

Attachment A

COUNTY OF SANTA BARBARA
LAGUNA COUNTY SANITATION DISTRICT

ASSESSMENT ENGINEER'S REPORT

ON LEVY OF ANNUAL ASSESSMENTS ASSOCIATED WITH
BLACK ROAD SEWER LIFT STATION SERVING THE
NORTHERN BRANCH COUNTY JAIL AND TO SUPPORT
FORMATION OF IMPROVEMENT ZONE NO. 2

Prepared by:

County of Santa Barbara
Public Works Department
Laguna County Sanitation District
620 West Foster Road
Santa Maria, CA 93455
(805) 739-8750

July 2018

Section 1 – Introduction

The Laguna County Sanitation District (District) was formed December 29, 1958, by the Santa Barbara County Board of Supervisors pursuant to the County Sanitation District Act codified in Health and Safety Code Section 4700 *et seq.*, and is authorized to exercise powers described therein. Said powers include the acquisition, construction, and completion within or without the District sewage collection, treatment and disposal works, including sewage treatment plants, outfalls, intercepting, collecting and lateral sewers, pipes, pumps, machinery, easements, rights-of-way, and other works, property or structures necessary or convenient for sewage collection, treatment, and disposal.

The Northern Branch Jail project (Jail) requires sanitary sewer services and is located within the service territory of the District. Topography of the land between the Jail site and the existing sewer system requires the use of a sewage lift station to convey wastewater under pressure to a point where it can flow by gravity. While the County may elect to own and operate the lift station itself (private), the complexity of the pressurized system prompted the County to request the District own and operate the system. Consistent with District development standards and policy (Section 8.01 of *Laguna County Sanitation District Standard Specifications for the Construction of Sanitary Sewers* last adopted September 16, 2014), large or multiple user lift station facilities may be accepted by the District provided the developer agree to the creation of an improvement zone to fund the operation and maintenance of those facilities. Accordingly, the District is proposing to create Improvement Zone No. 2 (Zone No. 2) to cover the costs associated with operating the Jail site wastewater conveyance system. In total, facilities to be included in the new improvement zone for the benefit of the Jail consist of screening, lift station, generator, and force main equipment. The facility is sized to serve the Jail project only and the proposed benefit assessment is solely for the costs related to these facilities. Any future development adjacent to the Jail that may benefit from the Jail lift station would be conditioned to augment or further improve the system as well as participate in ongoing operational costs. Creation of an improvement zone is pursuant to Health and Safety Code Section 4850 *et seq.* and assessments to pay the annual costs will be charged to the benefitting parcels located in the zone.

Section 2 – Improvement Zone No. 2 Creation Proceedings

This new Zone is authorized and administered under applicable provisions of Article XIID of the California Constitution as implemented by Proposition 218, hereinafter referred to “Assessment Law” and this Assessment Engineer’s Report has been prepared in compliance these provisions.

The purpose of the proposed proceedings and this report is to create the District’s budget and assessments for beneficiaries of the public sewer collection infrastructure associated the Northern Branch Jail project in Zone No. 2. At this time only the Jail project will benefit from the use of this system as opposed to the District’s customer base at large. In the event new customers connect to or add on to this system, the assessment will be reapportioned to those beneficiaries as well pursuant to an annexation to this improvement zone.

A public hearing will be scheduled where public testimony will be heard by the Santa Barbara County Board of Supervisors acting as the ex-officio Board of Directors of the Laguna County Sanitation District. At the hearing, the Board may consider adoption of a resolution ordering the formation of Improvement Zone No. 2 and levying of the proposed assessments.

Section 3 – Description of Improvements and Costs

The facilities to be constructed by the Jail project and dedicated to the Laguna County Sanitation District consist of the following:

Wet well structure – This is a cast in place concrete channel 2.5' in width and 14' deep housing the screen, followed by a precast 10' diameter x 28' deep well housing the pumps, followed by a 6' wide x 10' long x 4' deep valve box. The useful life for this facility is estimated at 40 years. The installed bid price was \$ 720,500.

Step screen – A screen was included to the wastewater transfer facilities to prevent inappropriate materials such as clothing, sheets, rags, paper, etc. from making their way to the wet well pumps. The screen is proprietary and is used in the channel mentioned above. The unit comes with its associated control and electrical panels and equipment. The screening equipment has a useful life of 15 years. The installed bid price was \$308,200.

Lift station pumps – There are two lift station 20 HP pumps (lead/lag operation) to move wastewater into the 6" force main. The pumps come with their associated control and electrical panels and equipment. The pumps have a useful life of 15 years. The installed bid price was \$73,300.

Backup generator – A 30 kW diesel generator with 49 HP engine will provide backup power in the event of a power outage. It will come complete with an alarm, automatic switchgear and its associated control and electrical panels and equipment. The generator has a useful life of 20 years. The installed bid price was \$225,000.

Annual operational and maintenance costs related to power, fuel, labor and administration is estimated to be \$37,000.

See Attachment A for the cost breakdown.

Other facilities such as force main and gravity main sewer lines, as well as recycled water lines to be constructed by the Jail project are located in the public road right of way and will be dedicated to the District upon startup testing by the County and acceptance of construction by the District. These facilities are considered to benefit the District at large and will be depreciated and expensed to the overall District facilities.

Section 4 – Determination of Total Annual Improvement Zone Special Assessment

Using straight line depreciation with no salvage value, the annual total costs are determined to be:

| | |
|--------------------|------------|
| Wet well structure | = \$18,013 |
| Step screen | = \$20,547 |
| Lift station pumps | = \$4,887 |
| Backup generator | = \$11,250 |
| O & M Costs | = \$37,000 |
| Total annual cost | = \$91,697 |

Section 5 – Assessment Diagram

The Improvement Zone No. 2 assessment boundary is the same as the land area annexed to the Laguna County Sanitation District pursuant to Santa Barbara Local Agency Formation Commission Resolution 14-3, recorded as instrument 2014-0049872 in the Official Records of the County of Santa Barbara, and included in Attachment B.

The land was acquired by the County for the Northern Branch Jail site by the Final Order of Condemnation recorded as instrument 2011-0040594 (Attachment C) and the Corrected Final Order of Condemnation recorded as instrument 2012-0073069 (Attachment D) in the Official Records of the County of Santa Barbara.

However, the parcel was further divided into six lease or tax parcels pursuant to an agreement with the California Department of Corrections and Rehabilitation, recorded as instrument 2015-0044634 (Attachment E), which resulted in Assessor's Map Book 113, Page 21 - LD/16 (Attachment F). A summary showing the land uses of the six parcels is shown below. APN 113-210-022 is the parcel in which the Jail is located, is the only benefitting parcel, and will therefore, be the only assessed parcel in Zone No. 2.

| APN | Owner | Land Use |
|-------------|-------------------------|---------------------------------------------------------------------------------------------------|
| 113-210-022 | County of Santa Barbara | Northern Branch Jail per Ground Lease to California Department of Corrections and Rehabilitation. |
| 113-210-023 | County of Santa Barbara | None. |
| 113-210-024 | County of Santa Barbara | None. |
| 113-210-025 | County of Santa Barbara | None. |
| 113-210-026 | County of Santa Barbara | None. |
| 113-210-027 | County of Santa Barbara | Portion for Laguna County Sanitation District lift station site. |

Section 6 – Apportionment Background

Section 4856 of the Health and Safety Code prescribes that each year the District must provide a written statement describing the amount of revenue necessary to maintain and operate any work or improvements within the zone. Health and Safety Code Section 4857 further requires that the District fix a levy for a special assessment each year upon the real property in the zone, sufficient to pay such expenses or portion thereof which must be paid by the zone.

In addition, Article XIID of the California Constitution requires that a parcel's assessment may not exceed the reasonable cost of the proportional benefit conferred on that parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large. The only benefitting parcel in the zone is APN 113-210-022, and therefore, will be the only parcel assessed. The other parcels are not developed with jail facilities that would use the wastewater conveyance facilities. This parcel will be receiving a special benefit from the use of the new sewer lift station, and based on the location of the station, there is no general benefit from these improvements to the District's other customers or to the general public.

The sewer lift station improvements are being constructed as a condition of development. Upon testing and startup, these facilities will be accepted by the District.

Section 7 – Individual Assessments

The total amount to be assessed to all benefitting parcels is \$91,697 as determined in Section 4 above. The O & M costs shall be adjusted by the annual average Consumer Price Index as published by the United States Bureau of Labor Statistics, Los Angeles-Long Beach-Anaheim, all urban consumers, not seasonally adjusted, Series ID CUURS49ASA0, except negative means no change.

At this time there is only one benefitting parcel in Improvement Zone No. 2, APN 113-210-022. Therefore, this amount will be billed to this parcel with future year assessments adjusted as described above.

