paid pursuant to this Sublease.

(o) Within two hundred seventy (270) days following the end of each Fiscal Year of the Sublessee during the term hereof, the Sublessee will provide the Purchaser with a copy of its audited financial statements for such Fiscal Year, including such information as is required by applicable Government Accounting Standard's Board pronouncements and applicable State law. Within ten (10) days of receipt of a request of the Purchaser, the Sublessee will provide the Purchaser with a copy of its annual budget and any interim updates or modifications to such budget, if available.

(p) The Sublessee will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Leased Premises and any operations conducted thereon or any conditions existing thereon to the Purchaser, and the Sublessee will notify the Purchaser in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substances that has occurred or is occurring that in any way materially affects or threatens to materially affect the Leased Premises, or the people, structures, or other property thereon, provided that no such notifications shall create any liability or obligation on the part of the Purchaser.

SECTION 1.3 Sublessor Representations, Warranties and Covenants. The Sublessor represents, warrants and covenants as follows:

(a) The Sublessor is a California nonprofit public benefit corporation duly organized and validly existing pursuant to the laws of the State of California and has all necessary power and authority to adopt the Sublessor Resolution and enter into and perform its duties under this Sublease, the Site Lease and the Assignment Agreement, the Sublessor Resolution has been adopted and has not been rescinded, and this Sublease, the Site Lease and the Assignment Agreement constitute legal, valid and binding obligations of the Sublessor in accordance with their respective terms except as enforcement against the Sublessor may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(b) The adoption of the Sublessor Resolution and the execution and delivery of this Sublease, the Site Lease and the Assignment Agreement and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the Sublessor's duties this Sublease, the Site Lease, the Assignment Agreement, the Sublessor Resolution or any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the Sublessor is subject or by which it or any of its property is bound.

(c) Except as may be required under blue sky or other securities laws of any state, or except with respect to any permits or approvals heretofore received which are in full force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the Sublessor, required for the adoption of the Sublessor Resolution and the execution and delivery of this Sublease, the Site Lease and the Assignment Agreement or the consummation by the Sublessor of the other transactions contemplated by the Sublessor Resolution, this Sublease, the Site Lease and the Assignment Agreement.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the Sublessor, threatened against the Sublessor to restrain or enjoin the execution and delivery of this Sublease, the Site Lease and the Assignment Agreement, or in any way contesting or affecting the validity of the this Sublease, the Site Lease and the Assignment Agreement, the Sublessor Resolution or contesting the powers of the Sublessor to enter into or perform its obligations under any of the foregoing.

(e) By official action of the Sublessor prior to the execution hereof, the Sublessor has duly authorized and approved the execution and delivery of, and the performance by the Sublessor of the obligations on its part contained in this Sublease, the Site Lease and the Assignment

Agreement and the consummation by it of all other transactions contemplated by the Sublessor Resolution, this Sublease, the Site Lease and the Assignment Agreement.

(f) The Sublessor is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Sublessor is a party or is otherwise subject which breach or default would have a material and adverse impact on the Sublessor's ability to perform its obligations under this Sublease, the Site Lease and the Assignment Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(g) The Sublessor covenants that it will not take any action which would cause the Interest Components of the Base Rental Payments made by the Sublessor under the Sublease to be included in gross income for federal income tax purposes or subject to California personal income taxes (other than to the extent that the Interest Components of the Base Rental Payments made by the Sublessor under the Sublease will be included in gross income for federal income tax purposes as described in the opinion of Bond Counsel delivered in connection with the execution of this Sublease).

SECTION 2. SUBLEASE TERM; TRANSFER OF TITLE TO SUBLESSEE.

The Sublessor hereby leases the Leased Premises to the Sublessee, and the Sublessee hereby leases the Leased Premises from the Sublessor and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Leased Premises, all on the terms and conditions set forth herein. The term of this Sublease shall begin on the Closing Date and end on the earliest of (a) November 1, 2018, (b) such earlier date as the Sublessee shall have paid all Principal Components of Base Rental and other amounts payable hereunder or (c) the date of termination of this Sublease due to casualty or condemnation in accordance with the terms of Section 5 or 6 hereof; provided, however, that if the Sublessee has not performed all of its obligations under this Sublease or if Base Rental has been subject to abatement for any period, the term of this Sublease shall end on the earlier to occur of (x) November 1, 2028 or (y) such earlier date as the Sublessee shall pay all outstanding Principal Components of Base Rental and other amounts payable hereunder or (z) the date of termination of this Sublease due to casualty or condemnation in accordance with the terms of Section 5 or 6 hereof.

Upon termination of this Sublease with respect to the Leased Premises, or upon a release or substitution of any component of the Leased Premises pursuant to Section 15 hereof, all of the Sublessor's right, title and interest in the Leased Premises, and any improvements thereon or additions thereto, shall be transferred directly to the Sublessee or, at the option of the Sublessee, to any assignee or nominee of the Sublessee, in accordance with the provisions of this Sublease, free and clear of any interest of the Sublessor.

SECTION 3. RENT.

SECTION 3.1 Rental Payments. The Sublessee hereby agrees, subject to the terms hereof, to pay to the Sublessor the Base Rental and Additional Rental in the amounts, at the times and in the manner hereinafter set forth, such amounts constituting in the aggregate the rent payable under this Sublease.

(a) Base Rental. The Sublessee agrees to pay, from legally available funds, Base Rental in the Base Rental Payment amounts set forth in Exhibit "B" hereto, the Principal Components of which are attributable to principal payable to the Purchaser and the Interest Components of which are attributable to interest payable to the Purchaser as determined in accordance with the terms of such Exhibit. The Base Rental Payments payable by the Sublessee shall be due on the second business day preceding May 1 and the second business day preceding November 1 during the Sublease Term. Base Rental payable the second business day preceding May 1 in any year shall be for the period November 1 of the prior year to April 30 of such year, and Base Rental payable on the second business day preceding November 1 in any year shall be for the period May 1 of such year to October 31 of such year.

The obligation of the Sublessee to pay Base Rental shall commence on the Closing Date.

