

RECORDING REQUESTED BY:
Chula Vista Municipal Financing Authority

AND WHEN RECORDED RETURN TO:
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Robert J. Whalen, Esq.

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

THE GRANTOR AND THE GRANTEE ARE GOVERNMENTAL AGENCIES. THE LEASE TERM IS LESS THAN 35 YEARS.

SITE LEASE

by and between

CITY OF CHULA VISTA

and

CHULA VISTA MUNICIPAL FINANCING AUTHORITY

Dated as of December 1, 2017

Relating to

\$ _____

**CHULA VISTA MUNICIPAL FINANCING AUTHORITY
LEASE REVENUE BONDS SERIES 2017A
(NEW CLEAN RENEWABLE ENERGY BONDS)
(FEDERALLY TAXABLE)**

\$ _____

**CHULA VISTA MUNICIPAL FINANCING AUTHORITY
LEASE REVENUE BONDS SERIES 2017B
(TAX-EXEMPT)**

SITE LEASE

THIS SITE LEASE (this “Site Lease”), executed and entered into as of December 1, 2017, is by and between the CITY OF CHULA VISTA (the “City”), a municipal corporation and a charter city duly organized and existing under the Constitution and laws of the State of California, as lessor, and the CHULA VISTA MUNICIPAL FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”), as lessee.

WITNESSETH:

WHEREAS, the Authority is issuing its Chula Vista Municipal Financing Authority Lease Revenue Bonds Series 2017A (New Clean Renewable Energy Bonds) (Federally Taxable) (the “Series 2017A Bonds”) and its Chula Vista Municipal Financing Authority Lease Revenue Bonds Series 2017B (Tax-Exempt) (together, the “Bonds”) to finance the acquisition, construction, equipping and installation of certain capital improvements consisting of solar energy equipment and related improvements in various City buildings and on certain real property owned by the City (together, the “Project”) as further described in the Lease Agreement (defined below); and;

WHEREAS, in order to facilitate the issuance of the Bonds and the financing of the Project, the City will lease certain real property and the improvements located thereon (the “Leased Property”) to the Authority pursuant to this Site Lease, and the City will sublease the Leased Property back from the Authority pursuant to a Lease Agreement, dated as of the date hereof and being recorded concurrently herewith (the “Lease Agreement”);

WHEREAS, the Leased Property is more particularly described in Exhibit A hereto;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to finance the Project through the issuance by the Authority of the Bonds payable from the base rental payments (the “Base Rental Payments”) to be made by the City under the Lease Agreement;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide for the issuance of the Bonds pursuant to an Indenture, dated as of the date hereof, by and among the Authority, the City and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, all rights to receive the Base Rental Payments are being assigned, without recourse, by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof (the “Assignment Agreement”) and being recorded concurrently herewith;

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 mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Article I of the Lease Agreement or in Article I of the Indenture shall have the same meaning in this Site Lease.

ARTICLE II

LEASE OF THE LEASED PROPERTY; RENTAL

Section 2.01 Lease of Leased Property. The City hereby leases to the Authority, and the Authority hereby leases from the City, for the benefit of the Owners of the Bonds, the Leased Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Site Lease.

Section 2.02 Rental. The Authority shall cause to be paid to the Trustee on the date of issuance of the Bonds for the benefit of the City as and for rental of the Leased Property hereunder the sum of \$_____.

Section 2.03 Purpose. The Authority shall use the Leased Property solely for the purpose of subleasing the same to the City pursuant to the Lease Agreement; provided that, in the event of default by the City under the Lease Agreement, the Authority may exercise the remedies provided in the Lease Agreement.

ARTICLE III

QUIET ENJOYMENT; DEFAULT

Section 3.01 Quiet Enjoyment. The parties intend that the Leased Property will be leased back to the City pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if an event of default occurs under the Lease Agreement, the Authority, or its assignee, will have the right, for the then remaining term of this Site Lease to (a) take possession of the Leased Property, (b) if it deems it appropriate, cause an appraisal of the Leased Property and a study of the then reasonable use thereof to be undertaken, and (c) relet the Leased Property. Subject to any rights the City may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Leased Property, the City hereby covenants and agrees that it will not take any action to prevent the Authority from having quiet and peaceable possession and enjoyment of the Leased Property during the term hereof and will, at the request of the Authority and at the City's cost, to the extent that it may lawfully do so, join in any legal action in which the Authority asserts its right to such possession and enjoyment.

Section 3.02 Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms hereof, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the City 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 that, so long as the Bonds executed and delivered pursuant to the Indenture are 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 affect or impair any assignment of the Lease Agreement then in effect between the Authority and the Trustee.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01 Waste. The Authority agrees that at all times that it is in possession of the Leased Property, it will not commit, suffer or permit any waste on the Leased Property, and that it will not willfully or knowingly use or permit the use of the Leased Property for any illegal purpose or act.

Section 4.02 Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be leased or for carrying out the expressed intention of this Site Lease, the Indenture and the Lease Agreement.

Section 4.03 Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Authority shall be solely liabilities of the Authority as a joint exercise of powers entity, and the City hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability under this Site Lease. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Site Lease to the City or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

All liabilities under this Site Lease on the part of the City shall be solely liabilities of the City as a municipal corporation, and the Authority hereby releases each and every member, officer and employee of the City of and from any personal or individual liability under this Site Lease. No member, officer or employee of the City shall at any time or under any circumstances be individually or personally liable under this Site Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the City hereunder.

Section 4.04 Taxes. The City 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.

Section 4.05 Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same.