New benefitting parcels may propose annexation to Improvement Zone No. 2 to receive benefit from the lift station system. Physical connection to the lift station system will require engineering and payment for capital improvement costs as may be necessary to ensure the system can accommodate their wastewater conveyance needs. The individual zone assessment charged to each parcel would then be determined for each benefitting parcel based on the degree of benefit by each customer. Because the sewer system is flow dependent only, a flow parameter such as the number of drainage fixture units, metered or estimated flow, or combination of these would be used to prorate the total zone assessment cost to each parcel or customer.

Base cost amounts for capital improvements and O & M costs would be amended to reflect new depreciation schedules and operating costs and distributed by benefit.

Section 8- Attachments

The following documents are attached to this report and incorporated herein by reference:

- Attachment A: Annual Operation, Maintenance, Repair and Depreciation Costs
- Attachment B: Annexation Documentation-
 - o State Board of Equalization Letter
 - o Santa Barbara LAFCo Certificate of Completion and Resolution 14-3
 - o Final Map/Legal Description
- Attachment C: Final Order of Condemnation 2011-0040594
- Attachment D: Corrected Final Order of Condemnation 2012-0073069
- Attachment E: Ground Lease- County of Santa Barbara and Department of Correctors and Rehabilitation 2015-0041634
- Attachment F: Assessor's Map Book 113, Page 21 - LD/16

Section 9 - Certificates

This report has been prepared by the following:

Martin Wilder, California Civil Engineer License 47981
Utilities Manager, Laguna County Sanitation District

seal

ANNUAL OPERATION, MAINTENANCE, REPAIR AND DEPRECIATION COSTS:

| Depreciated Item | Description | Value | Life | Annual Cost |
|------------------|---------------------------------------------|---------------|------|-------------|
| Generator | Generator lump sum | \$225,000 | 20 | \$11,250 |
| Screen | Screen lump sum | \$308,200 | 15 | \$20,547 |
| Lift Station | Pumps | \$48,600 | | |
| | Pumps and piping intsal | \$24,700 | | |
| | Total | \$73,300 | 15 | \$4,887 |
| Wet Well | Romtec wet well | \$ 177,100.00 | | |
| | Rebar | \$ 15,000.00 | | |
| | Pipe and fittings | \$ 225,000.00 | | |
| | Excavation | \$ 22,500.00 | | |
| | Shoring | \$ 17,500.00 | | |
| | Prep subgrade | \$ 4,250.00 | | |
| | Install precast wetwell | \$ 15,300.00 | | |
| | Backfill and remove shoring | \$ 18,900.00 | | |
| | Install remaining portion of wet well | \$ 15,300.00 | | |
| | Prep subgrade | \$ 7,500.00 | | |
| | Form structure base/rebar install | \$ 13,500.00 | | |
| | Pour structure base | \$ 6,500.00 | | |
| | Set forms for walls | \$ 14,500.00 | | |
| | Rebar install/complete wall form install | \$ 19,500.00 | | |
| | Pour structure walls | \$ 8,500.00 | | |
| | Form top of structure/rebar install | \$ 6,500.00 | | |
| | Pour top of structure | \$ 7,500.00 | | |
| | Backfilland remove shoring to site subgrade | \$ 15,600.00 | | |
| | Underground conduit install | \$ 15,000.00 | | |
| | Shade structure install | \$ 21,800.00 | | |
| | Control panel install | \$ 3,500.00 | | |
| | Install bar screen and washer compactor | \$ 11,600.00 | | |
| | Aboveground conduit install | \$ 4,750.00 | | |
| | Wiring and final connections | \$ 2,500.00 | | |
| | Vault and piping install | \$ 14,800.00 | | |
| | Generator pad/bollards | \$ 16,500.00 | | |
| | Fence and gate | \$ 7,200.00 | | |
| | Class II base install | \$ 12,400.00 | | |
| | Total | \$ 720,500.00 | 40 | \$ 18,013 |

Labor Based on 1 hour twice per week plus pressure wash once per week = 3 x 52 = 156 hours per year
 WWPO III at E step loaded rate = \$64 per hour = \$10,000 per year

Electricity costs Screen
 Screen motor 3 HP at 4.45 amp and 480 volt. $4.45 \times 480 \times 0.00173 = 3.7$ kVA
 Screen press motor 3 HP at 4.4 amp and 480 volt. $4.4 \times 480 \times 0.00173 = 3.7$ kVA
 Control panel 4 amp and 120 volt. $4 \times 120 \times 0.00173 = 0.8$ kVA
 Total apparent power = 8.2 kVA
 8.2 kVA x 0.85 power factor = 7 kWh
 Annual electrical power cost = 7 x 8,760 hours per year X \$0.21 per kWh = \$13,000 per year

Pumps
 Pump design flow 281 gpm and 20 HP, assume 4 hours per day
 20 HP x 0.7457 kWh per HP = 15 kWh
 6 hours per day x 365 days x 15 kWh x \$0.21 per kWh = \$7,000 per year

Spare parts 2% of screen cost (\$308,200) and pumps (\$48,600) = \$7,000 per year

TOTAL ANNUAL OPERATIONS, MAINTENANCE, REPAIR AND DEPRECIATION COSTS = \$91,697



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
 PROPERTY AND SPECIAL TAXES DEPARTMENT
 TAX AREA SERVICES SECTION, MIC: 59
 PO BOX 942879, SACRAMENTO CALIFORNIA, 94279-0059
 916 274-3250 - FAX 916 285-0130
<http://www.boe.ca.gov/>
 TASS@boe.ca.gov

BETTY T. YEE
 First District, San Francisco

SEN. GEORGE RUNNER (Ret.)
 Second District, Lancaster

MICHELLE STEEL
 Third District, Orange County

JEROME HORTON
 Fourth District, Los Angeles

JOHN CHAING
 Controller, Sacramento

CYNTHIA BRIDGES
 Executive Director

Paul Hood, Executive Officer
 Santa Barbara Local Agency Formation Commission
 105 East Anapamu Street Room 407
 Santa Barbara, CA 93101

This is to acknowledge receipt of the statement(s) required by Section 54900, et seq., of the Government Code for the action described below. Copies of your documents will be forwarded by us to other agencies. You are required by Section 54902 of the Government Code to file a complete set of documents, except for the processing fee, with the County Assessor and Auditor affected by this action.

Tax rate area boundaries and property tax allocations will become effective for the assesment roll indicated below.

Assessment Roll: **2016/17**

County: **42 Santa Barbara**

District: **61 [0146] SANITATION - LAGUNA COUNTY**

Conducting Authority: **LAFCO**

Short Title: **NORTH COUNTY JAIL SITE ANNEXATION TO THE LAGUNA COUNTY SANITATION DISTRI**

Type of Action: **01 District - Annexation**

Resolution/Ord. No.:

LAFCo No.: **14-3**

Effective Date: **09/04/2014**

Fee: **\$1,200.00**

Acreage: **50**

City Boundary Change

Estimated Population: **0**

Total assessed value of all property in subject territory: **0**

BOE File No.: **2016-004**
 Received at BOE: **01/06/2015**
 Date of Acknowledgement: **01/21/2015**
 Distribution: **4**

Ric Schwarting

Ric Schwarting
 Research Manager (GIS)
 State-Assessed Properties Division
 Tax Area Services Section

cc: County Assessor, County Auditor



2014-0049872

| | | |
|-----------------------|-------------|------|
| Recorded | REC FEE | 0.00 |
| Official Records | | |
| County of | | |
| Santa Barbara | | |
| Joseph E. Holland | | |
| County Clerk Recorder | | |
| | AB | |
| 08:51AM 30-Oct-2014 | Page 1 of 7 | |

Recording Requested By:

LAFCO

Santa Barbara Local Agency Formation Commission

Return to:

LAFCO

105 East Anapamu Street
Santa Barbara CA 93101
805/568-3391 FAX 805/647-2249

No Fee Per Government Code § 6103

FR.
7

CERTIFICATE OF COMPLETION

As Executive Officer of the Santa Barbara Local Agency Formation Commission, I hereby certify that the attached documents are complete and in accordance with the boundaries, modifications and conditions specified by the Commission in its Resolution No. 14-3 approving this action.

- The short-form designation of the proceeding is:
LAFCO 14-3 – North County Jail Site Annexation to the Laguna County Sanitation District
- The entire affected agency or agencies are located in Santa Barbara County.
- The territory is uninhabited, all landowners have given written consent, all affected agencies that will gain territory as a result of the change of organization have consented and the conducting authority proceedings have been waived.
- The Local Agency Formation Commission’s resolution of approval which was adopted on September 4, 2014 is made a part of this certificate by reference and sets forth the description of the boundaries of the proposal and any terms and conditions that apply.