(b) Additional Rental. In addition to the Base Rental set forth herein, the Sublessee agrees to pay as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever levied upon the Leased Premises or upon any interest of the Sublessor therein or in this Sublease; and

(ii) Insurance premiums, if any, on all insurance required under the provisions of Section 4.3 hereof.

Amounts constituting Additional Rental payable hereunder shall be paid by the Sublessee directly to the person or persons to whom such amounts shall be payable. The Sublessee shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Purchaser (as assignee of the Sublessor) or the Sublessor to the Sublessee stating the amount of Additional Rental then due and payable and the purpose thereof.

SECTION 3.2 Consideration. The payments of Base Rental and Additional Rental under this Sublease for each Fiscal Year or portion thereof during the Sublease Term shall constitute the total rental for such Fiscal Year or portion thereof and shall be paid by the Sublessee for and in consideration of the right of use and occupancy, and the continued quiet use and enjoyment, of the Leased Premises by the Sublessee for and during such Fiscal Year or portion thereof. The parties hereto have determined and agreed that such total annual rental is not in excess of the total annual fair rental value of the Leased Premises. In making such determination, consideration has been given to the costs of acquisition and financing of the Leased Premises, the uses and purposes served by the Leased Premises, and the benefits therefrom that will accrue to the parties by reason of this Sublease and to the general public by reason of the Sublessee's use of the Leased Premises.

SECTION 3.3 Budget. The Sublessee hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental, subject to Section 3.5 hereof. The obligation of the Sublessee to make Base Rental or Additional Rental payments does not constitute an obligation of the Sublessee for which the Sublessee is obligated to levy or pledge any form of taxation or for which the Sublessee has levied or pledged any form of taxation. The obligation of the Sublessee to make Base Rental or Additional Rental payments does not constitute an indebtedness of the Sublessee, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

SECTION 3.4 Payment; Credit. Base Rental shall be paid by the Sublessee to the Purchaser (as assignee of the Sublessor) on the dates set forth in Section 3.1(a) hereof in lawful money of the United States of America, at the address specified by the Purchaser pursuant to the Assignment Agreement. Except as provided in Section 3.5 hereof, any amount necessary to pay any Base Rental or portion thereof which is not so paid shall remain due and payable until received by the Purchaser. Notwithstanding any dispute between the Sublessee and the Sublessor hereunder, the Sublessee shall make all rental payments when due and shall not withhold any rental payments pending the final resolution of such dispute or for any other reason whatsoever. The Sublessee's obligation to make rental payments in the amount on the terms and conditions specified hereunder shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of Section 3.5 hereof.

SECTION 3.5 Rental Abatement. Except to the extent of amounts, if any, received in respect of rental interruption insurance, rental payments due hereunder shall be subject to abatement in accordance with this Section 3.5 during any period in which, by reason of material damage, destruction or condemnation of the Leased Premises or any portion thereof, or defects in title to the Leased Premises, there is substantial interference with the use and right of possession by the Sublessee of the Leased Premises or any portion thereof. The amount of rental abatement shall be such that the resulting rental payments in any Sublease Year during which such interference continues, excluding any amounts received in respect of rental interruption insurance, do not exceed the fair rental value of the portions of the Leased Premises as to which such damage, destruction, condemnation or title defect does not substantially interfere with the use and right of possession of the Sublessee, as evidenced by a certificate of the Sublessee. Such abatement shall continue for the period commencing with the date of such damage, destruction, condemnation or discovery of such title defect and ending with the restoration of the Leased Premises or portion thereof to tenantable condition or correction of the title defect. In the event of any such damage, destruction, condemnation or title defect, this Sublease shall continue in full force and effect, except as set forth in Sections 5 and 6 hereof.

SECTION 3.6 Triple Net Sublease. This Sublease is intended to be a triple net lease. The Sublessee agrees that the rentals provided for herein shall be an absolute net return to the Sublessor free and clear of any expenses, charges or set-offs whatsoever.

SECTION 3.7 Prepayment. The Sublessor shall have the right to prepay the aggregate Principal Components of Base Rental payable hereunder (i) in whole or in part, on any date in the event of casualty, title defects or a taking of all or a portion of the Leased Premises pursuant to eminent domain as described in Section 5 or 6 hereof, in an amount equal to 100% of the Principal Components to be prepaid, plus the proportionate amount of the Interest Component accrued to the date of prepayment; and (ii) in whole on any date, commencing November 1, 2015, at the option of the Sublessee and provided Sublessee provides Sublessor with at least thirty (30) days written notice, in an amount equal to 101% of the Principal Components to be prepaid, plus the Interest Component accrued to the date of prepayment.

SECTION 4. AFFIRMATIVE COVENANTS OF THE SUBLESSOR AND THE SUBLESSEE.

The Sublessor and the Sublessee are entering into this Sublease in consideration of among other things, the following covenants:

SECTION 4.1 Replacement, Maintenance and Repairs. The Sublessee shall, at its own expense, during the Sublease Term maintain the Leased Premises, or cause the same to be maintained, in good order, condition and repair and shall repair or replace any portion of the Leased Premises which is destroyed or damaged to such an extent that there is substantial interference with the use and right of possession by the Sublessee of the Leased Premises or any portion thereof which would result in an abatement of rental payments or any portion thereof pursuant to Section 3.5 hereof; provided, however, that the Sublessee shall not be required to repair or replace any such portion of the Leased Premises pursuant to this Section 4.1 if insurance proceeds or other legally available funds shall be applied in an amount sufficient to prepay (i) the outstanding principal portion of the Base Rental Payments (as specified in Exhibit B), or (ii) any portion of the outstanding principal portion of the Base Rental Payments such that the resulting rental payments under Section 3.1 hereof in any Sublease Year following such partial prepayment are sufficient to pay in such Sublease Year the principal of and interest on the remaining principal portion of Base Rental Payments to remain outstanding immediately after such partial prepayment.