Section 4.06 Representations of the City. The City represents and warrants to the Authority and the Trustee, as the assignee of the Authority's rights hereunder, as follows:

(a) the City has the full power and authority to enter into, to execute and to deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Site Lease;

(b) the Leased Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Leased Property for governmental purposes as contemplated by the City; provided, however, such use is subject to certain restrictions contained in the Permitted Encumbrances (as defined in the Lease Agreement);

(c) all taxes, assessments or impositions of any kind with respect to the Leased Property, except current taxes, have been paid in full; and

(d) the Leased Property is necessary to the City in order for the City to perform its governmental functions.

Section 4.07 Representations of the Authority. The Authority represents and warrants to the City and the Trustee, as its assignee hereunder, that the Authority has the full power and authority to enter into, to execute and to deliver this Site Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Site Lease.

Section 4.08 Eminent Domain. In the event the whole or any portion of the Leased Property is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid Base Rental Payments payable under the Lease Agreement, and the amount of the unpaid Additional Rental Payments due under the Lease Agreement, and any condemnation proceeds paid shall first be applied to the payment of the Base Rental Payments and the Additional Rental Payments, with the balance of the award, if any, being paid to the City.

ARTICLE V

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 5.01 Assignment and Subleasing. This Site Lease may be sold or assigned and the Leased Property subleased, as a whole or in part, by the Authority without the necessity of obtaining the consent of the City, if an event of default occurs under the Lease Agreement. The Authority shall, within 30 days after such an assignment or sublease, furnish or cause to be furnished to the City a true and correct copy of such assignment or sublease, as the case may be.

Section 5.02 Restrictions on City. The City agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Leased Property or any portion thereof during the term of this Site Lease.

ARTICLE VI

TERM; TERMINATION

Section 6.01 Term. The term of this Site Lease shall commence on the date of issuance of the Bonds and shall remain in full force and effect from such date to and including December 1, 20__ unless such term is extended or sooner terminated as hereinafter provided.

Section 6.02 Extension; Early Termination. If, on December 1, 20__, the Bonds shall not be fully paid, or provision therefor made in accordance with Article X of the Indenture, or the

Indenture shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Site Lease shall be automatically extended until the date upon which all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, except that the term of this Site Lease shall in no event be extended beyond December 1, 2050. If, prior to December 1, 20__ all Bonds shall be fully paid, or provisions therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, the term of this Site Lease shall end simultaneously therewith.

Section 6.03 Surrender Upon Termination. The Authority agrees, upon the termination hereof, to quit and surrender the Leased Property in the same good order and condition as the same was in at the time of commencement of the terms hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements to the Leased Property at the time of the termination hereof shall remain thereon and title thereto shall vest in the City.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the City, the Authority and their respective successors and assigns.

Section 7.02 Severability. In the event any provision of this Site Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.03 Amendments, Changes and Modifications. This Site Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of Section 10.07 of the Lease Agreement.

Section 7.04 Assignment to Trustee. The Authority and City acknowledge that, concurrently with the execution of this Site Lease, the Authority is assigning its right, title and interest in and to this Site Lease (but none of its obligations and none of its rights to provide consents or approvals hereunder) to the Trustee pursuant to the Assignment Agreement. The City consents to such assignment.

Section 7.05 Execution In Counterparts. This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.06 Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 7.07 Captions. The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Site Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the City 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.

CITY OF CHULA VISTA

By: _____
David Bilby
Director of Finance/Treasurer

ATTEST:

Kerry Bigelow
City Clerk

CHULA VISTA MUNICIPAL FINANCING
AUTHORITY

By: _____
Gary Halbert
Executive Director

ATTEST:

Kerry Bigelow
Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing Site Lease to the Chula Vista Municipal Financing Authority (the "Authority"), a body corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors of the Authority (the "Board"), pursuant to authority conferred by a resolution of said Board adopted on November 21, 2017, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2017

CHULA VISTA MUNICIPAL FINANCING
AUTHORITY

By: _____
Gary Halbert
Executive Director

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)
) ss.
COUNTY OF SAN DIEGO)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

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)
) ss.
COUNTY OF SAN DIEGO)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

LEGAL DESCRIPTION

Real Property in the City of Chula Vista, County of San Diego, State of California, described as follows:

PARCEL A (CHULA VISTA LIBRARY):

THOSE PORTIONS OF LOTS 9 AND 16 IN QUARTER SECTION 137 OF RANCHO DE LA NACION, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA. ACCORDING TO MAP THEREOF NO. 505, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MARCH 13, 1888, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 16; THENCE NORTH 70°59'18" EAST ALONG THE SOUTHERLY LINE OF SAID LOT A DISTANCE OF 591.35 FEET TO THE WESTERLY LINE OF THE EASTERLY 30 FEET OF SAID LOT; THENCE NORTH 18°46'14" WEST ALONG SAID WESTERLY LINE AND NORTHERLY PROLONGATION THEREOF 295.44 FEET TO THE NORTHERLY LINE OF THE SOUTHERLY 5 FEET OF SAID LOT 9; THENCE SOUTH 70°59'24" WEST ALONG SAID NORTHERLY LINE 591.12 FEET TO THE WESTERLY LINE OF SAID LOT 9; THENCE ALONG THE WESTERLY LINE OF SAID LOTS 9 AND 16 SOUTH 18°43'30" EAST 295.50 FEET TO THE POINT OF BEGINNING.

PARCEL B (HARVEST PARK):

PARCEL B1

LOT A OF CHULA VISTA TRACT NO. 97-02 MCMILLIN OTAY RANCH SPA 1 PHASE 2, UNIT 7 (R-12E), IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13885, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON DECEMBER 8, 1999.

PARCEL B2

LOT D OF CHULA VISTA TRACT NO. 97-02 MCMILLIN OTAY RANCH SPA 1 PHASE 2, UNIT 7 (R-12E), IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13885, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON DECEMBER 8, 1999.