PAUL HOOD
Executive Officer

Paul Hood

Date: 10/6/14

LAFCO 14-3

RESOLUTION OF THE SANTA BARBARA LOCAL AGENCY FORMATION
COMMISSION MAKING DETERMINATIONS AND APPROVING THE NORTH COUNTY
JAIL ANNEXATION TO THE LAGUNA COUNTY SANITATION DISTRICT

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Santa Barbara Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, existing Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interests of the affected area and the total organization of local governmental agencies within Santa Barbara County.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Local Agency Formation Commission of Santa Barbara County as follows:

- a. The subject proposal is assigned the following distinctive short-form designation:
NORTH COUNTY JAIL ANNEXATION TO THE LAGUNA COUNTY
SANITATION DISTRICT
- b. Certify that your Commission has reviewed and considered the information as contained in the Final New County Jail Subsequent Environmental Impact Report, State Clearing House Number 2007111099, dated February 27, 2008, prepared by lead agency County of Santa Barbara, including the December 6, 2011 Addendum for the project.

- c. Amend the Sphere of Influence for the Laguna County Sanitation District to include the North County Jail Site.
- d. Approve the proposal, known as the North County Jail Site Annexation to the Laguna Sanitation District, subject to certain terms and conditions, including that the territory shall be liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the District
- e. Find the subject territory is uninhabited, all affected landowners have given written consent and the annexing agency has given written consent to the waiver of conducting authority proceedings.
- f. Waive the conducting authority proceedings and direct the staff to complete the proceedings.

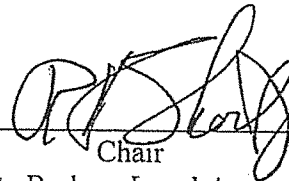
This resolution was adopted on September 4, 2014 and is effective on the date signed by the Chair.

AYES: Commissioner Farr, Fox, Moorhouse, Orach, Richardson, Wolf, and Short

NOES:

ABSTAINS:

Dated: 09/09/2014



Chair

Santa Barbara Local Agency
Formation Commission

ATTEST



Jacquelyne Alexander, Clerk

Santa Barbara Local Agency Formation Commission

Exhibit A

(14LF03)

Santa Barbara County North County Jail Annexation
to the
Laguna County Sanitation District

Being a portion of Subdivision No. 5 as allotted to Isaac Goldtree in the Final Decree of Partition of the Rancho Punta de la Laguna, a copy of which recorded December 7, 1880 in Book W of Deeds, Page 333, in the office the County Recorder, County of Santa Barbara, State of California, and a portion of the County Road (now Black Road) and Second Street (now Betteravia Road) as depicted on the Map of Paderewski Subdivision No. 1, according to the map thereof recorded in Map Book 15, Page 27, in the office of said County Recorder, more particularly described as follows:

Beginning at the Northwest corner of the lands described in the Formation of the Laguna County Sanitation District dated December 29, 1958, as Santa Barbara County Board of Supervisors Resolution No. 18598, on file in the office of the Clerk of the Board of the Santa Barbara County Board of Supervisors, said point being the intersection of the westerly line of said County Road (now Black Road) with the westerly prolongation of the northerly line of Lot 61 of said Map of Paderewski Subdivision No. 1; thence,


- 1) S00°41'25"W, along said westerly line and said District Formation Boundary, 473.66 feet to a point in the southerly line of the land described in the Order of Condemnation recorded October 30, 2012 as Instrument No. 2012-0040594 Official Records, records of said County and State; thence,
- 2) N89°18'35"W, leaving said District Formation Boundary line and along said southerly line, 1,597.61 feet to the Southwest corner of the land described in said Condemnation; thence,
- 3) N00°13'32"E, along the westerly line of the land described in said Condemnation and its northerly prolongation, 1,304.20 feet to a point in the centerline of Betteravia Road (formerly 2nd Street); thence,
- 4) N86°54'11E, 1,671.85 feet along said centerline to an intersection with the northerly prolongation of the easterly line of Black Road (formerly County Road), said easterly line also being the westerly line of the lands described in the Muscara Annexation, Tract No. 10,036 to the Laguna Sanitary District dated July 20, 1959, Santa Barbara County Board of Supervisors Resolution No. 19311, on file in the office of the Clerk of the Board of the Santa Barbara County Board of Supervisors; thence,
- 5) S00°41'25"W, along said northerly prolongation and along the easterly line of said Black Road (formerly County Road) to the Southwest corner of the land described in said Muscara Annexation to the Laguna Sanitary District, said corner also being a point in the northerly line of said District Formation Boundary; thence,
- 6) N89°18'35"W, along said northerly line of said District Formation Boundary, 60.00 feet to the Point of Beginning.

Containing 51.25 acres more or less

End of Description


A sketch entitled Exhibit B depicting the above description is attached hereto and by reference incorporated herein.

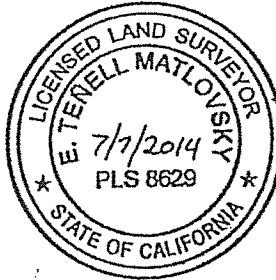
This description was prepared by me or under my direction in conformance with the requirements of the Professional Land Surveyor's Act this 12th day of June, 2014.


6.12.14
Jon McKellar
PLS 7578



APPROVED AS TO FORM
AND SURVEY CONTENT


Deputy:
COUNTY SURVEYOR
LICENSE EXP. 12/31/15





113-150-021

Variable Width

117-310-010

Betteravia Road

N86°54'11"E 1671.85'

④

60'

Black Road

Muscara Annexation,
Tract No. 10,036
SBCO Res. 19311
(7/20/1959)

S00°41'25"W 940.92'

⑤

APN 113-210-021
61.25 acres more or less

⑥ N89°18'35"W 60.00'

Point of Beginning

113-210-018

N00°13'32"E 1304.20'

③

② N89°18'35"W 1597.61'

GRAPHIC SCALE

113-150-020

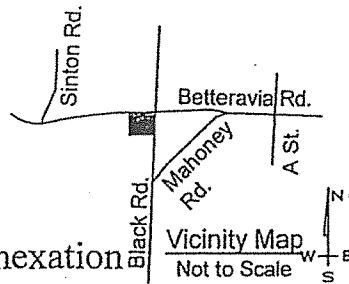


(IN FEET)
1 inch = 300 ft.

Laguna County Sanitary
District Formation
SBCO Res. 18598
(12/29/1958)

S00°41'25"W 473.66'

①



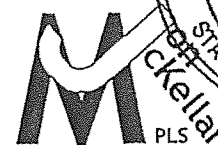
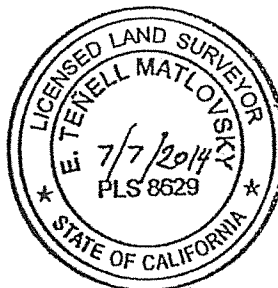
Easterly line
Subdivision No. 5
& centerline Black
Road per 87 RS 96

Exhibit B
(14LF03)

Santa Barbara County North County Jail Annexation
to the Laguna County Sanitation District

APPROVED AS TO FORM
AND SURVEY CONTENT

E. Tenell Matlovsky
Deputy
COUNTY SURVEYOR
LICENSE EXP. 12/31/2015



A Professional Land Surveying & Consulting Company
2605 South Miller Street, Suite 107
Santa Maria, CA 93455
805-680-1895 bus.
805-928-9713 fax
jon@jonmckellar.com
http://www.jonmckellar.com

ATTACHMENT C



2011-0040594

| | | |
|-----------------------|---------|------|
| Recorded | REC FEE | 0.00 |
| Official Records | | |
| County of | | |
| Santa Barbara | | |
| Joseph E. Holland | | |
| County Clerk Recorder | | |

08:02AM 18-Jul-2011 | KH Page 1 of 8

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

NAME Oliver, Sandifer & Murphy

MAILING 281 S. Figueroa Street
Second Floor

CITY, STATE Los Angeles, CA 90012
ZIP CODE

8
FR

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

FINAL ORDER OF CONDEMNATION

1 DUFF MURPHY, State Bar No. 106091
2 JENNIFER PANCAKE, State Bar No. 138621
3 OLIVER, SANDIFER & MURPHY
4 281 S. Figueroa Street, 2nd Floor
5 Los Angeles, California 90012-2501
6 Telephone: (213) 621-2000
7 Facsimile: (213) 621-2211
8 Attorneys for Plaintiff

FILED
SUPERIOR COURT of CALIFORNIA
COUNTY of SANTA BARBARA
JUL - 8 2011
GARY M. BLAIR, Executive Officer
BY B. Meza DM
B. MEZA, Deputy Clerk

DE
F _____
NDX _____
V _____
CA _____
FIN _____
J _____
PTY _____
ATT _____
COD _____
ST _____

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SANTA BARBARA

11 COUNTY OF SANTA BARBARA,
12 Plaintiff,
13 vs.
14 AGLAND PROPERTIES, INC., a California
15 corporation; THE EQUITABLE LIFE
16 ASSURANCE SOCIETY OF THE UNITED
17 STATES; STATE OF CALIFORNIA,
18 FRANCHISE TAX BOARD; UNITED
19 STATES OF AMERICA, INTERNAL
20 REVENUE SERVICE; PACIFIC GAS &
21 ELECTRIC COMPANY; SANTA MARIA
22 VALLEY RAILROAD COMPANY, a
23 California corporation; SOUTHERN
24 COUNTIES GAS COMPANY OF
25 CALIFORNIA; HRUBERTZ OIL
26 COMPANY, a Texas corporation; P.
27 GIACOMINI; SCARBOROUGH FARMS,
28 INC.; EMILIO SUTTI; IRENE SUTTI;
EDWARD SUTTI; DOE ONE THROUGH
DOE ONE HUNDRED, Inclusive, and ALL
PERSONS UNKNOWN CLAIMING ANY
TITLE OR INTEREST IN OR TO THE
PROPERTY,
Defendants.

