



**City Attorney's Office  
Transmittal Memo**

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August 29 , 2005

To: Shirley Concolino  
City Clerk

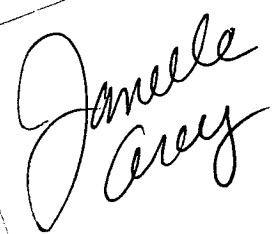
From: Joseph Cerullo   
Senior Deputy City Attorney

Re: Signed Originals of Agreements Relating to the Sacramento City Financing  
Authority's 2005 Refunding Revenue Bonds

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Attached for filing in your office are signed originals of two agreements used in the Sacramento City Financing Authority's issuance of its 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment, and Master Lease Program Facilities):

- Fifth Amendment to Master Project Lease by and between the Sacramento City Financing Authority and the City of Sacramento (executed and entered into as of June 1, 2005, and recorded on July 11, 2005)
- First Amendment to Facility Lease by and between the Sacramento City Financing Authority and the City of Sacramento (also executed and entered into as of June 1, 2005, and recorded on July 11, 2005)



2005 AUG 30 P 2:45

RECEIVED  
CITY CLERK'S OFFICE  
CITY OF SACRAMENTO

When Recorded Return to:

Carlo S. Fowler, Esq.  
Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, CA 94105



Sacramento County Recording  
Mark Norris, Clerk/Recorder  
BOOK **20050711** PAGE **0497**

Monday, JUL 11, 2005 10:16:54 AM  
Ttl Pd \$0.00 Nbr-0003700126

DLE/07/1-31

FIRST AMENDMENT TO FACILITY LEASE

by and between the

SACRAMENTO CITY FINANCING AUTHORITY

and the

CITY OF SACRAMENTO

RELATING TO THE  
SACRAMENTO CITY FINANCING AUTHORITY  
2005 REFUNDING REVENUE BONDS  
(SOLID WASTE, REDEVELOPMENT AND MASTER LEASE PROGRAM FACILITIES)

Executed and Entered Into as of June 1, 2005

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

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## FIRST AMENDMENT TO FACILITY LEASE

This First Amendment to Facility Lease (the "First Amendment to Facility Lease"), executed and entered into as of June 1, 2005, by and between the Sacramento City Financing Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), and the City of Sacramento, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City");

### WITNESSETH:

WHEREAS, the City and the Authority previously determined that it was in the best interests of the City and the residents of the City for the Authority to assist the City by financing the acquisition and construction of a solid waste facility for the City constituting a corporation yard and associated fleet maintenance activities (the "1999 Facility"); and

WHEREAS, the City and the Authority duly executed and entered into a Site Lease (the "Site Lease") as of December 1, 1999, that was recorded on December 14, 1999, in Book 991214 of the Official Records of Sacramento County, at Page 1002, whereby the City leased to the Authority those certain parcels of real property described therein (as more particularly described on Exhibit A attached hereto and incorporated herein and made a part hereof, the "1999 Site"); and

WHEREAS, the Authority and the City thereafter duly executed and entered into a Facility Lease (the "Facility Lease") as of December 1, 1999, that was recorded on December 14, 1999, in Book 991214 of the Official Records of Sacramento County, at Page 1003, whereby the Authority leased the 1999 Site, together with the 1999 Facility acquired and constructed thereon, to the City as provided therein, and the City leased the 1999 Site, together with the 1999 Facility acquired and constructed thereon, from the Authority; and

WHEREAS, the City is obligated under the Facility Lease to make scheduled base rental payments (the "1999 Base Rental Payments") to the Authority for the lease of the 1999 Facility by the Authority to the City and may provide for the discharge and satisfaction of a portion of such base rental payments pursuant to Section 13.01(b) of the Facility Lease; and

WHEREAS, the Authority and the City have determined that it is in the best interests of the City and the residents of the City (through the sale and delivery of revenue bonds of the Authority secured in part by the base rental payments due under the First Amendment to Facility Lease) to refund a portion of the Sacramento City Financing Authority 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects) (the "Prior Bonds") in accordance with their terms from the proceeds of sale of the Sacramento City Financing Authority 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities) (the "Refunding Bonds") issued under the terms of the Indenture (the "2005 Indenture") dated as of June 1, 2005, by and between the Authority and the Trustee; and

