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SITE AND FACILITY LEASE

Dated as of July 1, 2021

by and between

CITY OF REDONDO BEACH

and

REDONDO BEACH COMMUNITY FINANCING AUTHORITY

Relating to the

    \$[Par Amount]  
Redondo Beach Community Financing Authority  
Lease Revenue Bonds  
Series 2021A (Federally Taxable)

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EXHIBIT A — DESCRIPTION OF THE LEASED PROPERTY

## **SITE AND FACILITY LEASE**

This SITE AND FACILITY LEASE, dated as of July 1, 2021 (this “Site Lease”), is made by and between the CITY OF REDONDO BEACH, a charter city duly organized and existing under the laws of the State of California (the “City”), as lessor, and the REDONDO BEACH COMMUNITY FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing under the laws of the State of California (the “Authority”), as lessee.

### **RECITALS:**

WHEREAS, the City is leasing the property more particularly described in Exhibit A attached hereto (the “Leased Property”) to the Authority; and

WHEREAS, the Authority has determined to issue its Lease Revenue Bonds, Series 2021A (Federally Taxable) (the “2021A Bonds”) pursuant to an Indenture, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Authority, concurrently with the execution of this Site Lease, will lease the Leased Property to the City pursuant to a Lease Agreement, dated as of July 1, 2021 (the “Lease”), by and between the City and the Authority, in consideration for base rental payments equal to the principal and interest coming due on the 2021A Bonds; and

WHEREAS, 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 this Site 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 this Site Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

### **SECTION 1. DEFINITIONS.**

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture or the Lease, as applicable.

### **SECTION 2. SITE LEASE.**

The City hereby leases the Leased Property to the Authority and the Authority hereby leases the Leased Property from the City, on the terms and conditions hereinafter set forth.

### **SECTION 3. TERM.**

The term of this Site Lease shall commence on \_\_\_\_\_, 2021. This Site Lease shall constitute a lease of the City's interest in the Leased Property.

The term of this Site Lease shall expire on the earliest of (i) the Expiration Date; (ii) the date the last base rental payment is made under the provisions of the Lease; or (iii) the date of discharge of the Indenture pursuant to Section 10.03 thereof. Notwithstanding the foregoing, the term of this Lease shall automatically be extended for a period of ten (10) years, if, on the Expiration Date, the Indenture has not been fully discharged, and shall terminate on the date when the Indenture has been fully discharged.

### **SECTION 4. RENTAL.**

The Authority agrees to pay to the Trustee, on the Closing Date, the proceeds of the Bonds, as advance rental for the use and right to possession of the Leased Property for the term of this Site Lease. The rental shall be applied by the Trustee as provided in the Indenture.

### **SECTION 5. TITLE.**

Throughout the term of this Site Lease, title to the Leased Property shall remain in the City.

### **SECTION 6. DEFAULT.**

(a) If the Authority shall fail to keep, observe or perform any term, covenant or condition contained herein to be kept or performed by the Authority, or (b) if (1) the Authority's interest in this Site Lease or any part thereof is assigned or transferred without the written consent of the City, either voluntarily or by operation of law or otherwise, except as provided in Section 11 hereof, or (2) any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency or similar law or any law providing for the appointment of a receiver, liquidator, trustee or similar official of the Authority or of all or substantially all of its assets is instituted by or with the consent of the Authority, or is instituted without its consent and is not permanently stayed or dismissed within sixty (60) days, or if the Authority offers to the Authority's creditors to effect a composition or extension of time to pay the Authority's debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for readjustment of the Authority's debts, or if the Authority shall make a general assignment or any assignment for the benefit of the Authority's creditors, then the Authority shall be deemed to be in default hereunder and it shall be lawful for the City to exercise any and all rights and remedies available pursuant to law; provided however, that: (i) no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; and (ii) so long as any Bonds remain outstanding the City shall have no power to terminate this Site Lease by reason of any default on the part of the Authority if such termination would prejudice the exercise of the remedies provided in Section 10 (captioned "DEFAULT") of the Lease.