NO. 1269496
FINAL ORDER OF CONDEMNATION

(Parcel Nos. 113-210-004 and 113-210-013)

[Exempt from filing fees – Government Code
6103]

Judge Timothy J. Staffel
Department 1

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
281 S. FIGUEROA STREET, 2ND FLOOR
LOS ANGELES, CA 90012-2501
TELEPHONE: (213) 621-2000
FACSIMILE: (213) 621-2211

1 Judgment having been entered in the above-entitled action and recorded on June 21, 2011,
2 as Instrument No. 2011-0035650 in the Office of the County Recorder of Santa Barbara County,
3 and it appearing that plaintiff County of Santa Barbara, under that Judgment, has paid to defendant
4 just compensation in accordance with the Judgment on file in this action;

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

6 The following described real property is condemned for a public use and improvement
7 described in the complaint herein, namely, for a site for the new Santa Barbara County Jail
8 Northern Branch facility, plaintiff to take title to said property, together with any and all
9 improvements thereon, free and clear of any and all liens, encumbrances, easements, leaseholds,
10 current and delinquent taxes and assessments of whatever kind or nature, and without further
11 notice to said defendant herein.

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PARCEL 113-210-004 and 113-210-013

Being a portion of Subdivision No. 5 as allotted to Isaac Goldtree in the Final Decree of Partition of the Rancho Punta de la Laguna, a copy of which recorded December 7, 1880 in Book W of Deeds, Page 333, in the office of the County Recorder, County of Santa Barbara, State of California, more particularly described as follows:

Beginning at a point in the Easterly line of said Subdivision No. 5, said point being the centerline intersection of Black Road and Betteravia Road as shown on the Record of Survey filed in Book 87 of Records of Survey, Page 96, as a set nail and tag marked LS 3485; thence

First S00°41'25"W, along said centerline and said easterly line, 1412.60 feet to a point; thence;

Second N89°18'35"W departing said centerline and said Easterly line, 1627.61 feet to a point of intersection with the southerly prolongation of the easterly line of an existing dirt farm road, as said road exists today; thence,

Third N00°13'32"E along said prolongation, said easterly line of said existing dirt farm road, and its northerly prolongation, 1279.16 feet to a point of intersection with the southerly line of said Betteravia Road, said road is described in the Deed to the County of Santa Barbara recorded August 27, 1947 as Instrument No. 11628 in Book 738 of Official Records, Page 413, in the office of said County Recorder; thence,

Fourth N86°54'11"E along the southerly line of said Betteravia Road as described in said deed, 1611.51 feet to a point of intersection with the westerly line of said Black Road, 60.00 feet wide, said westerly line being 30.00 feet westerly of said centerline of Black Road and 30.00 feet westerly of said Easterly line of said Subdivision No. 5, said point being depicted on said Record of Survey; thence,

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A PROFESSIONAL CORPORATION
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LOS ANGELES, CA 90012-2501
TELEPHONE: (213) 621-2000
FACSIMILE: (213) 621-2211

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A PROFESSIONAL CORPORATION
281 S. FIGUEROA STREET, 2ND FLOOR
LOS ANGELES, CA 90012-2501
TELEPHONE: (213) 621-2000
FACSIMILE: (213) 621-2211

1 Fifth N00°41'25"E along said westerly line, said line being 30.00 feet
2 westerly of and parallel with said Easterly line of Subdivision No.
3 5 and said centerline of said Black Road, 25.05 feet to Station
4 138+76.24, the point of beginning for the land described in said
5 deed to the County of Santa Barbara for said Betteravia Road;
6 thence,
7 Sixth along the control line described in said deed to the County of Santa
8 Barbara for said Betteravia Road, N86°54'11"E, 30.07 feet to the
9 point of beginning.
10 Containing 50.00 acres more or less

11
12 DATED: 7/18/11

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16 JUDGE OF THE SUPERIOR COURT
TIMOTHY J. STAFFEL
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OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
281 S. FIGUEROA STREET, SECOND FLOOR
LOS ANGELES, CA 90012-2501
TELEPHONE: (213) 621-2000
TELECOPIER: (213) 621-2211

1 PROOF OF SERVICE

2 I am a resident of the State of California, over the age of eighteen years, and not a
3 party to the within action. My business address is 281 S. Figueroa Street, Second Floor, Los
4 Angeles, California 90012-2501. On July 1, 2011, I served the within documents:

4 **FINAL ORDER OF CONDEMNATION**

5

BY FACSIMILE: By transmitting via facsimile the document(s) listed above
6 to the fax number(s) set forth below on this date before 5:00 p.m.

7

BY MAIL: By placing the document(s) listed above in a sealed envelope with
8 postage thereon fully prepaid, in the United States mail at Los Angeles,
California addressed as set forth below.

9

OVERNIGHT DELIVERY: By overnight delivery, I placed such document(s)
10 listed above in a sealed envelope, for deposit in the designated box or other
11 facility regularly maintained by United Postal Service for overnight delivery,
caused such envelope to be delivered to the office of the addressee via overnight
12 delivery pursuant to C.C.P. §1013(c), with delivery fees fully prepaid or
provided for.

13

PERSONAL SERVICE: By personally delivering the document(s) listed
14 above to the person(s) at the address(es) set forth below.

14 **SEE ATTACHED LIST**

15 I am readily familiar with the firm's practice of collection and processing
16 correspondence for mailing. Under that practice it would be deposited with the U.S. Postal
17 Service on that same day with postage thereon fully prepaid in the ordinary course of business. I
am aware that on motion of the party served, service is presumed invalid if postal cancellation
18 date or postage meter date is more than one day after date of deposit for mailing in affidavit.

18 I declare under penalty of perjury under the laws of the State of California that the
19 above is true and correct.

20 Executed on July 1, 2011, at Los Angeles, California.

21 Stephanie L. Garcia
22 Stephanie L. Garcia

1 PROOF OF SERVICE

2 COUNTY OF SANTA BARBARA v. AGLAND PROPERTIES, INC.

3 CASE NO. 1269496

4
5 Richard P. Weldon, Esquire
6 Weldon & DeGasparis
7 301 E. Main Street
8 P.O. Box 366
9 Santa Maria, California 93454
10 (Attorneys for Defendant Agland Properties, Inc.)

11
12 Dennis G. Mesina, Esquire
13 Law Offices of Dennis G. Mesina
14 433 California Street, Suite 810
15 San Francisco, California 94104
16 (Attorneys for Defendant PG&E)

17
18 Bonnie Holcomb, Deputy Attorney General
19 300 S. Spring Street, #1702
20 Los Angeles, California 90013
21 (Attorneys for Defendant State of California, Franchise Tax Board)

22
23 Joseph P. Wilson, Assistant United States Attorney
24 Federal Building, Room 7211
25 300 N. Los Angeles Street
26 Los Angeles, California 90012
27 (Attorneys for United States of America, Internal Revenue Service)

28
29 Mark Houle, Esquire
30 Pillsbury Winthrop Shaw Pittman LLP
31 650 Town Center Drive, 7th Floor
32 Costa Mesa, California 92626
33 (Attorneys for Defendant AXA Equitable Life Insurance Company,
34 formerly known as and successor in interest to The Equitable
35 Life Assurance Society of the United States)

36
37 Hrubertz Oil Company
38 5956 Sherry Lane, Suite 534
39 Dallas, Texas 75225

40
41 Scarborough Farms, Inc.
42 11153 Encino Drive
43 Oakview, California 93022

44
45 Southern California Gas Company as successor in interest
46 to Southern Counties Gas Company of California, Doe One
47 101 Ash Street
48 San Diego, California 92101

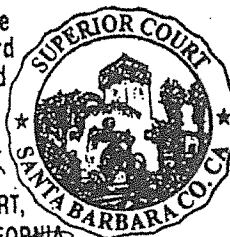
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LOS ANGELES, CA. 90012-2501
TELEPHONE: (213) 621-2000
TELECOPIER: (213) 621-2211

1 Coast Belle Rail Corp. As successor in interest to
2 Santa Maria Valley Railroad Company, Doe Two
3 628 S. McClelland Street
4 Santa Maria, California 93454

5 Transamerica Financial Life Insurance Co., Doe 3
6 c/o CT Corporation
7 818 S. Seventh Street, 2nd Floor
8 Los Angeles, California 90017
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LOS ANGELES, CA 90012-2501
TELEPHONE: (213) 621-2000
TELECOPIER: (213) 621-2211

20 This is a true certified copy of the
21 original document on file or of record
22 in my office. It bears the seal and
23 signature, imprinted in purple ink,
24 of the Clerk of the
25 Superior Court.