The Sublessee shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of the Leased Premises. It is understood and agreed that in consideration of the payment by the Sublessee of the rental payments herein provided for, the Sublessee is entitled to occupy the Leased Premises and no other party shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Premises during the Sublease Term. The Sublessor shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises. The Sublessee hereby expressly waives the right to make repairs or to perform maintenance of the Leased Premises at the expense of the Sublessor and (to the extent permitted by law) waives the benefit of Sections 1932, 1941 and 1942 of the Civil Code of the State relating thereto. The Sublessee shall keep the Leased Premises free and clear of all liens, charges and encumbrances other than those existing on or prior to the Closing Date and covered by the exceptions and exclusions set forth in the title policies delivered pursuant to Section 4.3 hereof, any liens on improvements, fixtures, equipment or personal property placed on the Leased Premises by the Sublessee in accordance with Section 8 hereof, and any liens of mechanics, materialmen, suppliers, vendors or other persons or entities for work or services performed or materials furnished in connection with the Leased Premises which are not due and payable or the amount, validity or application of which is being contested in accordance with Section 4.4 hereof.

SECTION 4.2 Taxes, Other Governmental Charges and Utility Charges. The Sublessor and the Sublessee contemplate that the Leased Premises will be used for a governmental or proprietary purpose of the Sublessee and, therefore, that the Leased Premises will be exempt from all taxes which might otherwise be assessed and levied with respect to the Leased Premises. Nevertheless, the Sublessee hereby agrees to pay during the Sublease Term, as the same respectively become due, all taxes (except for income or franchise taxes of the Sublessor), utility charges and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Premises; provided however, that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Sublessee shall be obligated to pay only such installments as are accrued during such time as this Sublease is in effect; provided, further, that the Sublessee may contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner which does not, in the opinion of counsel, adversely affect the right, title and interest of the Sublessor in and to any portion of the Leased Premises or its rights or interests under this Sublease or subject any portion of the Leased Premises to loss or

forfeiture. Any such taxes or charges shall constitute Additional Rental under Section 3.1(b) hereof and shall be payable directly to the entity assessing such taxes or charges.

SECTION 4.3 Insurance.

(a) Public Liability and Property Damage Insurance; Workers' Compensation Insurance.

(i) The Sublessee shall maintain or cause to be maintained, throughout the term of this Sublease, a standard comprehensive general liability insurance policy or policies in protection of the Sublessee, the Sublessor and their respective members, officers, agents and employees. Said policy or policies shall 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 use or ownership of the Leased Premises. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Sublessee, and may be maintained in whole or in part in the form of self-insurance by the Sublessee, provided that such self-insurance complies with the provisions of Section 4.3(b) hereof. The proceeds of such liability insurance shall be applied in accordance with Section 5.1 hereof.

(ii) The Sublessee shall maintain or cause to be maintained, throughout the term of this Sublease, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the Sublessee in connection with the Leased Premises and to cover full liability for compensation under any such act; provided, however, that the Sublessee's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 4.3(b) hereof.

(iii) The Sublessee shall maintain or cause to be maintained casualty insurance insuring structures constituting part of the Leased Premises against fire, lightning and all other risks covered by an extended coverage endorsement including earthquake, but excluding flood, to the full insurable value of such structures, subject to a \$100,000 loss deductible provision, unless some other deductible is acceptable to the Purchaser. The Sublessee's obligations under this subsection may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Section 4.3(b) hereof. Notwithstanding the foregoing, the Sublessee shall not be required to maintain or cause to be maintained earthquake insurance except as available in the open market in standard policies of insurance with standard deductibles offered by reputable insurance companies at a reasonable cost, as determined by the Sublessee.

(iv) The Sublessee shall maintain rental interruption insurance to cover the Sublessor's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Leased Premises as a result of any of the hazards required to be covered pursuant to subsection (iii) of this Section in an amount equal to lesser of (i) the amount sufficient at

all times to pay an amount not less than the product of two times the maximum Base Rental Payment scheduled to be paid in the current or any future period during the Sublease Term or (ii) such lesser amount as may be agreed to by the Purchaser. Such rental interruption insurance shall be payable for a period adequate to cover the period of repair or reconstruction, but not to exceed two years. The Sublessee shall not be permitted to self-insure its obligation under this subsection.

(v) The insurance required by this subsection shall be provided by carriers rated at least "A" by Standard & Poor's Ratings Services (a "Qualified Insurer"), unless the Purchaser shall approve an insurer with a lower rating. If an insurer's rating falls below "A" (or, with respect to an insurer approved by the Purchaser with a rating lower than "A," falls below the rating such insurer had when approved by the Purchaser), such insurer shall be replaced with a Qualified Insurer, unless the Purchaser shall approve an insurer with a lower rating. All policies or certificates of insurance provided for in this Section 4.3(a) shall name the Sublessee as a named insured, and, with the exception of workers' compensation insurance, the Sublessor and the Purchaser as additional insureds. All policies or certificates of insurance maintained under clauses (iii) and (iv) above shall name the Sublessee and the Purchaser as loss payees (limit only as to Purchaser for losses in excess of \$100,000), and the proceeds of such insurance shall be deposited with the Sublessee for application pursuant to Section 5 hereof. Notwithstanding the generality of the foregoing (with the exception of the rental interruption insurance required by clause (iv) above), the Sublessee shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above.

(b) Self-Insurance. Insurance provided through a California joint powers authority of which the Sublessee is a member or with which the Sublessee contracts for insurance shall be deemed to be self insurance for purposes hereof. Any self-insurance maintained by the Sublessee pursuant to this Section shall comply with the following terms:

(i) in the case of property insurance described in (iii) above, the self-insurance program shall be approved in writing by the Purchaser and there shall be delivered in connection with such approval an opinion of bond counsel in form and substance satisfactory to the Purchaser to the effect that the use of proceeds of self-insurance program for purposes allowed or required by this Sublease is authorized under the laws of the State and does not affect the validity or enforceability of the Sublease;

(ii) reviewed and analyzed by an independent insurance consultant ("Independent Insurance Consultant");

(iii) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on an annual basis by the Independent Insurance Consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendations of the aforementioned Independent Insurance Consultant; and

(iv) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the Independent Insurance Consultant, shall be maintained.

