

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, 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 AND FACILITY LEASE

Dated as of July 1, 2024

by and between the

CITY OF RIDGECREST, as Lessor

and the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Lessee

(2024 Aquatics Facility Financing Project)

SITE AND FACILITY LEASE

THIS SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of July 1, 2024, is by and between the CITY OF RIDGECREST, a municipal corporation and general law city duly organized and existing under and by virtue of the laws of the State of California, as lessor (the "City"), and the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessee (the "Corporation");

WITNESSETH:

WHEREAS, the Corporation intends to assist The City to finance the cost of constructing and equipping a new City Hall facility and the cost of acquiring certain land and improvements (collectively, the "Project"), by leasing certain land and improvements to The City pursuant to a Lease Agreement, dated as of July 1, 2024, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"); and

WHEREAS, The City proposes to enter into this Site and Facility Lease with the Corporation as a material consideration for the Corporation's agreement to lease such land and improvements to The City;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site and Facility Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site and Facility Lease. The City hereby leases to the Corporation and the Corporation hereby leases from The City, on the terms and conditions hereinafter set forth, those certain parcels of real property situated in Kern County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Site"), and those certain improvements located on the Site, more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Facility").

Section 3. Term. The term of this Site and Facility Lease shall commence on the Closing Date, and shall end on June 1, 2034, unless the Term of the Lease Agreement is extended as hereinafter provided. If, on June 1, 2034, the Trust Agreement shall not be discharged by its terms or if the Lease Payments or Additional Payments, if any, payable under the Lease Agreement shall have been abated at any time and for any reason, then the term of this Site and Facility Lease shall be extended without the need to execute any amendment to this Section 3 until there has been deposited with the Trustee an amount sufficient to pay all obligations due under the Lease Agreement, but in no event shall the term of this Site and Facility Lease extend beyond June 1, 2044. If, prior to June 1, 2034, the Trust Agreement shall be discharged by its terms, the term of this Site and Facility Lease shall thereupon end.

Notwithstanding the foregoing, the term of this Site and Facility Lease shall not end so long as any amounts are owed to the Municipal Bond Insurer with respect to the Municipal Bond Insurance Policy or the Reserve Policy (as such capitalized terms are defined in the Lease Agreement).

Section 4. Advance Rental Payment. The City agrees to lease the Site and the Facility to the Corporation in consideration of the payment by the Corporation of an advance rental payment of _____ dollars (\$_____). The City and the Corporation agree that by reason of the sale of the Certificates and deposit of proceeds pursuant to the provisions of the

Trust Agreement, dated as of July 1, 2024, by and among The City, the Corporation and U.S. Bank Trust Company, National Association, as trustee thereunder (the "Trust Agreement"), the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Corporation shall use the Site and the Facility solely for the purpose of leasing the Site and the Facility to The City pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by The City under the Lease Agreement, the Corporation and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. City's Interest in the Site and the Facility. The City covenants that it is the owner in fee of the Site and the Facility.

Section 7. Assignments and Subleases. Unless The City shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site and Facility Lease or sublet the Site or the Facility, except as provided in the Lease Agreement, without the prior written consent of the District and the Municipal Bond Insurer.

Section 8. Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Site and the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Corporation agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Site and the Facility in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site and Facility Lease shall remain thereon and title thereto shall vest in The City.

Section 10. 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 and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, The City may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof and The City shall have no right to terminate this Site and Facility Lease as a remedy for such default; *provided, however*, that so long as any Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Assignment Agreement shall continue to be paid to the Trustee.

Section 11. Quiet Enjoyment. The Corporation, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Site subject to the provisions of the Lease Agreement and the Trust Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Corporation are solely liabilities of the Corporation and The City hereby releases each and every, member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site and Facility Lease. No member, director, officer, employee or agent of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. All assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site and the Facility (including both land and improvements) will be paid in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Site or the Facility thereon is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of then unpaid Certificates including the unpaid principal and interest with respect to any then outstanding Certificates and, subject to the provisions of the Lease Agreement and payment of all amounts owed to the Municipal Bond Insurer, the balance of the award, if any, shall be paid to The City.

Section 15. Use of the Proceeds. The City and the Corporation hereby agree that the lease to the Corporation of The City's right and interest in the Site and the Facility pursuant to Section 2 serves the public purposes of The City by providing funds to enable The City to finance the 2024 Project.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the City, addressed to The City in care of the City Manager, City of Ridgecrest, 437 Old Mammoth Road, Suite 230, Ridgecrest, CA 93546, or if to the Corporation, addressed to the Corporation in care of the City Manager, City Manager, City of Ridgecrest, 437 Old Mammoth Road, Suite 230, Ridgecrest, CA 93546, if to the Municipal Bond Insurer, addressed to Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2024B____/Reserve Policy No. 2024R____, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Municipal Bond Insurer as Third Party Beneficiary. To the extent that this Site and Facility Lease confers upon or give or grant to the Municipal Bond Insurer any right, remedy or claim under or by reason of the Trust Agreement or the Lease Agreement, the Municipal Bond Insurer is explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 19. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon The City and the Corporation and their respective successors and assigns.