26 CLERK OF THE SUPERIOR COURT,
27 SANTA BARBARA COUNTY, CALIFORNIA

28 Date: JUL - 8 2011 By Deputy: B. Meza
B. MEZA



2012-0073069

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| Recorded | REC FEE | 0.00 |
| Official Records | | |
| County of | | |
| Santa Barbara | | |
| Joseph E. Holland | | |
| County Clerk Recorder | | |

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PLEASE COMPLETE THIS INFORMATION.

RECORDING REQUESTED BY:

County of Santa Barbara

AND WHEN RECORDED MAIL TO:

County of Santa Barbara

General Services - Office

of Real Estate Services

WILL CALL BOX

5 FR

SPACE ABOVE FOR RECORDER'S USE ONLY

Corrected Final Order of Condemnation

(Please fill in document title(s) on this line)

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION

(Additional recording fee applies)

1 DUFF MURPHY, State Bar No. 106091
2 JENNIFER PANCAKE, State Bar No. 138621
3 OLIVER, SANDIFER & MURPHY
4 241 S. Figueroa Street, Suite 250
5 Los Angeles, California 90012-2501
6 Telephone: (213) 621-2000
7 Facsimile: (213) 621-2211

Attorneys for Plaintiff

FILED
SUPERIOR COURT of CALIFORNIA
COUNTY of SANTA BARBARA

OCT 30 2012 *pan*

GARY M. BLAIR, Executive Officer
BY *Patti A. Nelson*
PATTI A. NELSON, CCLS

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PTY —
ATT —
COD —
ST —
(3)

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SANTA BARBARA

11 COUNTY OF SANTA BARBARA,

12 Plaintiff,

13 vs.

14 AGLAND PROPERTIES, INC., a California
15 corporation; THE EQUITABLE LIFE
16 ASSURANCE SOCIETY OF THE UNITED
17 STATES; STATE OF CALIFORNIA,
18 FRANCHISE TAX BOARD; UNITED
19 STATES OF AMERICA, INTERNAL
20 REVENUE SERVICE; PACIFIC GAS &
21 ELECTRIC COMPANY; SANTA MARIA
22 VALLEY RAILROAD COMPANY, a
23 California corporation; SOUTHERN
24 COUNTIES GAS COMPANY OF
25 CALIFORNIA; HRUBERTZ OIL
26 COMPANY, a Texas corporation; P.
27 GIACOMINI; SCARBOROUGH FARMS,
28 INC.; EMILIO SUTTI; IRENE SUTTI;
EDWARD SUTTI; DOE ONE THROUGH
DOE ONE HUNDRED, Inclusive, and ALL
PERSONS UNKNOWN CLAIMING ANY
TITLE OR INTEREST IN OR TO THE
PROPERTY,

Defendants.

NO. 1269496

**CORRECTED FINAL ORDER OF
CONDEMNATION (Nunc Pro Tunc)**

(Parcel Nos. 113-210-004 and 113-210-013)

[Exempt from filing fees – Government Code
6103]

Judge Timothy J. Staffel
Department 1



1 Judgment having been entered in the above-entitled action and recorded on June 21, 2011,
2 as Instrument No. 2011-0035650 in the Office of the County Recorder of Santa Barbara County,
3 and it appearing that plaintiff County of Santa Barbara, under that Judgment, has paid to defendant
4 just compensation in accordance with the Judgment on file in this action;

5
6 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

7 The following described real property located in Santa Barbara County, California, is
8 condemned for a public use and improvement described in the complaint herein, namely, for a site
9 for the new Santa Barbara County Jail Northern Branch facility.

10 Upon filing a certified copy of this Final Order of Condemnation with the County
11 Recorder of the County of Santa Barbara, California, the fee simple title to the real property
12 described herein shall vest in plaintiff, County of Santa Barbara, its successors, and its assigns
13 subject only to easements, encumbrances and mineral rights of record not acquired herein.

14
15 PARCEL 113-210-004 and 113-210-013

16 Being a portion of Subdivision No. 5 as allotted to Isaac Goldtree in the Final Decree of
17 Partition of the Rancho Punta de la Laguna, a copy of which recorded December 7, 1880 in Book
18 W of Deeds, Page 333, in the office of the County Recorder, County of Santa Barbara, State of
19 California, more particularly described as follows:

20 Beginning at a point in the Easterly line of said Subdivision No. 5, said point being the
21 centerline intersection of Black Road and Betteravia Road as shown on the Record of Survey filed
22 in Book 87 of Records of Survey, Page 96, as a set nail and tag marked LS 3485; thence

- 23
- 24 First S00°41'25"W, along said centerline and said easterly line, 1412.60
- 25 feet to a point; thence;
- 26 Second N89°18'35"W departing said centerline and said Easterly line,
- 27 1627.61 feet to a point of intersection with the southerly
- 28 prolongation of the easterly line of an existing dirt farm road, as

OLIVER, SANDIFER & MURPHY
A PROFESSIONAL CORPORATION
241 S. FIGUEROA STREET, SUITE 250
LOS ANGELES, CA 90012-2501
TELEPHONE: (213) 621-2000
FACSIMILE: (213) 621-2211

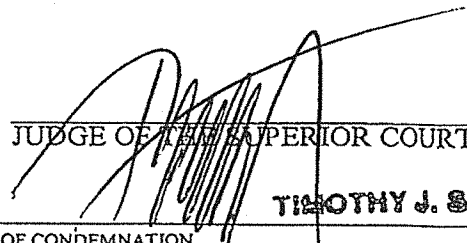
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said road exists today; thence,
Third N00°13'32"E along said prolongation, said easterly line of said
existing dirt farm road, and its northerly prolongation, 1279.16 feet
to a point of intersection with the southerly line of said Betteravia
Road, said road is described in the Deed to the County of Santa
Barbara recorded August 27, 1947 as Instrument No. 11628 in
Book 738 of Official Records, Page 413, in the office of said
County Recorder; thence,
Fourth N86°54'11"E along the southerly line of said Betteravia Road as
described in said deed, 1611.51 feet to a point of intersection with
the westerly line of said Black Road, 60.00 feet wide, said westerly
line being 30.00 feet westerly of said centerline of Black Road and
30.00 feet westerly of said Easterly line of said Subdivision No. 5,
said point being depicted on said Record of Survey; thence,
Fifth N00°41'25"E along said westerly line, said line being 30.00 feet
westerly of and parallel with said Easterly line of Subdivision No.
5 and said centerline of said Black Road, 25.05 feet to Station
138+76.24, the point of beginning for the land described in said
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thence,
Sixth along the control line described in said deed to the County of Santa
Barbara for said Betteravia Road, N86°54'11"E, 30.07 feet to the
point of beginning.

Containing 50.00 acres more or less

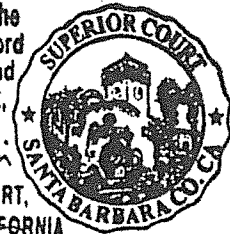
DATED: 10/30/12


JUDGE OF THE SUPERIOR COURT
TIMOTHY J. STAFFEL

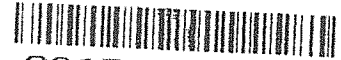
This is a true certified copy of the original document on file or of record in my office. It bears the seal and signature, imprinted in purple ink, of the Clerk of the Superior Court.

Suz M. Blinn

CLERK OF THE SUPERIOR COURT,
SANTA BARBARA COUNTY, CALIFORNIA



Date: 10/30/12 By: Deputy: *Kathy M. ...*



2015-0041634

Recorded
Official Records
County of
Santa Barbara
Joseph E. Holland
County Clerk Recorder

REC FEE 0.00

CONFORMED COPY 0.00

08:47AM 04-Aug-2015

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Page 1 of 40

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

County of Santa Barbara)
105 East Anapamu Street)
Santa Barbara, CA 93101-2037)
Attention: Director of General Services)

[Space above for Recorder's use]

GROUND LEASE

by and between the

**SANTA BARBARA COUNTY,
as Landlord,**

and

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

Dated as of July 17, 2015

**(FOR A JAIL FACILITY
LOCATED IN THE COUNTY OF SANTA BARBARA)**

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

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GROUND LEASE

THIS GROUND LEASE, dated as of July 17, 2015, for reference only (this "Ground Lease"), is entered into by and between COUNTY OF SANTA BARBARA (the "Participating County"); a Political Subdivision of the State of California (the "State"), as Landlord, and the DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA (the "Department"), an entity of state government of the State, as Tenant. The Participating County and the Department are sometimes referred to collectively as the "Parties", and individually as a "Party".