(c) Title Insurance. The Sublessee shall deliver to the Purchaser, as soon as practicable after the Closing Date, (i) a copy of a CLTA Owner's policy of title insurance issued in

an amount equal to the aggregate principal amount of Base Rental Payments outstanding by a title insurance company acceptable to the Sublessor with respect to the Leased Premises, naming the Sublessee as insured and showing fee title to the Leased Premises in the name of the Sublessee; and (ii) a copy of a CLTA Leasehold Owner's Policy naming the Sublessor and the Sublessee as insureds, and insuring the validity and priority of the Site Lease (and the interest of the Sublessor thereunder, as assigned to the Purchaser) and this Sublease (and the interest of the Sublessor thereunder, as assigned to the Purchaser).

SECTION 4.4 Liens. The Sublessee shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Premises and which may be secured by any mechanic's, materialman's or other lien against the Leased Premises, or the interest of the Sublessor therein, and shall cause each such lien to be fully discharged and released; provided, however, that the Sublessee or the Sublessor (i) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the Sublessee shall forthwith pay and discharge such judgment or lien, or (ii) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture

SECTION 4.5 Laws and Ordinances.

(a) General. The Sublessee agrees to observe and comply in all material respects with all rules, regulations and laws applicable to the Sublessee with respect to the Leased Premises and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the Sublessee, and the Sublessor shall not be liable therefor.

(b) Hazardous Materials. The Sublessee shall not use or permit the Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements on the Property, including, but not limited to, operation of the fueling facility at the West Valley Vehicle Service Center, including the underground storage tanks related thereto, and operation of the generators at the Detention Center, including the underground storage tanks related thereto and then, only in compliance with all Applicable Environmental Laws, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the release or threat of release of Hazardous Materials on, from or beneath the Property or onto any other Property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of a political subdivision and those used in the underground storage tanks relating to the fueling facility and the generators, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Applicable Environmental Laws. Upon the occurrence of any release or threat of release of Hazardous Materials, the Sublessee shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Sublessor, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Property or other Property, in compliance with all Applicable Environmental Laws. Notwithstanding anything to the

contrary contained herein, underground storage tanks are permitted so long as they comply with subsection (c).

(c) The Sublessee shall conform to and carry out a reasonable program of maintenance and inspection of all underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with all Applicable Environmental Laws.

SECTION 4.6 Tax Matters. The Sublessee covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code. In furtherance of this covenant, the Sublessee agrees to comply with the Nonarbitrage Certificate, as such Nonarbitrage Certificate may be amended from time to time, as a source of guidance for compliance with such provisions. This covenant shall survive the payment or prepayment of all Base Rental hereunder.

SECTION 4.7 Prohibition Against Encumbrance or Sale. The Sublessee and the Sublessor will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Leased Premises, except Permitted Encumbrances. The Sublessee and the Sublessor will not sell or otherwise dispose of the Leased Premises or any property essential to the proper operation of the Leased Premises, except as otherwise provided herein..

SECTION 5. INSURANCE.

SECTION 5.1 Application of Insurance Proceeds.

(a) General. Proceeds of insurance (other than rental interruption insurance) received in respect of destruction of or damage to any portion of the Leased Premises by fire or other casualty or event shall be applied by the Sublessee to, the cost of repair or replacement of the Leased Premises or portion thereof, unless the Sublessee pays to the Purchaser the amount necessary to prepay the Principal Components of Base Rental Payments in an aggregate principal amount equal to the Principal Component(s) of the Base Rental attributable to such damaged or destroyed portion of the Leased Premises and the Base Rental with respect to the remaining portion of the Leased Premises is sufficient to pay the Principal Components and Interest Components of the Base Rental Payments to remain outstanding after the date on which the Principal Component of Base Rental Payments to be prepaid are prepaid.

The proceeds of any insurance (other than rental interruption insurance), received in respect of destruction of or damage to any portion of the Leased Premises by fire or other casualty or event, not applied to repairing or replacing such damaged or destroyed property, shall forthwith be applied to the prepayment of the Principal Component of Base Rental Payments outstanding. Any insurance proceeds in excess of the amount needed to either repair or replace a damaged or destroyed portion of the Leased Premise or to prepay the Principal Component of Base Rental Payments outstanding shall be remitted to the Sublessee.

The proceeds of rental interruption insurance shall be used to pay Base Rental Payments.

(b) If there is an abatement of rental payments pursuant to Section 3.5 hereof as a result of such casualty or event, and the Sublessee elects to apply such insurance proceeds and such other sums as are deposited by the Sublessee pursuant to such section to the prepayment of the Principal Component(s) of Base Rental outstanding rather than replacing or repairing the destroyed or damaged portion of the Leased Premises, then this Sublease shall terminate with respect to the

destroyed or damaged portion of the Leased Premises as of the date the amount of such insurance is applied to such prepayment.

SECTION 5.2 Title Insurance. Proceeds of any policy of title insurance received by the Sublessee in respect of the Leased Premises shall be applied and disbursed by the Sublessee as follows:

(a) If the Sublessee determines that the title defect giving rise to such proceeds has not materially affected the use and occupancy of the Leased Premises and will not result in an abatement of Base Rental payable by the Sublessee under the Sublease, such proceeds shall be remitted to the Sublessee.

(b) If the Sublessee determines that such title defect will result in an abatement of Base Rental payable by the Sublessee under the Sublease, then the Sublessee shall apply such proceeds to the prepayment of the Principal Components of Base Rental Payments outstanding.

SECTION 6. EMINENT DOMAIN.

SECTION 6.1 Total Condemnation. If the Leased Premises, or so much thereof as to render the remainder of the Leased Premises unusable for the Sublessee's purposes under this Sublease, shall be taken under the power of eminent domain, then this Sublease shall terminate as of the day possession shall be so taken, or, if the Sublessee is the condemnor, then this Sublease shall terminate as of the date of entry of a judgment or interlocutory judgment regarding the fee interest of the Leased Premises. Any award made in eminent domain proceedings for the taking shall be paid to the Sublessee for application in accordance with the provisions of Section 5.2 hereof.