WHEREAS, certain of the proceeds of the sale of the Refunding Bonds will be deposited with the Trustee, acting as escrow agent (the "Escrow Agent") pursuant to an Escrow

Agreement, dated as of June 1, 2005, between the Authority and the Escrow Agent, to be held in trust in certain escrow funds by the Escrow Agent and applied to the payment or redemption of all of the Prior Bonds, all as more particularly set forth in the Escrow Agreement; and

WHEREAS, in accordance with Section 13.01 of the Facility Lease, the Escrow Agreement by its terms constitutes a deposit with the Trustee of money in an amount which shall be sufficient, and securities defined in paragraphs (1) and (2) of the definition of Legal Investments (as that term is defined in the indenture for the Prior Bonds) which are not subject to redemption prior to maturity except by the holder thereof (including any such securities issued or held in book entry form) the interest on and principal of which when paid will provide money which, together with such money, shall be sufficient, as stated in a report of Precision Analytics Inc./Samuel Klien & Co., a nationally recognized independent certified public accountant addressed to the City and the Trustee verifying such sufficiency in full, to pay when due the principal component of a portion of the 1999 Base Rental Payments, as set forth in Exhibit D attached hereto and incorporated herein and made a part hereof (the "Prior Facility Lease Base Rental Payments") on and prior to its payment date or its date of prepayment, as the case may be, and the interest component and prepayment premium, if any, thereon, so that any unpaid principal component of a Prior Base Rental Payment shall, prior to its scheduled payment date or date of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in Section 13.01(b) of the Facility Lease (except that the City shall remain liable for such Prior Facility Lease Base Rental Payments, but only out of such money or securities deposited with the Escrow Agent in the escrow fund for such Prior Facility Lease Base Rental Payments as more fully set forth in the Escrow Agreement);

WHEREAS, pursuant to the First Amendment to Facility Lease, the City will become obligated thereunder to make certain scheduled base rental payments (the "Refunding Base Rental Payments") and additional rental payments (the "Refunding Additional Rental Payments") to the Authority for the lease of the 1999 Facility to the City; and

WHEREAS, pursuant to the First Amendment to Facility Lease, in order to provide for the payment of debt service on the portions of the Prior Bonds that are not refunded by the Refunding Bonds, the City will remain obligated hereunder to make amended 1999 Base Rental Payments (the "Amended 1999 Base Rental Payments"), which together with the Refunding Base Rental Payments will constitute the "Base Rental Payments" as provided in the Facility Lease, to the Authority for the lease of the 1999 Facility to the City; and

WHEREAS, the Authority and the City hereby certify that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of the First Amendment to Facility Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into the First Amendment to Facility Lease;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

#### SECTION 1.01. Definitions.

(a) All the terms which are defined in Section 1.01 of the Facility Lease shall (except as otherwise provided herein) have the same definitions, respectively, in the First Amendment to Facility Lease that are given to such terms in Section 1.01 of the Facility Lease.

(b) Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of the Facility Lease and of any certificate, opinion, report, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

#### 2005 Indenture

“2005 Indenture” means the Indenture dated as of June 1, 2005, by and between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented as provided therein, pursuant to which the Authority will execute and deliver the 2005 Bonds.

#### Amended 1999 Base Rental Payments

“Amended 1999 Base Rental Payments” means the payments payable by the City as Base Rental Payments pursuant to Section 4.01(c) hereof, which constitute Base Rental Payments under the Facility Lease.

#### Bond Insurer

“Bond Insurer” means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto or assignee thereof.

#### Escrow Agreement

“Escrow Agreement” means the Escrow Agreement, dated as of June 1, 2005, by and between the Authority and The Bank of New York Trust Company, N.A., as escrow agent, providing for the refunding and defeasance of the Prior Bonds and the discharge, payment and satisfaction of the Prior Facility Lease Base Rental Payments.

#### Escrow Fund

“Escrow Fund” means the Escrow Fund relating to the Prior Bonds established pursuant to the Escrow Agreement and Section 3.01 hereof and maintained by the Escrow Agent.