RECITALS

WHEREAS, pursuant to Chapter 3.12 of Part 10b of Division 3 of Title 2 of the California Government Code (commencing at Section 15820.91), the State Public Works Board (the "Board") is authorized to finance the acquisition, design and construction of a jail facility approved by the Board of State and Community Corrections (the "BSCC") pursuant to Section 15820.916 and following, as amended, (the "AB 900 Jail Financing Program"), the Participating County, the Department, BSCC and the Board entered into the Project Delivery and Construction Agreement (the "PDCA") dated as of July 17, 2015, for reference only; and

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

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

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

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

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

WHEREAS, if the Participating County maintains its eligibility in the AB 900 Jail Financing Program, and the Board in its sole discretion, is able to issue the Bonds to finance the Project in its typical and customary manner, the Department will concurrently sublease the Site

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

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

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

SECTION 1. Definitions.

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

- (a) "AB 900 Jail Financing Program" has the meaning given to such term in the Recitals.
- (b) "Abatement Event" shall have the meaning given to such term in the Facility Lease.
- (c) "Board" means the State Public Works Board of the State of California, an entity of state government of the State.
- (d) "Bond Documents" mean each and every document evidencing the Bonds, including, but not limited to, the Site Lease, the Facility Lease, the Facility Sublease, and the Indenture.
- (e) "Bonds" has the meaning given to such term in the Recitals.
- (f) "BSCC" has the meaning given to such term in the Recitals.
- (g) "Claims" has the meaning given to such term in Section 23 of this Ground Lease.
- (h) "Department" has the meaning given to such term in the preamble.
- (i) "DGS" means the Department of General Services of the State of California, an entity of state government of the State.
- (j) "Easements" mean the access, utilities and repairs easements described in Subsection 4(b) of this Ground Lease.

EXECUTION COPY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. Effective Date.

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

SECTION 3. Representations, Warranties and Covenants.

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

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

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Ground Lease. The Department shall cause an opinion, dated as of July 17, 2015, and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the Department's execution of this Ground Lease;

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

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

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

(1) The Participating County, by Resolution of the Board of Supervisors ("Resolution"), has full legal right, power and authority to enter into this Ground Lease as Landlord, to transfer and convey the Leasehold Estate to the Department under this Ground Lease, and to carry out and consummate all transactions contemplated by this Ground Lease and by proper action has duly authorized the execution and delivery of this Ground Lease. The Participating County shall cause an opinion, dated as of July 17, 2015, and in substantially the form of Exhibit D attached to this Ground Lease, to be delivered to the Board contemporaneously with the Participating County's execution of this Ground Lease.

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

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

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

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

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

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

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

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

(10) There are no and have been no:

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 6. Purpose and Use.

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

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

SECTION 7. Assignment or Sublease.

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

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

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

SECTION 9. Cooperation.

The Participating County has a duty to fully cooperate and provide all necessary assistance to the Department and the Board to aid them in their efforts to finance the Project. The Participating County acknowledges that it is authorized and directed to provide cooperation concerning the issuance of the Bonds, including without limitation, executing and delivering such certificates, legal opinions or instruments as the Department or the Board may reasonably

request. The Participating County's legal counsel, Chief Administrative Officer and its Sheriff are authorized and directed to cooperate in the issuance of the Bonds and to execute all documents reasonably needed to accomplish such financing.

SECTION 10. Term and Extension.

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

SECTION 11. Rental.

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

SECTION 12. Taxes and Assessment.

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

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

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

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

SECTION 14. Damage or Destruction.

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

SECTION 15. Insurance.

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

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

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

SECTION 17. The Department's Right to Terminate.

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

SECTION 18. The Participating County's Right to Terminate

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

SECTION 19. Non-Termination, Default and Damages.

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

SECTION 20. Waste and Hazardous Materials.

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

SECTION 21. Eminent Domain.

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

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

If this Ground Lease is not terminated because of such taking, then it shall remain in full force and effect with respect to the remainder of the Site and the Project. The Participating

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County and the Department each waives the provisions of the California Code of Civil Procedure, Section 1265.130, or any similar law that permits a Party to petition a court to terminate this Ground Lease upon a taking affecting the Site or the Project, the Parties agreeing that any such termination rights shall be only as expressly set forth in this Ground Lease.

SECTION 22. Non-Discrimination.

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

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

SECTION 23. Liens.

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

SECTION 24. Indemnification.

As required by Section 15820.915 of the California Government Code, the Participating County hereby agrees that it shall indemnify, protect, defend and hold harmless the State, including but not limited to, the Department, the Board, DGS, and each of their respective officers, governing members, directors, officials, employees, subcontractors, consultants and agents (collectively the "Indemnitees"), for any and all claims, liabilities and losses arising out of the use of the Site or the Project, including, but not limited to all demands, causes of action and liabilities of every kind and nature whatsoever arising out of, related to, or in connection with (a) any breach of this Ground Lease by the Participating County; (b) the construction, operation, maintenance, use and occupancy of the Project; (c) any acts or omissions of any contractor hired

by the Participating County or its agents or subcontractor hired by such contractor (collectively the “Claims”). The Participating County’s obligation to indemnify, defend, and save harmless the Indemnitees shall extend to all Claims arising, occurring, alleged, or made any time, including prior to, during, or after this Ground Lease is in full force and effect. The Participating County’s obligation to indemnify, defend, and save harmless the Indemnitees shall apply regardless of any active and/or passive negligent act or omission of the Indemnitees, but the Participating County shall not be obligated to provide indemnity or defense for Indemnitees wherein the Claims arise out of the gross negligence or willful misconduct of the Indemnitees. The indemnification obligation of the Participating County set forth in this Section shall survive the expiration of the Term or earlier termination of this Ground Lease.

SECTION 25. Non-Encumbrance.

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

SECTION 26. Miscellaneous.

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

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

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

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

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

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

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

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

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

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

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

To the Participating County: County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101-2037
Attention: Director of General Services
Facsimile: 805-568-2663

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

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

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same force and effect as though the same counterpart had been executed by all of the signatories.

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

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

- Exhibit A: Project Description
- Exhibit B: Legal Description and Depiction of the Site
- Exhibit C: [Intentionally Omitted]
- Exhibit D: Form of Legal Opinion Letter
- Exhibit E: List of the Permitted Encumbrances
- Exhibit F: Pending and Threatened Lawsuits

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

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

COUNTY OF SANTA BARBARA

By: Janet Wolf
Name: Janet Wolf
Title: Chair of the Board of Supervisors
Second District Supervisor
County of Santa Barbara

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

By: _____
Name: Deborah Hysen
Title: Director
Facility Planning, Construction
and Management

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

By: _____
Name: Koreen Hansen
Title: Deputy Director

Date: _____

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

(Pursuant to Government Code Section 11005)

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

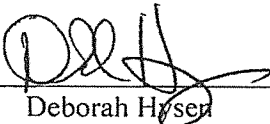
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BOARD OF THE STATE OF CALIFORNIA**

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Date: July 17, 2015

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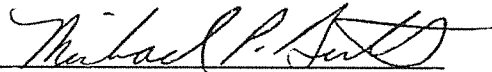
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Name: Michael P. Butler
Title: Section Chief
Real Property Services Section

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

State of California)

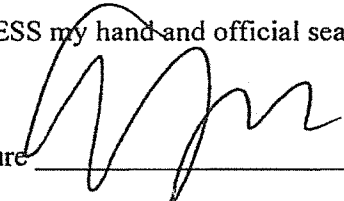
County of SANTA BARBARA

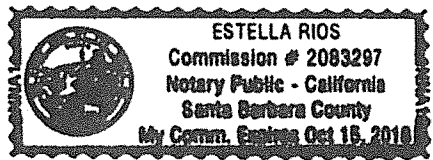
On 7/19/15, 2015 before me, ESTELLA RIOS, notary, public
(here insert name and title of the officer)

personally appeared JANET WOLF 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)

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 Sacramento)

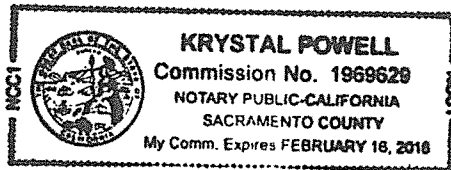
On July 16, 2015 before me, Krystal Powell, notary,
(here insert name and title of the officer)

personally appeared Deborah Hysen who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ 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 Krystal Powell



(Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the interest in real property conveyed by the Ground Lease dated as of July 17, 2015, for reference only from the County of Santa Barbara, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

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

ACCEPTED

STATE PUBLIC WORKS BOARD OF THE STATE OF CALIFORNIA

By: [Signature]
Name: Korpen Hansen
Title: Deputy Director

Date: July 17, 2015

APPROVED

DEPARTMENT OF CORRECTIONS AND REHABILITATION OF THE STATE OF CALIFORNIA

By: _____
Name: Deborah Hysen
Title: Director
Facility Planning, Construction and Management

Date: _____

APPROVED

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

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

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the interest in real property conveyed by the Ground Lease dated as of July 17, 2015, for reference only from the County of Santa Barbara, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

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

ACCEPTED

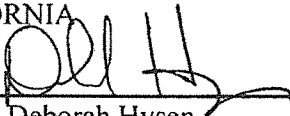
STATE PUBLIC WORKS BOARD OF THE
STATE OF CALIFORNIA

By: _____
Name: Koreen Hansen
Title: Deputy Director

Date: _____

APPROVED

DEPARTMENT OF CORRECTIONS AND
REHABILITATION OF THE STATE OF
CALIFORNIA

By:  _____
Name: Deborah Hysen
Title: Director
Facility Planning, Construction
and Management

Date: July 16, 2015

APPROVED

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

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

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that, pursuant to Section 27281 of the California Government Code, the interest in real property conveyed by the Ground Lease dated as of July 17, 2015, for reference only from the County of Santa Barbara, a Political Subdivision of the State of California to the State of California on behalf of the Department of Corrections and Rehabilitation of the State of California is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by said Board in its duly adopted delegation resolution on December 13, 2013.