SECTION 6.2 Partial Condemnation. If less than a substantial portion of the Leased Premises shall be taken under the power of eminent domain, and the remainder is useable for the Sublessee's purposes, then this Sublease shall continue in full force and effect as to the remaining portions of the Leased Premises subject only to such rental abatement as is required by Section 3.5 hereof. The Sublessee and the Sublessor hereby waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Sublessee for application in accordance with the provisions of Section 5.2 hereof.

SECTION 7. ASSIGNMENT AND SUBLEASE.

The Sublessee shall not mortgage, pledge, assign or transfer any interest of the Sublessee in this Sublease by voluntary act or by operation of law, or otherwise; provided, however, that the Sublessee may sublease all or any portion of the Leased Premises, and may grant concessions to others involving the use of any portion of the Leased Premises, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Leased Premises; provided that any sublease or concessions must at all times be subject and subordinate to this Sublease. The Sublessee shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Sublessee of its obligation to pay Base Rental and Additional Rental as provided in this Sublease or to relieve the Sublessee of any other obligations contained herein. In no event will the Sublessee sublease or permit the use of all or any part of the Leased Premises in violation of the covenants contained herein or in the Nonarbitrage Certificate.

The Sublessor shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Sublease (except for its right to payment of its expenses under Section 3.1(b) hereof and its right to indemnification pursuant to Section 11 hereof), including without limitation its right to receive Base Rental payable hereunder, to the Purchaser pursuant to the Assignment Agreement, and the Sublessee hereby approves such assignment. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

SECTION 8. ADDITIONS AND IMPROVEMENTS.

The Sublessee shall have the right during the Sublease Term to make any additions or improvements to the Leased Premises, to attach fixtures, structures or signs, and to affix any personal property to the Leased Premises, so long as the fair rental value of the Leased Premises is not thereby reduced below the Base Rental payable under this Sublease. Title to all fixtures, equipment or personal property placed by the Sublessee on the Leased Premises shall remain in the Sublessee. Title to any personal property, improvements or fixtures placed on the Leased Premises by any sublessee or licensee of the Sublessee shall be controlled by the sublease or license agreement between such sublessee or licensee and the Sublessee, which sublease or license agreement shall not be inconsistent with this Sublease.

SECTION 9. RIGHT OF ENTRY.

Representatives of the Sublessor shall, subject to reasonable security precautions, have the right to enter upon the Leased Premises during reasonable business hours (and in emergencies at all times) (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Sublessor under this Sublease, or (iii) for all other lawful purposes. The Sublessee hereby grants an easement to the Sublessor to enter upon any property of the Sublessee which is adjacent to the Leased Premises in order to enter upon the Leased Premises pursuant to this Section 9.

SECTION 10. QUIET ENJOYMENT.

The Sublessor covenants and agrees that the Sublessee, upon keeping and performing the covenants and agreements herein contained, shall, at all times during the Sublease Term, peaceably and quietly have, hold, and enjoy the Leased Premises.

SECTION 11. INDEMNIFICATION AND HOLD HARMLESS AGREEMENT.

The Sublessee shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Sublessor and the Purchaser and their respective directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Sublease, the acquisition, construction, installation and use of the Leased Premises and each portion thereof or any accident in connection with the operation, use, condition or possession of the Leased Premises or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the Sublessee or the Sublessor; any claim arising out of the failure to comply with any Applicable Environmental Laws or the use, presence, storage, disposal or release of any Hazardous Substances on or about the Leased Premises; any claim for patent, trademark or copyright infringement; any claim arising out of strict liability in tort; and any loss of the federal

income tax exemption of the interest portion of Base Rental due to the failure of the Sublessee to comply with the provisions of the Nonarbitrage Certificate and any interest or penalties imposed by the Internal Revenue Service on the Purchaser in connection therewith, any such amount with respect to past Base Rental to be paid to the Purchaser in a single lump sum payment upon demand of the Purchaser, and any such amount with respect to future Base Rental to be paid as an increase in the interest component of Base Rental such that the after tax yield to the Purchaser shall remain the same following the loss of the federal income tax exemption as it was before such loss of tax exemption provided however, that in no event may such payments result in the total Base Rental payments to be made by the Sublessee exceeding fair market rental value of the Leased Premises. The indemnification arising under this Section 11 shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The Sublessee, the Purchaser and the Sublessor mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following the learning thereof by such party. However, notwithstanding anything to the contrary in this Sublease, this Section 11 provides no indemnity for liability, obligations, losses, claims, or damages caused by the Sublessor's or Purchaser's gross negligence or willful misconduct, and the Sublessee shall not indemnify the Sublessor or the Purchaser for the same.

SECTION 12. DEFAULT BY SUBLESSEE.

(a) Events of Default. The following shall be "events of default" under this Sublease and the terms "event of default" and "default" shall mean, whenever they are used in this Sublease, any one or more of the following events:

(i) the Sublessee shall fail to pay any Base Rental payment required to be paid pursuant to Section 3.1(a) hereof by the close of business on the day such payment is required pursuant to Section 3.1(a) hereof;

(ii) the Sublessee shall fail to pay any item of Additional Rental as and when the same shall become due and payable pursuant to Section 3.1(b) hereof and shall fail to pay such Additional Rental within a period of 30 days after written notice thereof from the Sublessor to the Sublessee;

(iii) the Sublessee shall breach any other terms, covenants or conditions contained herein, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Sublessor to the Sublessee, or, if such breach cannot be remedied within such 30-day period, shall fail to institute corrective action within such 30-day period and diligently pursue the same to completion;

(iv) The Sublessee shall fail to maintain insurance as required under Section 4.3;

(v) An event of default by the Sublessee has occurred and is continuing under the Site Lease;

(vi) Any material statement, representation or warranty of the Sublessee pursuant to this Sublease or in connection with its execution shall have been false, incorrect or misleading in any material respect when made;

(vii) The Sublessee shall become insolvent or be unable to pay its debts and perform its obligations as the same become due, or the Sublessee shall be the subject of bankruptcy, insolvency or receivership proceedings under any applicable law; or

(viii) Any default occurs under any agreement for borrowed money with the Purchaser or its affiliates, lease financing or otherwise receiving credit under which the Sublessee is an obligor.