Section 20. Amendment. This Site and Facility Lease may not be amended except as permitted under Section 10.01 of the Trust Agreement.

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

Section 22. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 23. Execution in Counterparts. This Site and Facility 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 instrument.

[Remainder of this page is intentionally left blank]

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

CITY OF RIDGECREST

By _____
Ronald Strand
City Manager

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By _____
Stefan A. Morton
Treasurer

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A

DESCRIPTION OF THE SITE

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

Civic Center Complex Site

A PARCEL LOCATED IN THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 27 SOUTH, RANGE 40 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 4; THENCE ON THE EAST SECTION LINE OF SAID SECTION 4, SOUTH 0° 52' 10" WEST 280.024 FEET; THENCE NORTH 89° 52' 50" WEST 275.024 FEET TO THE NORTHWEST CORNER OF TRACT 1846, BEING THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING SOUTH 0° 52' 18" WEST 830.78 FEET; THENCE SOUTH 45° 22' 33" WEST 14.26 FEET; THENCE SOUTH 89° 52' 46" WEST 1013.15 FEET; THENCE NORTH 0° 54' 00" EAST 780.84 FEET TO A POINT 340 FEET SOUTH OF THE NORTH SECTION LINE OF SAID SECTION 4; THENCE PARALLELING SAID NORTH SECTION LINE OF SAID SECTION 4, NORTH 89° 53' 00" EAST 298.20 FEET; THENCE PARALLELING THE EAST SECTION LINE OF SAID SECTION 4, NORTH 0° 52' 18" EAST 60.01 FEET TO A POINT 280 FEET SOUTH OF SAID NORTH SECTION LINE OF SAID SECTION 4; THENCE PARALLELING SAID NORTH SECTION LINE OF SAID SECTION 4, NORTH 89° 53' 00" EAST 724.56 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, MINERALS AND WATER WITHIN OR UNDERLYING SAID LAND, PROVIDED, HOWEVER, GRANTOR HEREIN, THEIR SUCCESSORS AND ASSIGNS, SHALL NOT CONDUCT DRILLING OR OTHER OPERATIONS UPON THE SURFACE OF SAID LAND, BUT NOTHING HEREIN CONTAINED SHALL BE DEEMED TO PREVENT SAID GRANTOR, THEIR SUCCESSORS AND ASSIGNS, FROM EXTRACTING OR CAPTURING SAID OIL, GAS, PETROLEUM, OTHER HYDROCARBON SUBSTANCES, MINERALS AND WATER FROM SAID LAND BY DRILLING ON ADJACENT OR NEIGHBORING LANDS AT A DEPTH OF 100 FEET OR MORE BELOW THE SURFACE OF SAID LAND, AS RESERVED IN DEED BY KERR-MC GEE CHEMICAL CORPORATION, A DELAWARE CORPORATION, RECORDED DECEMBER 6, 1988 IN [BOOK 6187 PAGE 2384](#) OF OFFICIAL RECORDS, DOCUMENT NO. 64323.

APN: [478-010-07](#)

[Bus Transit Garage and Public Works Building Site \(636 West Ridgcrest Boulevard, Ridgcrest](#)

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of the City's Civic Center Complex, the City's Bus Transit Garage and the City's Public Works Building.

The Civic Center Complex is located on a portion of the Site at 100 West California Avenue, Ridgecrest, California, and includes the following improvements:

City Hall. The Ridgecrest City Hall, completed in late-1989, is a two story, 41,600 square foot building that houses all of the City's departments plus the City Council Chambers.

Community Center/Meeting Complex/Recreation Complex. The Community Center, also completed in late-1989, contains 40,300 square feet with assembly spaces, public building spaces, a full-service kitchen, an aerobics room, handball courts, basketball courts, craft rooms, day care facilities and offices.

The Bus Transit Garage is located on a portion of the Site at 636 West Ridgecrest Boulevard, Ridgecrest, California. The Bus Transit Garage is a 7,500 square foot structure built in 2016. It houses transit vans and mechanical operations including automotive lifts, pneumatic tools, fabrication equipment, welders, office space and restrooms. There is also a 4,500 square foot shade structure for operations vehicles, electric chargers (5) and is outfitted with 168 solar panels.

The Public Works Building is located on a portion of the Site at 636 West Ridgecrest Boulevard, Ridgecrest, California. The Public Works Building is a 4,120 square foot facility built in 1990. It houses street maintenance equipment inclusive of tractors, paint trucks, strippers as well as office space and restrooms.