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

ACCEPTED

STATE PUBLIC WORKS BOARD OF THE
STATE OF CALIFORNIA

By: _____
Name: Koreen Hansen
Title: Deputy Director

Date: _____

APPROVED

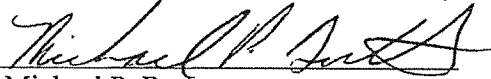
DEPARTMENT OF CORRECTIONS AND
REHABILITATION OF THE STATE OF
CALIFORNIA

By: _____
Name: Deborah Hysen
Title: Director
Facility Planning, Construction
and Management

Date: _____

APPROVED

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

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

Date: 7/17/2015

EXHIBIT A

Project Description

Santa Barbara Jail Project

PROJECT SCOPE

This project will design and construct approximately 134,000 square feet (sf) of housing, treatment, and program space on approximately 6 acres of the greater 50± acres of county-owned land. The project will include one new building constructed primarily of steel and concrete for long-term durability. This building will house both male and female inmates in a mix of medium and maximum security, and will include special use beds for mental health and medical purposes. It will also include space for all core operational functions.

The housing space will consist of approximately 344 beds in three types of units. A general population housing unit will provide approximately 32 administrative segregation beds and 48 general population beds. A direct supervision housing unit will have approximately 72 beds and an indirect supervision housing unit will be subdivided into a pod configuration with approximately 192 beds. The direct supervision unit and general population unit will also include space for an officer's station, storage, multipurpose room, recreation yard, dayroom, interview area, exam area, and staff restroom. The indirect supervision unit will be rated medium or maximum security and each pod will include a multipurpose room, an exercise yard, dayroom and an officer's station. The medical/mental health housing will include approximately 32 special use beds for mental health and medical purposes.

The new jail will include appropriate treatment, program, and support services space for, but not limited to, health care and dental services, intake and release, vocational and industrial training, food preparation, laundry, transportation, maintenance, visitation, administrative and staff support space, and records storage.

This project will include, but not be limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; fire protection systems; and approximately 150 parking spaces for staff and visitors. In addition, there will be secure fencing surrounding the facility to provide grounds security.

EXHIBIT B

Legal Description and Depiction of the Site

All that portion of the Parcel described in Instrument 2011-0040594 of Official Records in the Office of the County Recorder, in the County of Santa Barbara, State of California, described as follows:

Commencing at the intersection of the southerly right-of-way line of Betteravia Road, presently 84 feet wide, and the West line of said Parcel; thence, southerly along said line, South 0°13'32" West a distance of 703.69 feet to the TRUE POINT OF BEGINNING; thence,

- 1st) Leaving said line, North 88°36'10" East a distance of 408.29 feet; thence,
- 2nd) South 46°23'50" East a distance of 88.36 feet; thence,
- 3rd) North 88°36'10" East a distance of 162.42 feet to a point henceforth know as Point "A"; thence,
- 4th) North 01°23'50" West a distance of 215.67 feet; thence,
- 5th) North 43°36'10" East a distance of 101.20 feet; thence,
- 6th) North 88°36'10" East a distance of 287.68 feet; thence,
- 7th) North 63°36'10" East a distance of 226.09 feet; thence,
- 8th) North 88°36'10" East a distance of 417.55 feet to the West right-of-way line of Black Road, presently 60 feet wide; thence,
- 9th) Along said right-of-way line, South 00°41'25" West a distance of 888.24 feet; thence,
- 10th) Leaving said line, North 89°18'10" West a distance of 178.95 feet; thence,
- 11th) South 00°41'25" West a distance of 49.11 feet to the South line of said Parcel; thence,
- 12th) Along said line, North 89°18'35" West a distance of 384.43 feet; thence,
- 13th) Leaving said line, North 00°41'25" East a distance of 48.79 feet; thence,
- 14th) North 32°51'59" East a distance of 133.05 feet; thence,
- 15th) South 88°36'10" West a distance of 652.09 feet; thence,
- 16th) South 31°19'41" East a distance of 162.35 feet to the South line of said Parcel; thence,
- 17th) Along said line, North 89°18'35" West a distance of 47.18 feet; thence,
- 18th) Leaving said line, North 31°19'41" West a distance of 138.96 feet; thence,
- 19th) North 71°17'03" West a distance of 442.43 feet to the West line of said Parcel; thence,

20th) Along said line, North 00°13'23 East a distance of 303.71 feet to the POINT OF BEGINNING.

Excepting therefrom the following:

Beginning at said Point "A"; thence, South 1°23'50" East a distance of 58.00 feet to a point henceforth known as Point "B"; thence,

21st) South 01°23'50" East a distance of 113.50 feet; thence,

22nd) South 46°23'50" East a distance of 210.98 feet; thence,

23rd) South 88°36'10" West a distance of 336.01 feet; thence,

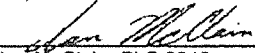
24th) North 01°23'50" West a distance of 262.68 feet; thence,

25th) North 88°36'10" East a distance of 186.82 feet to Point "B".

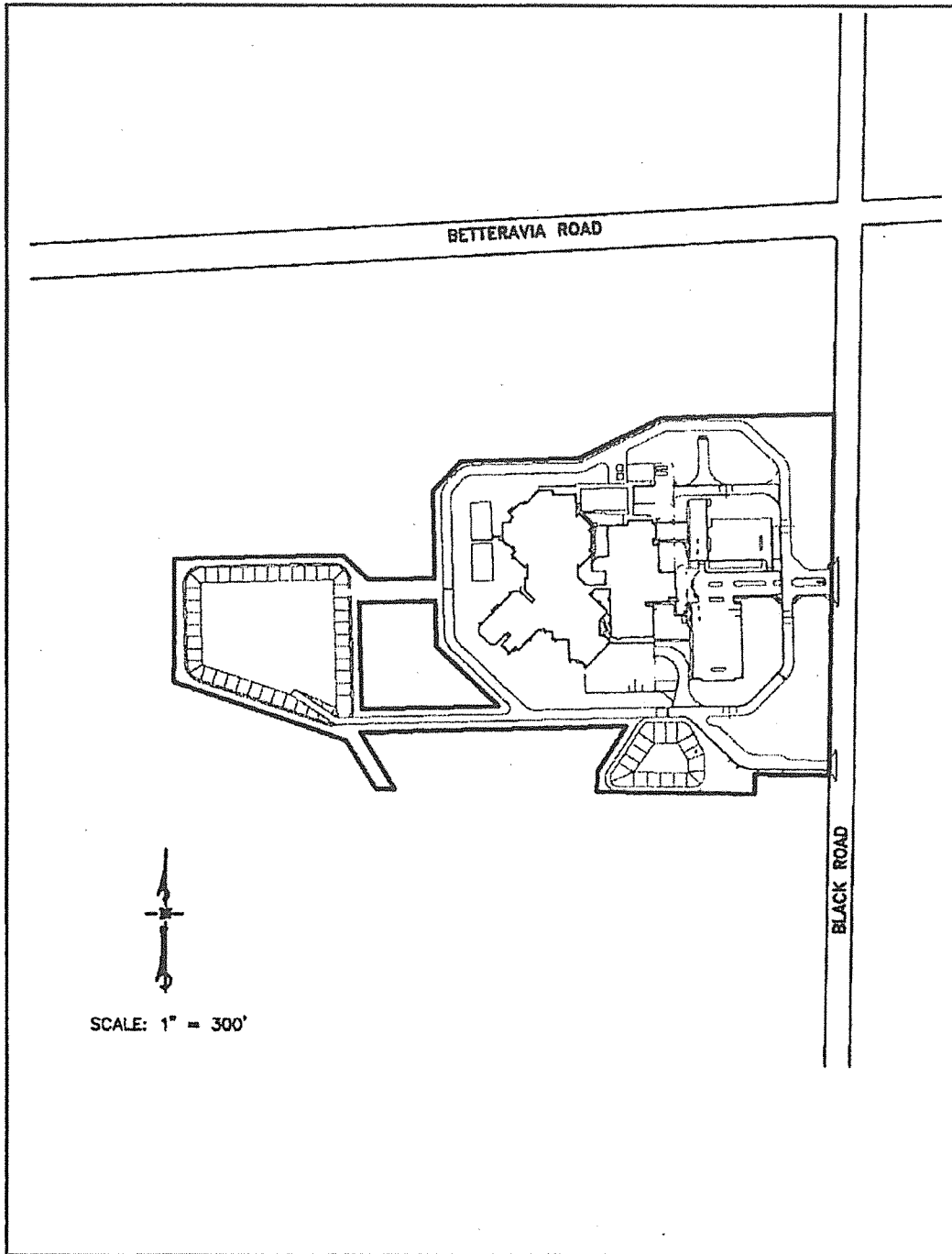
Containing 22.00 acres, more or less.