(b) Remedies on Default. The Sublessor shall have the right, at its option, or upon the direction of the Purchaser without any further demand or notice, (1) to terminate this Sublease, or, with the consent of the Sublessee which consent shall not be unreasonably withheld to keep this Sublease in full force and effect, and in either event, to reenter the Leased Premises and eject all parties in possession therefrom, and relet the Leased Premises as the agent and for the account of the Sublessee upon such terms and conditions as the Sublessor may deem advisable, in which event the rents received on such re-letting shall be applied first to the expenses of reletting and collection, including expenses necessary for repair or restoration of the Leased Premises to its original condition (taking into account normal wear and tear), reasonable attorneys' fees and any real estate commissions actually paid, and second to the payment of Base Rental in accordance with this Sublease, and if a sufficient sum shall not be thus realized to pay such sums and other charges, then, if this Sublease shall not have been terminated, the Sublessee shall pay to the Sublessor any net deficiency existing on the date when Base Rental or Additional Rental is due hereunder; or (2) in lieu of the above, so long as the Sublessor does not terminate the Sublessee's right to possession, this Sublease shall continue in effect and the Sublessor shall have the right to enforce all of its rights and remedies under this Sublease, including the right to recover Base Rental payments as they become due under this Sublease pursuant to Section 1951.4 of the California Civil Code. The foregoing remedies of the Sublessor are in addition to and not exclusive of any other remedy of the Sublessor. Any re-entry pursuant to this Section 12 shall be allowed by the Sublessee without hindrance, and the Sublessor shall not be liable in damages for any such re-entry or be guilty of trespass.

(c) In addition to the other remedies set forth above, upon the occurrence of an event of default, the Sublessor is entitled to proceed to protect and enforce the rights vested in the Sublessor by this Sublease or by law. The provisions of this Sublease and the duties of the Sublessee and of its supervisors, officers or employees are enforceable by the Sublessor by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Sublessor shall have the right to bring the following actions:

(i) Accounting. By action or suit in equity to require the Sublessee and its supervisors, officers and employees and its assigns to account as the trustee of an express trust.

(ii) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Sublessor.

(iii) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Sublessor's rights against the Sublessee (and its board, officers and employees) and to compel the Sublessee to perform and carry out its duties and obligations under the law and its covenants and agreements with the Sublessee as provided herein.

(d) The Sublessee acknowledges and agrees that the rights and remedies of this Section 12 have been assigned by the Sublessor to the Purchaser and that all rights and remedies

exercisable by the Sublessor hereunder shall, with the same force and effect, be exercised solely by the Purchaser. In furtherance thereof, the Sublessor hereby irrevocably appoints the Purchaser as the agent and attorney-in-fact of the Sublessor for the purposes of exercising any of the remedies hereunder.

Except as expressly waived herein, each and every remedy of the Sublessor hereunder or at law shall be available to any assignee of the rights of the Sublessor hereunder and is cumulative, and the exercise of one remedy shall not impair the right of the Sublessor or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Sublessor or any assignee of the rights of the Sublessor hereunder, the Sublessor or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law, except as otherwise expressly provided herein.

The Sublessor or any assignee of the rights of the Sublessor hereunder shall not exercise its remedies hereunder so as to cause the portion of Base Rental payments designated as and comprising interest to be included in gross income for Federal income tax purposes or to be subject to State personal income taxes. Notwithstanding any other provision of this Sublease to the contrary, in no event shall the Sublessor or any assignee of the rights of the Sublessor hereunder have the right to accelerate the payment of any Base Rental hereunder.

SECTION 13. WAIVER.

The waiver by the Sublessor of any breach by the Sublessee, and the waiver by the Sublessee of any breach by the Sublessor of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

SECTION 14. DISCLAIMER OF WARRANTIES.

Neither the sublessor nor any person acting on its behalf has made or makes any warranty or representation as to the past, present or future condition of the leased premises not herein expressed, and the sublessee has entered into this sublease without representations or warranties with respect thereto on the part of the sublessor, its agents, representatives or employees.

SECTION 15. SUBSTITUTION AND RELEASE OF LEASED PREMISES AND LEASED COMPONENTS.

This Sublease and the Site Lease may be modified or amended at any time, with the prior written consent of the Purchaser, (which consent shall not be unreasonably withheld, if such amendment is to correct any error in the description of the Leased Premises) or to release from this Sublease and the Site Lease any portion of the Leased Premises (which consent shall be at the Purchaser's sole discretion), or to substitute other unencumbered real property and improvements (the "Substituted Property") for the Leased Premises (which consent shall be at the Purchaser's sole discretion); and provided, however, that the Sublessee shall have filed with the Sublessor and the Purchaser all of the following:

(a) Executed copies of the Sublease and the Site Lease or amendments thereto containing the amended legal description of the Leased Premises;

(b) Evidence that copies of the Sublease, the Site Lease and the Assignment Agreement or amendments thereto containing the amended legal description of the Leased Premises have been duly recorded in the official records of the County Recorder of the County of San Bernardino;

(c) A certificate of the Sublessee Representative that (i) the annual fair rental value of the property which will constitute the Leased Premises after such release or substitution will be at least equal to 100% of the maximum amount of Base Rental payments becoming due in the then current Sublease Year or in any subsequent Sublease Year, (ii) any substitute property has a useful life greater than the term of the Sublease and the Site Lease; (iii) any substitute property is integral for performing the Sublessee's governmental functions, (iv) there is no event that has occurred and is continuing that would give rise to an abatement of Base Rental with respect to the Leased Premises, as constituted, after such release or substitution, and (v) no event of default under this Sublease has occurred and is continuing;

(d) A certificate of the Sublessee Representative setting forth the fair replacement value of the property which will constitute the Leased Premises after such release or substitution and evidencing that such fair replacement value is equal to or greater than the sum of the then unpaid Principal Components of Base Rental Payments as set forth in Exhibit "B" hereto;