Neither the City nor the Authority shall in any event be in default in the performance of any of its obligations hereunder or imposed by law unless and until the City or the Authority (as the case may be) shall have failed to perform such obligations within sixty (60) days after notice by the Authority or the City to the nonperforming party properly specifying wherein such party has failed to perform any such obligation.

#### **SECTION 7. EMINENT DOMAIN.**

If the whole or any part of the Leased Property shall be taken under the power of eminent domain, the interest of the Authority shall be recognized and is hereby determined to be the amount of the unpaid principal components of base rental payments due under the Lease, and all accrued interest thereon, and the amount of the unpaid Additional Rental Payments due under the Lease, and the balance of the award, if any, shall be paid to the City.

#### **SECTION 8. RIGHT OF ENTRY.**

The City and its assignees shall have the right to enter the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the City's or the Authority's rights or obligations under this Site Lease and (c) for all other lawful purposes.

#### **SECTION 9. TERMINATION.**

The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property 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 the Authority and the City agree that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall be vested in the City.

#### **SECTION 10. QUIET ENJOYMENT BY THE AUTHORITY.**

The Authority shall at all times during the term of this Site Lease peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the City, subject to the Authority's compliance with the terms and provisions hereof and of the Lease.

#### **SECTION 11. ASSIGNMENTS AND SUBLEASES.**

The Authority shall not assign, mortgage, hypothecate or otherwise encumber this Site Lease or any rights hereunder or the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Leased Property without the written consent of the City, except as provided by the Lease and as security for the 2021A Bonds.

#### **SECTION 12. WAIVER OF PERSONAL LIABILITY.**

All liabilities hereunder on the part of the Authority shall be solely liabilities of the Authority as a separate legal entity, and no member, officer or employee of the Authority shall at

any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Authority hereunder.

### **SECTION 13. TAXES.**

The City agrees and covenants 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 (including both land and improvements thereon).

### **SECTION 14. GOVERNING LAW.**

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

### **SECTION 15. 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 or certified mail, return receipt requested, postage pre-paid, and,

if to the City:

City of Redondo Beach  
415 Diamond Street  
Redondo Beach, California 90277  
Attention: City Manager

if to the Authority:

Redondo Beach Community Financing Authority  
c/of City of Redondo Beach  
415 Diamond Street  
Redondo Beach, California 90277  
Attention: Chairperson

or to such other addresses as the respective parties may from time to time designate by notice in writing.

### **SECTION 16. VALIDITY AND SEVERABILITY.**

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

If for any reason this Site Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the City or by the Authority, or if for any reason it is held by such a court that any of the covenants and conditions of the Authority hereunder is unenforceable for the full term hereof, then and in such event this Site Lease is and shall be deemed to be a lease from year to year and all of the rental and other terms, provisions and conditions of this Site Lease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

#### **SECTION 17. PURPOSE OF THE LEASED PROPERTY.**

The Authority covenants that during the term of this Site Lease, it shall use the Leased Property for the purposes described in the Lease and for such other purposes as may be incidental thereto.

#### **SECTION 18. WAIVER OF DEFAULT.**

Failure of the City to take advantage of any default on the part of the Authority shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this Site Lease be construed to waive or to lessen the right of the City to insist upon performance by the Authority of any term, covenant or condition hereof, or to exercise any rights given the City on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Site Lease.

#### **SECTION 19. SECTION HEADINGS.**

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

#### **SECTION 20. AMENDMENTS.**

This Site Lease may be amended in writing as may be mutually agreed by the Authority and the City.

#### **SECTION 21. EXECUTION.**

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

IN WITNESS WHEREOF, the City and the Authority 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.

REDONDO BEACH COMMUNITY  
FINANCING AUTHORITY

ATTEST:

By \_\_\_\_\_  
William C. Brand, Chair

By \_\_\_\_\_  
Eleanor Manzano, Secretary

CITY OF REDONDO BEACH

By \_\_\_\_\_  
William C. Brand, Mayor

ATTEST:

By \_\_\_\_\_  
Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

By \_\_\_\_\_  
Michael W. Webb, City Attorney



## **EXHIBIT A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of the streets set forth on the attached list.