Facility Lease Reserve Requirement

“Facility Lease Reserve Requirement” means , as of any date of determination by the City, Maximum Annual Debt Service (as defined in the Facility Lease).

First Amendment to Facility Lease

“First Amendment to Facility Lease” means this First Amendment to Facility Lease executed and entered into as of June 1, 2005, by and between the Authority and the City, amending the Facility Lease to refund a portion of the Base Rental Payments due thereunder.

Principal Payment Dates

“Principal Payment Dates” means December 1 of each year, commencing on December 1, 2008 and ending on the last principal payment date of the Refunding Bonds.

Prior Bonds

“Prior Bonds” means the \$22,975,000 aggregate principal amount of the Sacramento City Financing Authority 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects) with stated maturity dates of December 1, 2005 through 2007, both inclusive, December 1, 2012 through 2014, both inclusive, and December 1, 2019, 2022 and 2029.

Prior Facility Lease Base Rental Payments

“Prior Facility Lease Base Rental Payments” means the Base Rental Payments which upon the issuance of the Refunding Bonds and the deposit of certain proceeds thereof with the Escrow Agent pursuant to the Escrow Agreement shall be deemed paid and satisfied and which are more fully set forth in Exhibit D hereto.

Refunding Additional Rental Payments

“Refunding Additional Rental Payments” means the payments payable by the City as Additional Rental Payments pursuant to Section 4.01(b) hereof, which constitute Additional Rental Payments under the Facility Lease.

Refunding Base Rental Payments

“Refunding Base Rental Payments” means the payments payable by the City as Base Rental Payments pursuant to Section 4.01(a) hereof, which constitute Base Rental Payments under the Facility Lease.

Refunding Bonds

“Refunding Bonds” means the Sacramento City Financing Authority 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities) issued by the Authority under and pursuant to the 2005 Indenture, the proceeds of which will be

used by the Authority as the source of funds for the refunding of the Prior Bonds and used by the City for the discharge, payment and satisfaction of the Prior Facility Lease Base Rental Payments.

Trustee

“Trustee” means The Bank of New York Trust Company, N.A., a banking corporation duly organized and existing under and by virtue of the laws of the State and authorized to accept and execute trusts of the character set forth in the 2005 Indenture, at its Principal Corporate Trust Office (as that term is defined in the 2005 Indenture), and its successors or assigns, or any other bank or trust company having a corporate trust office in Los Angeles or San Francisco, California, which may at any time be substituted in its place as provided in Section 5.01 of the 2005 Indenture.

ARTICLE II

TERM OF THE FACILITY LEASE

SECTION 2.01. Term of the Facility Lease. If the term of the Site Lease is extended or shortened in accordance with the terms thereof, the term hereof shall (subject to Section 14.06 of the Facility Lease) end on the day immediately preceding the date of termination of the Site Lease.

ARTICLE III

USE OF PROCEEDS

SECTION 3.01. Use of Proceeds. The parties hereto agree that pursuant to Section 2.12 of the 2005 Indenture, a portion of the proceeds of the Refunding Bonds (and certain other funds) shall be deposited directly into the Escrow Fund (namely, \$188,706,537.67) and a portion of such proceeds shall be paid to the City (namely, \$386,869.65), and shall be deposited by the City in the “Sacramento City Financing Authority 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities) Costs of Issuance Fund (the “Costs of Issuance Fund”), which fund is established under the 2005 Indenture, and the remainder of such proceeds shall be applied to pay the premiums for bond insurance and debt service reserve surety bonds and other necessary financing costs, so that all of such proceeds of the Refunding Bonds in the aggregate shall constitute the payment for the acquisition of the First Amendment to Facility Lease. The Costs of Issuance Fund shall be used by the City to pay for the costs of issuance of the Refunding Bonds, refunding the Prior Bonds and discharging the Prior Facility Lease Base Rental Payments.

## ARTICLE IV

### RENTAL PAYMENTS

SECTION 4.01. Payment of Rental Payments. The City agrees to pay to the Authority, its successor or assigns, without deduction or offset of any kind, as rental for the use and occupancy of the 1999 Facility the following amounts at the following times:

(a) Refunding Base Rental Payments. The City shall pay to the Authority the Refunding Base Rental Payments which shall be due in the amounts and at the times set forth in the Refunding Base Rental Payment Schedule contained in Exhibit B attached hereto and made a part hereof, which Refunding Base Rental Payments shall be payable by the City, together with the Amended 1999 Base Rental Payments, for the lease of the 1999 Facility to it. Each Refunding Base Rental Payment shall be payable to the Trustee (as assignee of the Authority pursuant to the 2005 Indenture) in immediately available funds on each Base Rental Payment Date (the "Due Date"), and any payments remitted to the Trustee prior to any Due Date shall be invested for the credit of the City as instructed by the City, and any interest or other income with respect thereto accruing prior to each such Due Date shall belong to the City and shall be returned by the Trustee, on behalf of the Authority, to the City on June 1 and December 1 of each year or shall be transferred as otherwise directed by the City. The City shall provide written notice to the Trustee at least thirty (30) Business Days prior to any Due Date upon which it expects to be unable to pay the Refunding Base Rental Payment due on such Due Date, informing the Trustee of its expected inability to pay the Refunding Base Rental Payment due on such Due Date.

(b) 2005 Additional Rental Payments. The City shall pay to the Authority or the Trustee, as the case may be, as 2005 Additional Rental Payments hereunder (in addition to the foregoing Refunding Base Rental Payments and the following Amended 1999 Base Rental Payments) all such amounts in each year as shall be required by the Authority or the Trustee for the payment of all costs and expenses incurred by the Authority or the Trustee in connection with the performance, enforcement or amendment of the First Amendment to Facility Lease, including but not limited to payment of all fees and expenses of the Authority or the Trustee in connection with the lease of the 1999 Facility to the City, together with all salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the 2005 Indenture, all fees of auditors, accountants, attorneys or engineers, all insurance premiums, all taxes and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Refunding Bonds or the 2005 Indenture or hereof. Such 2005 Additional Rental Payments shall be billed to the City by the Authority or by the Trustee from time to time, and all amounts so billed shall be due and payable by the City to the Authority or the Trustee, as designated in the bill to the City, within thirty (30) days after receipt of the bill by the City. The City reserves the right to audit billings for 2005 Additional Rental Payments although exercise of such right shall in no way affect the duty of the City to make full and timely payment for all 2005 Additional Rental Payments.

(c) Amended 1999 Base Rental Payments. The City shall pay to the Authority the Amended 1999 Base Rental Payments which shall be due in the amounts and at the

times set forth in the Amended 1999 Base Rental Payment Schedule contained in Exhibit C attached hereto and made a part hereof, which Amended 1999 Base Rental Payments shall be payable by the City, together with the Refunding Base Rental Payments, for the lease of the 1999 Facility to it. Except as set forth in Exhibit C hereto, each Amended 1999 Base Rental Payment shall be payable to the Trustee in the time, form and manner set forth in Section 6.01 of the Facility Lease.

SECTION 4.02. Prepayment of Refunding Base Rental Payments.

(a) The City may prepay, from eminent domain proceeds or net insurance proceeds received by it pursuant to Section 9.01 of the Facility Lease, all or any portion of the principal components of Refunding Base Rental Payments then unpaid, as a whole or in part on any date in integral multiples of five thousand dollars (\$5,000) so that the aggregate annual amounts of principal components of Refunding Base Rental Payments which shall be payable after such prepayment date shall each be in an integral multiple of five thousand dollars (\$5,000) and shall be as nearly proportional as practicable to the aggregate annual amounts of principal components of Refunding Base Rental Payments then unpaid, at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment, without a prepayment premium.

(b) The City may prepay, from any source of available funds, all or any portion of the principal components of Refunding Base Rental Payments due on the Principal Payment Dates on or after December 1, 2016, as a whole on any date on or after December 1, 2015, or in part in such amounts in integral multiples of five thousand dollars (\$5,000) and from such maturities as are selected by the Treasurer of the City on any date on or after December 1, 2015, at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment, without a prepayment premium.