(e) In the case of substitution of property for the then existing Leased Premises, a CLTA Owner's policy or policies and a CLTA Leasehold Owner's policy or policies, or a commitment or commitments for such policies or amendments or endorsements to existing policies resulting in title insurance with respect to the Leased Premises after such substitution in an amount at least equal to the amount of such insurance provided with respect to the Leased Premises prior to such substitution. Each such insurance instrument, when issued, shall insure such substituted property subject only to such exceptions as do not substantially interfere with the Sublessee's right to use and occupy such substituted property and as will not result in an abatement of Base Rental payments payable by the Sublessee under this Sublease;

(f) An opinion of counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and by this Sublease; (ii) complies with the terms of the Constitution and laws of the State and of this Sublease; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Sublessor and the Sublessee in accordance with its terms; and (iv) will not cause the Interest Components of the Base Rental Payments to be included in gross income for federal income tax purposes; and

(g) Such other or additional information and documents as the Purchaser may reasonably require to evidence the value of the Leased Premises following such release of substitution including without limitation an insurance valuation or third party appraisal.

(h) The requirements of this Section 15 notwithstanding, the Purchaser will provide its consent to the release of any Leased Component identified as "Courthouse and Annex" in Exhibit A hereto (including any annexes thereto) in the event that the Sublessee will be transferring title to such Leased Components to the State of California or any related entity. The Sublessee will be permitted to substitute property subject to the terms identified herein.

SECTION 16. NOTICES.

All notices, requests, demands and other communications under this Sublease shall be in writing (unless otherwise specified herein) and shall be sufficiently given on the date of service if served personally upon the person to whom notice is to be given or on receipt if sent by telex or other telecommunication facility or courier or, if mailed by first-class mail, postage prepaid, and properly addressed as follows:

To the Sublessee:

San Bernardino County
385 N. Arrowhead Avenue, 4th Floor
San Bernardino, CA 92415-0120
Attention: Gary McBride, Deputy Executive Officer
Phone: (909) 387-4599
Fax: (909) 387-4202

To the Sublessor:

Inland Empire Public Facilities Corporation
c/o County of San Bernardino
385 N. Arrowhead Avenue
San Bernardino, CA 92415-0120
Attention: Assistant Executive Director

To the Purchaser: [to be confirmed]

Eileen Harwell
Vice President
Banc of America Leasing
Global Client Services & Operations
555 California Street, 4th Floor
MAC: CA5-705-04-01
San Francisco, CA 94104

or to such other address or addresses as any such person shall have designated to the others by notice given in accordance with the provisions of this Section 16.

SECTION 17. VALIDITY.

If any one or more of the terms, provisions, promises, covenants or conditions of this Sublease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Sublease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Sublessor or by the Sublessee, or if for any reason it is held by such a court that any of the covenants and agreements of the Sublessee hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full term hereof, then

and in such event for and in consideration of the right of the Sublessee to possess, occupy and use the Leased Premises, which right in such event is hereby granted, this Sublease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Base Rental payments and Additional Rental payments herein specified will be paid by the Sublessee.

SECTION 18. LAW GOVERNING; VENUE.

This Sublease is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this Sublease initiates any legal or equitable action to enforce the terms of this Sublease, to declare the rights of the parties under this Sublease or which relates to this Sublease in any manner, each such party agrees that the place of making and for performance of this Sublease shall be the County of San Bernardino, State of California, and the proper venue for any such action is the Superior Court of the State of California, in and for the County of San Bernardino.

SECTION 19. AMENDMENT.

The Site Lease and the Sublease may be amended in writing by agreement between the Sublessor and the Sublessee, with the consent in writing of the Purchaser. Notwithstanding the foregoing, the Site Lease, the Sublease and the rights and obligations provided thereby may also be modified or amended at any time without the consent of the Purchaser, upon the written agreement of the Sublessor and the Sublessee, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting or supplementing any defective provision contained in the Site Lease or the Sublease, (2) to modify or amend the description of the Leased Premises pursuant to Section 15 of the Sublease or (3) for any other reason, provided that such modification or amendment does not materially adversely affect the interests of the Purchaser; provided however, that the Sublessor and the Sublessee may rely in entering into any such amendment or modification thereof upon the opinion of counsel stating that the requirements of this sentence have been met with respect to such amendment or modification.

SECTION 20. EXCESS PAYMENTS.

Notwithstanding anything contained herein to the contrary, if for any reason, including but not limited to damage, destruction, condemnation, transfer, sale or disposition, the Sublessee or the Purchaser receive payments, proceeds or awards with respect to the Leased Premises in excess of the amount necessary to pay or prepay all of the Outstanding Principal Components of Base Rental Payments, such excess shall represent the Sublessee's equity interest in the Leased Premises and shall all be paid to the Sublessee.

SECTION 21. NO MERGER.

If both the Sublessor's and the Sublessee's estate under this or any other lease relating to the Leased Premises or any portion thereof shall at any time or for any reason become vested in one owner, this Sublease and the estate created hereby shall not be destroyed or terminated by the doctrine of merger unless the Sublessee so elects as evidenced by recording a written declaration so stating, and, unless and until the Sublessee so elects, the Sublessee shall continue to have and enjoy all of its rights and privileges as to the separate estates.

SECTION 22. FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS.

The Sublessee and the Sublessor 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 correcting any inadequate or incorrect description of the Leased Premises leased hereby and by the Site Lease or intended to be so leased or for carrying out the expressed intention of this Sublease.

SECTION 23. EXECUTION IN COUNTERPARTS.

This Sublease may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first above written.

INLAND EMPIRE PUBLIC FACILITIES
CORPORATION, as sublessor

By: _____
Name:
Title:

COUNTY OF SAN BERNARDINO, as sublessee

By: _____
Name:
Title: Deputy Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PREMISES

The land referred to herein below is situated in the County of San Bernardino, State of California, and is described as follows:

WEST VALLEY DETENTION CENTER

Parcel 2 of Parcel Map 6658, in the City of Rancho Cucamonga, County of San Bernardino, State of California, recorded in Book 64, Pages 51 and 52 of Parcel Maps, records of said County, except the following described land:

That portion of Parcel 2 of said Parcel Map 6658, deeded to Chino Basin Municipal Water District, described in that certain deed recorded September 18, 1991, in Document No. 91-414115 of Official Records of said County.