END DESCRIPTION

This description was prepared by me or under my direct supervision in conformance with the requirements of the Professional Land Surveyor's Act on this 13th day of May, 2015.


Ian McClain, PLS 8310





EXECUTION COPY

EXHIBIT C

Form of Easement Agreement for Grants of Access, Utilities and Repairs

[INTENTIONALLY OMITTED]

EXHIBIT D

Form of Legal Opinion Letter

[LEGAL COUNSEL LETTERHEAD]

[Client]

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

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

Ladies and Gentlemen:

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

I am of the opinion that:

[Use one of the following alternatives]

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

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

[Alternative 2: If the Department is the client]

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

EXECUTION COPY

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

[The following provisions apply regardless of the client]

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

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

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

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

Very truly yours,

[INSERT NAME OF CLIENT]

By: _____

Name: _____

Its: _____

OFFICE OF LEGAL AFFAIRS

Benjamin T. Rice
General Counsel
P.O. Box 942883
Sacramento, CA 94283-0001



July 17, 2015

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

Re: Ground Lease By and Between County of Santa Barbara and the Department for the Santa Barbara Jail Project Located at 2301 Black Road, Santa Maria, California, 93455

Ladies and Gentlemen:

I am legal counsel for the California Department of Corrections and Rehabilitation with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of July 17, 2015 for reference only between County of Santa Barbara, as landlord, and the Department of Corrections and Rehabilitation of the State of California (the "Department"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

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

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

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

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

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

Very truly yours,

DEPARTMENT OF CORRECTIONS AND
REHABILITATION

By: Clarisse J. Mateo

Name: Clarisse J. Mateo

Its: Attorney

COUNTY OF SANTA BARBARA

Michael C. Ghizzoni
County Counsel



105 E. Anapamu Street, Suite 201
Santa Barbara, CA 93101
Telephone: (805)568-2950
FAX: (805) 568-2982

COUNTY COUNSEL

July 17, 2015

Janet Wolf, Chair
Board of Supervisors
County of Santa Barbara

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

Re: Ground Lease By and Between the County of Santa Barbara and the Department for the Jail Facility Located in Santa Barbara County at 2301 Black Road, Santa Maria, California

Ladies and Gentleman:

I am legal counsel for the County of Santa Barbara with respect to the above referenced matter. I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, exhibits, public records and other instruments in connection with the Ground Lease dated as of July 17, 2015 for reference only between the County of Santa Barbara, as landlord, and the Department of Corrections and Rehabilitation of the State of California (the "Department"), as tenant, (the "Ground Lease"), and have conducted such other investigations of fact and law as I have deemed necessary for the purpose of this opinion.

I am of the opinion that:

1. The County of Santa Barbara is a political subdivision of the State of California created in accordance with the provisions of the Constitution of the State of California, with full legal right, power, and authority to enter into and perform its obligations under the Ground Lease.

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

3. The execution and delivery of the County of Santa Barbara of the Ground Lease and compliance with the provisions thereof do not and will not materially conflict with or

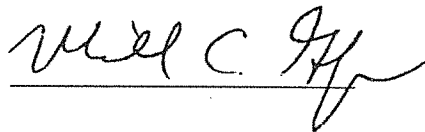
constitute on the part of the County of Santa Barbara a breach of or a default under the law, administrative regulation, judgment, decree or any agreement or other instrument known to me which the County of Santa Barbara is a party or otherwise subject.

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

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

Very truly yours,

MICHAEL C. GHIZZONI
COUNTY COUNSEL
COUNTY OF SANTA BARBARA

By: 

Cc: Matthew Pontes, Director of General Services
Bill Brown, Sheriff
Koreen Hansen, Capital Outlay, Cal. Department of Finance

EXHIBIT E

List of the Permitted Encumbrances

1. Right of Entry for Construction and Operation

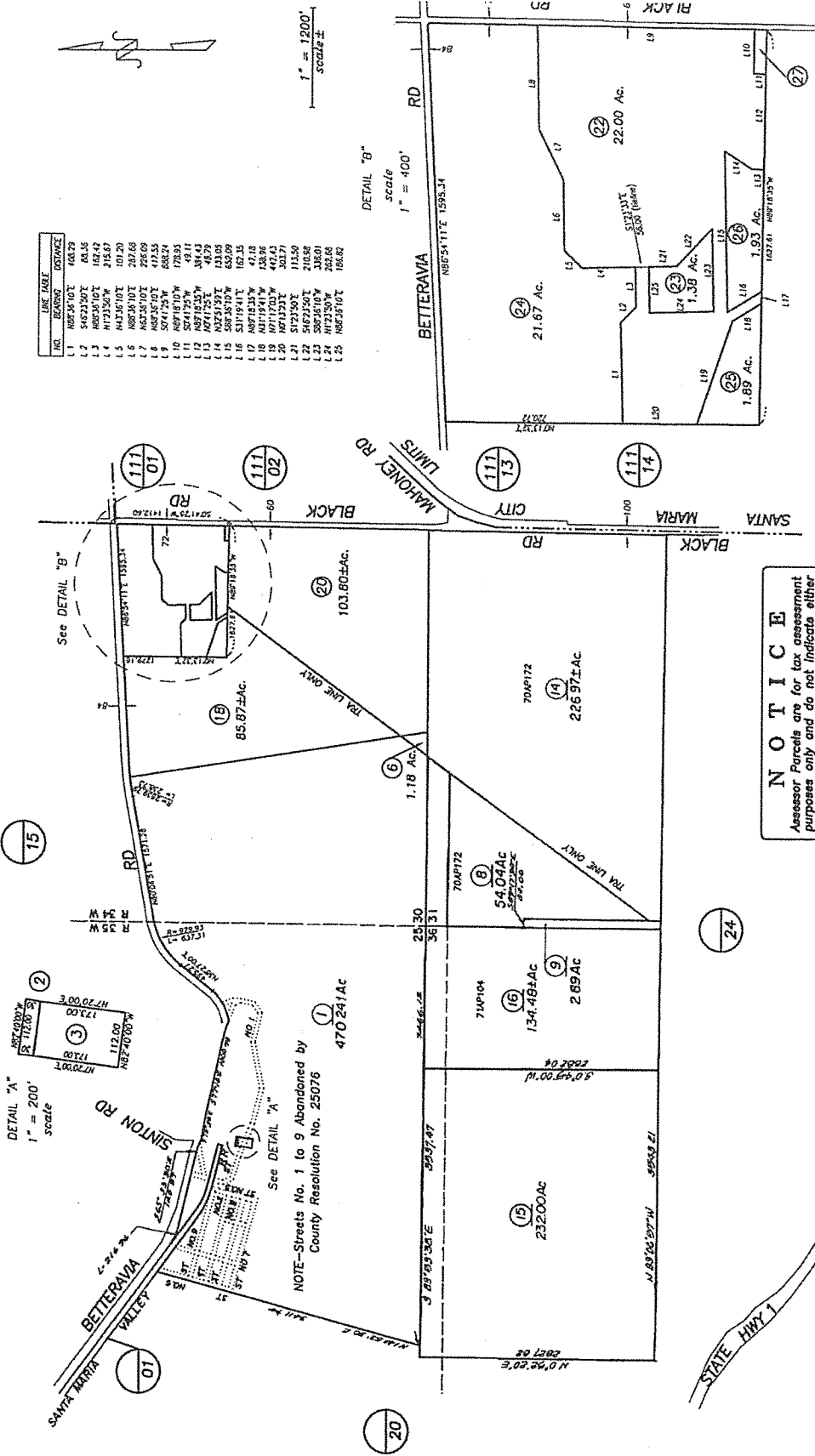
EXHIBIT F

Pending and Threatened Lawsuits

None.

POR. RANCHO PUNTA DE LA LAGUNA

113-21



NOTICE
 Assessor Parcels are for tax assessment purposes only and do not indicate either parcel legality or a valid building site.

Assessor's Map Bk, 113-Pg, 21
 County of Santa Barbara, Calif.

LD/16) 21 Map 22-27