Before making any prepayment pursuant to this section, the City shall, within five (5) Business Days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than seventy-five (75) days from the date such notice is given.

SECTION 4.03. Reserve Account. The City agrees that, if ever the Facility Lease Reserve Subaccount (as that term is defined in the 2005 Indenture, and herein the "Reserve Account") is drawn upon, the first Refunding Base Rental Payments made thereafter shall be used to restore the Reserve Account to an amount equal to the Facility Lease Reserve Requirement; provided, that after the Refunding Bonds are no longer Outstanding (as that term is defined in the 2005 Indenture) under the 2005 Indenture, any balance of money remaining in the Reserve Account shall be transferred to such other fund or account of the City or shall be otherwise used by the City for any lawful purpose as the City may direct.

Notwithstanding anything to the contrary in this First Amendment to Facility Lease, the requirements of the Facility Lease Reserve Subaccount will be satisfied by the amounts held by the City in the Solid Waste Reserve Fund under the Facility Lease and the use

of the amounts in the Solid Waste Reserve Fund shall be governed by the terms of the Facility Lease.

## ARTICLE V

### MISCELLANEOUS

SECTION 5.01. Notices. All written notices to be given hereunder shall be given by first class mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Authority:

Sacramento City Financing Attorney  
c/o City Attorney  
City of Sacramento  
980 Ninth Street, 10<sup>th</sup> Floor  
Sacramento, California 95814

If to the City:

City of Sacramento  
c/o City Treasurer  
City of Sacramento  
915 I Street  
HCH, 3rd Floor, #0900  
Sacramento, California 95814

If to the Trustee:

The Bank of New York Trust Company, N.A.  
550 Kearny Street, Suite 600  
San Francisco, California 94108  
Attention: Corporate Trust Department  
FAX: 415/399-1647

If to the Bond Insurer:

Financial Guaranty Insurance Company  
125 Park Avenue  
New York, New York 10017  
Attention: Risk Management

SECTION 5.02. Effect of First Amendment to Facility Lease. Except as herein otherwise expressly provided, the Facility Lease and all agreements, conditions, covenants and terms contained therein shall remain in full force and effect, and are hereby approved, confirmed and ratified by the parties hereto; provided, that the leasing by the City to the Authority of the 1999 Facility shall not effect or result in a merger of the City's leasehold estate

pursuant hereto and its fee simple estate as lessor under the Site Lease, and the Authority shall continue to have and hold a leasehold estate in the 1999 Facility pursuant to the Site Lease throughout the term thereof and the term hereof, and as to the 1999 Facility, the First Amendment to Facility Lease shall be deemed and constitute a sublease.

SECTION 5.03. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all provisions of the Continuing Disclosure Certificate of the City relating to the Refunding Bonds. Notwithstanding any other provision of the Facility Lease, failure of the City to comply with its obligations under the Continuing Disclosure Certificate shall not be an Event of Default under the Facility Lease. However, any Participating Underwriter (within the meaning of the Continuing Disclosure Certificate) or any holder or beneficial owner of the Refunding Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section 5.03.

SECTION 5.04. Bond Insurer Provisions.

(a) The Bond Insurer shall be deemed to be the sole Holder of Refunding Bonds allocable to this First Amendment to Facility Lease for so long as, and only during such time as, no default shall have occurred and be continuing by the Bond Insurer with respect to the payment provisions under the Bond Insurance Policy (as defined in the 2005 Indenture).

(b) This First Amendment to Facility Lease shall not be amended or supplemented without the prior written consent of the Bond Insurer. Any rating agency rating the Refunding Bonds shall receive notice of each amendment and a copy thereof at least 15 days in advance of its execution and adoption. The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

(c) The City shall pay or reimburse the Bond Insurer for any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur (solely from Refunding Additional Rental Payments under this First Amendment to Facility Lease) in connection with the following: (i) the administration, enforcement, defense or preservation of any rights or security hereunder or under any other transaction document; (ii) the pursuit of any remedies hereunder, under any other transaction document, or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to or related to this First Amendment to Facility Lease, any of the financing documents or any other transaction document whether or not executed or completed; (iv) the violation by the City of any law, rule or regulation or any judgment, order or decree applicable to it; (v) any advances or payments made by the Bond Insurer to cure defaults of the City under the transaction documents; or (vi) any litigation or other dispute in connection with any of the financial documents, any other transaction document or the transactions contemplated hereby or thereby, other than amounts resulting from the failure of the Bond Insurer to honor its payment obligations under the Bond Insurance Policy (as defined in the 2005 Indenture). The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of any of the financing documents or any other transaction document. The obligations of the City under this Section 5.04(c) to the Bond Insurer shall survive discharge and termination of any of the financial documents.


(d) The notice addresses for the Bond Insurer and the Fiscal Agent are as follows: Financial Guaranty Insurance Company, 125 Park Avenue, New York, New York 10017, Attention: Risk Management; and U.S. Bank Trust National Association, 100 Wall Street, 19th Floor, New York, New York 10005, Attention: Corporate Trust Department.

(e) The exercise of any rights or remedies under the Facility Lease shall not permit acceleration of payment dates as to any Refunding Bonds then insured by the Bond Insurer without the Bond Insurer's prior written consent.

SECTION 5.05. Execution. The First Amendment to Facility Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and entered into the First Amendment to Facility Lease by their officers thereunto duly authorized as of the day and year first written above.

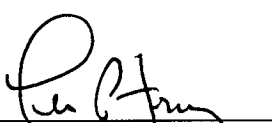
SACRAMENTO CITY FINANCING AUTHORITY

By   
Treasurer

ATTEST:

  
Secretary

CITY OF SACRAMENTO


By   
Treasurer

(SEAL)

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

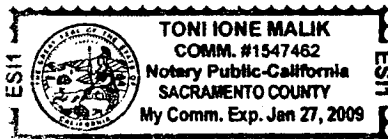
} ss.

On July 6, 2005, before me, Toni Ione Malik,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Thomas P. Friery,  
Name(s) of Signer(s)

personally known to me

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.



WITNESS my hand and official seal.

Place Notary Seal Above

Toni Ione Malik  
Signature of Notary Public

### OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

#### Description of Attached Document

Title or Type of Document: First Amendment to Facility Lease

Document Date: June 1, 2005 Number of Pages: 11 +

Signer(s) Other Than Named Above: Shirley Coneolino

#### Capacity(ies) Claimed by Signer(s)

Signer's Name: Thomas Friery

- Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: Government Agency

Signer Is Representing: same

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

Signer's Name: \_\_\_\_\_

- Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

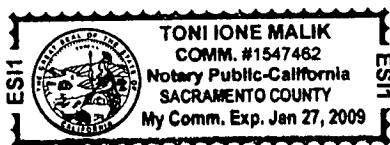
State of California

County of Sacramento

On July 6, 2005 before me, Toni Tone Malik  
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Shirley Concolino  
Name(s) of Signer(s)

personally known to me -OR-  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.



WITNESS my hand and official seal.

Toni Ione Malik  
Signature of Notary Public

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Description of Attached Document

Title or Type of Document: First Amendment To Facility Lease

Document Date: June 1, 2005 Number of Pages: 11+

Signer(s) Other Than Named Above: Thomas P. Friery

### Capacity(ies) Claimed by Signer(s)

Signer's Name: Shirley Concolino

- Individual
- Corporate Officer
- Titles(s): \_\_\_\_\_
- Partner -  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other:

Government Agency

Signer Is Representing:

same

RIGHT THUMBPRINT  
OF SIGNER

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Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer
- Title(s): \_\_\_\_\_
- Partner -  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other:

Signer Is Representing:

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OF SIGNER

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EXHIBIT A

Description of the Site

All those certain parcels of real property in the City of Sacramento, the County of Sacramento, the State of California, described as follows:

All that portion of the Northwest one-quarter of Section 7, Township 7 North, Range 5 East, M.D.B. & M., described as follows:

Beginning at a point on the North-line of said Section 7 and the center line of Meadowview Road from which point the Northeast corner of Meadowview Village Unit No. 1, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on May 16, 1958, in Book 49 of Maps, Map No. 4, bears South 89° 41' 25" West 763.36 feet; thence from said point of beginning North 89° 41' 25" East 449.24 feet along the North line of said Section 7 and the center line of said Meadowview Road to the East line of the West three-quarters of the West one-half of said Section 7; thence South 00° 02' 30" West 593.79 feet along said East line of the West three-quarters of the West one-half of said Section 7 and being a line of fence marking the West boundary of the lands of the State of California to the Northeast corner of Meadowview Village Unit No. 4, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on July 31, 1959, in Book 56 of Maps, Map No. 7; thence South 89° 59' 10" West 448.66 feet along the North boundary of said Meadowview Village Unit No. 4; thence North 00° 00' 50" West 591.46 feet to the point of beginning.