Also excepting Parcel 1 of Parcel Map 7951, recorded in Book 87, pages 11 through 13 of Parcel Maps, records of said County:

Also excepting that portion of Parcel 2 of said Parcel Map 6658 described as following:

Commencing at the intersection of Etiwanda Avenue and Fourth Street as shown on said Parcel Map 6658;

Thence South 89° 49' 24" West, along the centerline of said Fourth Street a distance of 1,507.62 feet;

Thence North 00° 14' 37" East, a distance of 1,260.37 feet to the Point of Beginning;

Thence North 89° 45' 23" West, a distance of 55.56 feet;

Thence South 45° 14' 37" West, a distance of 300.75 feet;

Thence South 44° 45' 23" East, a distance of 120.13 feet;

Thence South 00° 14' 37" West, a distance of 155.66 feet;

Thence North 89° 45' 23" West, a distance of 197.99 feet;

Thence North 00° 14' 37" East; a distance of 136.04 feet to the extension of the center of a corridor that bears South 45° 14' 37" West;

Thence North 45° 14' 37" East along said center of corridor and extension thereof 409.44 feet;

Thence North 44° 45' 23" West, a distance of 133.00 feet;

Thence North 00° 14' 37" East, a distance of 20.00 feet;

Thence North 89° 45' 23" West, a distance of 235.00 feet;

Thence North 00° 14' 37" East, a distance of 246.00 feet;

Thence South 89° 45' 23" East, a distance of 235.00 feet;

Thence North 45° 14' 37" East, a distance of 87.00 feet to the center of a corridor;

Thence North 44° 45' 23" West along the center of said corridor 497.00 feet;

Thence North 45° 14' 37" East, a distance of 125.00 feet;

Thence North 67° 44' 37" East, a distance of 295.00 feet;

Thence South 89° 45' 23" East, a distance of 231.00 feet;

Thence South 67° 15' 23" East, a distance of 227.00 feet;

Thence South 44° 45' 23" East, a distance of 171.00 feet;

Thence South 45° 14' 37" West, a distance of 386.00 feet;

Thence South 44° 45' 23" East, a distance of 111.00 feet;

Thence South 45° 14' 37" West, a distance of 50.00 feet;

WEST VALLEY DETENTION CENTER (CONTINUED)

Thence North 44° 45' 23" West, a distance of 55.00 feet;
Thence North 89° 45' 23" West, a distance of 45.00 feet;
Thence South 45° 14' 37" West, a distance of 80.00 feet;
Thence South 00° 14' 37" West, a distance of 65.00 feet;
Thence South 44° 45' 23" East, a distance of 108.00 feet;
Thence South 45° 14' 37" West, a distance of 109.00 feet;
Thence South 00° 14' 37" West, a distance of 48.00 feet;
Thence South 44° 45' 23" East, a distance of 95.00 feet;
Thence South 89° 45' 23" East, a distance of 41.00 feet;
Thence North 45° 14' 37" East, a distance of 65.00 feet;
Thence South 44° 45' 23" East, a distance of 46.00 feet;
Thence South 45° 14' 37" West, a distance of 135.00 feet;
Thence North 44° 45' 23" West, a distance of 115.00 feet;
Thence North 89° 45' 23" West, a distance of 85.78 feet to the Point of
Beginning.

Courthouse and Annex

Lots 1 through 8, inclusive, of Block 18, of the City of San Bernardino, in the City of San Bernardino, County of San Bernardino, State of California, as per Map on file in Book 7, Page 1, of Maps, in the Office of the County Recorder of said County.

Together with the South 1/2 of Fourth Street, 82.50 feet wide, lying between East line of Arrowhead Avenue and the West line of Mt. View Avenue, and the West 1/2 of Mt. View Avenue, 82.50 feet wide, lying between the North line of Third Street and the center line of Fourth Street as vacated by the City of San Bernardino by Resolution No. 82-118, recorded May 12, 1982, as Instrument No. 82-093401, of Official Records.

Excepting therefrom that portion lying Northerly of the following described line:

Commencing at the intersection of Fourth Street and Arrowhead Avenue;
Thence South 89° 57' 32" East along the centerline of vacated Fourth Street, 41.25 feet to the Easterly right-of-way of said Arrowhead Avenue, said point being the point of beginning;
Thence South 0° 01' 54" West along said right-of-way 62.00 feet;
Thence South 89° 57' 32" East parallel to said vacated Fourth Street 169.00 feet;
Thence South 0° 01' 54" West 100.00 feet;
Thence South 89° 57' 32" East, 197.00 feet;
Thence North 0° 01' 54" East 140.00 feet;
Thence South 89° 57' 32" East 275.51 feet to the centerline of said vacated Mountain View Avenue.
Said point being the Point of Terminus.

Also excepting that portion lying Northerly of the following described line:

Commencing at the intersection of vacated Fourth Street and vacated Mountain View Avenue;
Thence South 0° 03' 08" West along the centerline of said vacated Mountain View Avenue 185.70 feet to the point of beginning;
Thence South 90° 00' 00" West 186.00 feet;
Thence South 0° 03' 08" West 321.00 feet;
Thence North 90° 00' 00" East 40.00 feet;
Thence South 0° 03' 08" West 130.00 feet to the Northerly right-of-way of Third Street, said street being 82.50 feet wide.
Said point being the Point of Terminus.

EXHIBIT B
BASE RENTAL

<u><i>Payment Date</i></u>	<u><i>Total</i></u>	<u><i>Principal Component</i></u>	<u><i>Interest Component</i></u>	<u><i>Total Base Rental for Fiscal Year Ended June 30</i></u>
11/01/2012				
05/01/2013				
11/01/2013				
05/01/2014				
11/01/2014				
05/01/2015				
11/01/2015				
05/01/2016				
11/01/2016				
05/01/2017				
11/01/2017				
05/01/2018				
11/01/2018				
Totals				

ACKNOWLEDGMENT

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

On _____, 2012 before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

ACKNOWLEDGMENT

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

On _____, 2012 before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC