

BE RECORDED AND WHEN RECORDED
RETURN TO:

Jones Hall,
A Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108
Attention: William H. Madison, Esq.

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

SITE LEASE

Dated as of May 1, 2012

by and between

COUNTY OF NAPA,
as lessor

and

NAPA COUNTY PUBLIC IMPROVEMENT CORPORATION,
as lessee

Relating to

[\$[Principal Amount]
County of Napa
2012 Refunding Certificates of Participation

SITE LEASE

THIS SITE LEASE (this "Site Lease"), dated for convenience as of May 1, 2012, is by and between the COUNTY OF NAPA, a county duly organized and existing under the laws of the State of California, as lessor (the "County"), and the NAPA COUNTY PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessee (the "Corporation");

WITNESSETH:

WHEREAS, the County has previously financed the acquisition and construction of real property and improvements from the proceeds of the following issue of certificates of participation (the "Prior Certificates"): 2003 Certificates of Participation (Capital Projects and Refunding) dated March __, 2003 and executed and delivered in the original principal amount of \$32,350,000; and

WHEREAS, the County has determined that it is in the best interests of the County at this time to provide for the refinancing of the Prior Certificates; and

WHEREAS, in order to provide the funds for said purpose, the County has agreed to lease to the Corporation, and the Corporation has agreed to lease from the County, the land and improvements thereon more fully described on Exhibit A hereto (the "Leased Property"); and

WHEREAS, the Corporation has agreed to sublease the Leased Property back to the County pursuant to that certain Lease Agreement, dated as of May 1, 2012, by and between the Corporation, as sublessor, and the County, as sublessee (the "Lease Agreement"), and to assign its rights to receive lease payments payable by the County thereunder to U.S. Bank National Association, as trustee (the "Trustee"), and to enter into that certain Trust Agreement dated as of May 1, 2012, by and among the Corporation, the County and the Trustee (the "Trust Agreement") under which the Trustee agrees to execute and deliver County of Napa 2012 Refunding Certificates of Participation in the principal amount of \$[Principal Amount] (the "Certificates") representing the direct, undivided fractional interests of the owners thereof in such lease payments; and

WHEREAS, the County and the Corporation are authorized to enter into this Site Lease; and

WHEREAS, the Corporation and the County wish to enter into this Site Lease to provide the terms and conditions relating to the lease of the Leased Property by the Corporation from the County;

NOW, THEREFORE, in consideration of the above property and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. Site Lease. The County hereby leases the Leased Property to the Corporation, and the Corporation hereby leases the Leased Property from the County, on the terms and conditions hereinafter set forth.

SECTION 2. Term; Possession. The term of this Site Lease shall commence on the Closing Date (as defined in the Trust Agreement), and the Corporation shall be entitled to possession of the Leased Property hereunder on said date. This Site Lease shall end, and the right of the Corporation hereunder to possession of the Leased Property shall thereupon cease, on June 1, 2024 or such earlier or later date on which the Lease Payments (as such term is defined in the Lease Agreement) are paid in full or provisions made for such payment, but in no event later than June 1, 2034.

SECTION 3. Rental. The Corporation shall pay to the County as and for rental of the Leased Property hereunder, the Site Lease Payment in the amount of \$_____ which shall become due and payable upon the execution and delivery hereof.

SECTION 4. Lease Back to County. The Corporation shall sublease the Leased Property back to the County pursuant to the Lease Agreement.

SECTION 5. Assignments and Subleases. Unless the County shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease Agreement, without the prior written consent of the County.

SECTION 6. Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 7. Termination. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property, shall remain thereon and title thereto shall vest thereupon in the County for no additional consideration.

SECTION 8. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the County may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof; *provided, however*, that so long as the Lease Agreement remains in effect, the lease payments payable by the County under the Lease Agreement shall continue to be paid to the Trustee.

SECTION 9. Quiet Enjoyment. The Corporation at all times during the term of this Site Lease Agreement shall peaceably and quietly have, hold and enjoy all of the Leased Property,

subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances (as such term is defined in the Lease Agreement).

SECTION 10. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely corporate liabilities of the Corporation, and the County hereby releases each and every member and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member or officer of the Corporation or its governing board shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 11. Taxes. The County covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 12. Eminent Domain. In the event the whole or any part of the Leased Property or any improvements thereon shall be taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid principal components of the lease payments payable under the Lease Agreement and the balance of the award, if any, shall be paid to the County.

SECTION 13. Notices. Any notice, request, complaint, demand or other communication under this Site Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon confirmation of a successful transmission by facsimile or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The County and the Corporation may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the County:	County of Napa 1195 Third Street Napa, CA 94559 Attention: County Executive Officer Facsimile: (707) 253-4176
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If to the Corporation:	Napa County Public Improvement Corporation 1195 Third Street Napa, CA 94559 Attention: Secretary Facsimile: (707) 253-4176
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If to the Trustee: U.S. Bank National Association
1420 5th Avenue, 7th Floor
Seattle, WA 98101
Attention: Corporate Trust
Facsimile: (206) 344-4630

SECTION 14. Governing Law. This Site Lease shall be construed in accordance with and governed by the laws of the State of California.

SECTION 15. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the Corporation, the County and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 16. Severability of Invalid Provisions. If any one or more of the provisions contained in this Site Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Site Lease and such invalidity, illegality or unenforceability shall not affect any other provision of this Site Lease, and this Site Lease shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the County each hereby declares that it would have entered into this Site Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site Lease may be held illegal, invalid or unenforceable.

SECTION 17. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 18. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Corporation and the County, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the County.

* * * * *

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

COUNTY OF NAPA, as lessor

By: _____
County Executive Officer

[S E A L]

Attest:

Clerk of the Board of Supervisors

NAPA COUNTY PUBLIC IMPROVEMENT
CORPORATION, as lessee

By: _____
President

[S E A L]

Attest:

Secretary

[NOTARY ACKNOWLEDGEMENTS]

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

The land referred to herein is situated in the State of California, County of Napa, City of Napa, and is described as follows:

[to come]