EXCEPTING THEREFROM all the portion lying West of a line described as follows:

Beginning at a point located South 89° 59' 10" West 299.99 feet from the Northeast corner of Lot 314 of said Meadowview Village Unit No. 4; thence from said point of beginning North 00° 02' 30" East 592.24 feet to a point on the North line of said Section 7 and the center line of said Meadowview Road.

Assessor's Parcel No: 053-0010-027

EXHIBIT B

Refunding Base Rental Payment Schedule

<u>Refunding Base Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Refunding Base Rental Payment</u>
12/1/2005	—	\$446,050.03	\$ 446,050.03
6/1/2006	—	577,618.75	577,618.75
12/1/2006	—	577,618.75	577,618.75
6/1/2007	—	577,618.75	577,618.75
12/1/2007	—	577,618.75	577,618.75
6/1/2008	—	577,618.75	577,618.75
12/1/2008	\$ 85,000.00	577,618.75	662,618.75
6/1/2009	—	575,918.75	575,918.75
12/1/2009	115,000.00	575,918.75	690,918.75
6/1/2010	—	573,618.75	573,618.75
12/1/2010	115,000.00	573,618.75	688,618.75
6/1/2011	—	571,318.75	571,318.75
12/1/2011	120,000.00	571,318.75	691,318.75
6/1/2012	—	568,918.75	568,918.75
12/1/2012	855,000.00	568,918.75	1,423,918.75
6/1/2013	—	547,543.75	547,543.75
12/1/2013	900,000.00	547,543.75	1,447,543.75
6/1/2014	—	525,043.75	525,043.75
12/1/2014	945,000.00	525,043.75	1,470,043.75
6/1/2015	—	501,418.75	501,418.75
12/1/2015	995,000.00	501,418.75	1,496,418.75
6/1/2016	—	476,543.75	476,543.75
12/1/2016	1,040,000.00	476,543.75	1,516,543.75
6/1/2017	—	450,543.75	450,543.75
12/1/2017	1,090,000.00	450,543.75	1,540,543.75
6/1/2018	—	423,293.75	423,293.75
12/1/2018	1,140,000.00	423,293.75	1,563,293.75
6/1/2019	—	400,493.75	400,493.75
12/1/2019	1,190,000.00	400,493.75	1,590,493.75
6/1/2020	—	370,743.75	370,743.75
12/1/2020	1,255,000.00	370,743.75	1,625,743.75
6/1/2021	—	339,368.75	339,368.75
12/1/2021	1,310,000.00	339,368.75	1,649,368.75
6/1/2022	—	306,618.75	306,618.75

<u>Refunding Base Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Refunding Base Rental Payment</u>
12/1/2022	1,380,000.00	306,618.75	1,686,618.75
6/1/2023	-	272,118.75	272,118.75
12/1/2023	1,450,000.00	272,118.75	1,722,118.75
6/1/2024	-	235,868.75	235,868.75
12/1/2024	1,515,000.00	235,868.75	1,750,868.75
6/1/2025	-	203,675.00	203,675.00
12/1/2025	1,575,000.00	203,675.00	1,778,675.75
6/1/2026	-	170,206.25	170,206.25
12/1/2026	1,645,000.00	170,206.25	1,815,206.25
6/1/2027	-	135,250.00	135,250.00
12/1/2027	1,720,000.00	135,250.00	1,855,250.00
6/1/2028	-	92,250.00	92,250.00
12/1/2028	1,800,000.00	92,250.00	1,892,250.00
6/1/2029	-	47,250.00	47,250.00
12/1/2029	1,890,000.00	47,250.00	1,937,250.00

EXHIBIT C

Amended 1999 Base Rental Payment Schedule

<u>Prior Base Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Prior Base Rental Payment</u>
12/1/2005	\$280,000.00	\$77,168.75	\$357,168.75
6/1/2006	-	71,008.75	71,008.75
12/1/2006	155,000.00	71,008.75	226,008.75
6/1/2007	-	67,521.25	67,521.25
12/1/2007	155,000.00	67,521.25	222,521.25
6/1/2008	-	63,956.25	63,956.25
12/1/2008	605,000.00	63,956.25	668,956.25
6/1/2009	-	49,587.50	49,587.50
12/1/2009	635,000.00	49,587.50	684,587.50
6/1/2010	-	34,347.50	34,347.50
12/1/2010	665,000.00	34,347.50	699,347.50
6/1/2011	-	17,722.50	17,722.50
12/1/2011	695,000.00	17,722.50	712,722.50

EXHIBIT D

Prior Base Rental Payment Schedule

<u>Prior Base Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Prior Base Rental Payment</u>
12/1/2005	\$ 250,000.00	\$656,748.75	\$ 906,748.75
6/1/2006	-	651,248.75	651,248.75
12/1/2006	400,000.00	651,248.75	1,051,248.75
6/1/2007	-	642,248.75	642,248.75
12/1/2007	425,000.00	642,248.75	1,067,248.75
6/1/2008	-	632,473.75	632,473.75
12/1/2008	-	632,473.75	632,473.75
6/1/2009	-	632,473.75	632,473.75
12/1/2009	-	632,473.75	632,473.75
6/1/2010	-	632,473.75	632,473.75
12/1/2010	-	632,473.75	632,473.75
6/1/2011	-	632,473.75	632,473.75
12/1/2011	-	632,473.75	632,473.75
6/1/2012	-	632,473.75	632,473.75
12/1/2012	730,000.00	632,473.75	1,362,473.75
6/1/2013	-	613,493.75	613,493.75
12/1/2013	770,000.00	613,493.75	1,383,493.75
6/1/2014	-	593,281.25	593,281.25
12/1/2014	810,000.00	593,281.25	1,403,281.25
6/1/2015	-	571,411.25	571,411.25
12/1/2015	855,000.00	571,411.25	1,426,411.25
6/1/2016	-	546,616.25	546,616.25
12/1/2016	905,000.00	546,616.25	1,451,616.25
6/1/2017	-	520,371.25	520,371.25
12/1/2017	955,000.00	520,371.25	1,475,371.25
6/1/2018	-	492,676.25	492,676.25
12/1/2018	1,010,000.00	492,676.25	1,502,676.25
6/1/2019	-	463,386.25	463,386.25
12/1/2019	1,070,000.00	463,386.25	1,533,386.25
6/1/2020	-	432,356.25	432,356.25
12/1/2020	1,135,000.00	432,356.25	1,567,356.25
6/1/2021	-	399,725.00	399,725.00
12/1/2021	1,195,000.00	399,725.00	1,594,725.00

<u>Prior Base Rental Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Prior Base Rental Payment</u>
6/1/2022	-	365,368.75	365,368.75
12/1/2022	1,265,000.00	365,368.75	1,630,368.75
6/1/2023	-	329,000.00	329,000.00
12/1/2023	1,340,000.00	329,000.00	1,669,000.00
6/1/2024	-	289,637.50	289,637.50
12/1/2024	1,420,000.00	289,637.50	1,709,637.50
6/1/2025	-	247,925.00	247,925.00
12/1/2025	1,500,000.00	247,925.00	1,747,925.00
6/1/2026	-	203,862.50	203,862.50
12/1/2026	1,590,000.00	203,862.50	1,793,862.50
6/1/2027	-	157,156.25	157,156.25
12/1/2027	1,685,000.00	157,156.25	1,842,156.25
6/1/2028	-	107,659.38	107,659.38
12/1/2028	1,780,000.00	107,659.38	1,887,659.38
6/1/2029	-	55,371.88	55,371.88
12/1/2029	1,885,000.00	55,371.88	1,940,371.88