

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 May 1, 2016

Relating to

\$20,325,000

**CHULA VISTA MUNICIPAL FINANCING AUTHORITY
2016 LEASE REVENUE REFUNDING BONDS**

SITE LEASE

THIS SITE LEASE (this “Site Lease”), executed and entered into as of May 1, 2016, 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 City and the Authority desire to refinance the City of Chula Vista 2006 Certificates of Participation (2006 Civic Center Project – Phase 2) (the “2006 Certificates”) and the City of Chula Vista 2010 Certificates of Participation (Capital Facilities Refunding Projects) (the “2010 Certificates”) and the City’s lease obligations in connection therewith, the proceeds of which were used to finance and refinance a portion of the costs of the acquisition, construction and installation of certain public capital improvements located within the City and described in the proceedings for the 2006 Certificates (the “2006 Project”) and the proceedings for the 2010 Certificates (the “2010 Project”);

WHEREAS, in order to refinance the 2006 Project and the 2010 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 the date hereof;

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 refinance the 2006 Project and the 2010 Project through the issuance by the Authority of 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 such bonds payable from the Base Rental Payments 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 have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof (the “Assignment Agreement”) and 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 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 pay to the City as and for rental of the Leased Property hereunder, the sum of \$1.00, the receipt of which is hereby acknowledged.

ARTICLE III

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.

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 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 public 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 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) except for Permitted Encumbrances, 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;

(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 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.

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, sale or sublease, furnish or cause to be furnished to the City a true and correct copy of such assignment, sale 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 as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including May 1, 2036 unless such term is extended or sooner terminated as hereinafter provided.

Section 6.02 Extension; Early Termination. If, on May 1, 2036, 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 March 1, 2036. If, prior to March 1, 2036 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.

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 the Lease Agreement.

Section 7.04 Assignment to Trustee. The Authority and City acknowledge that the Authority has assigned 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 certain provisions of 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 hereunto duly authorized, all as of the day and year first above written.

CITY OF CHULA VISTA

By: _____
David Bilby
Director of Finance

ATTEST:

Donna Norris
City Clerk

CHULA VISTA MUNICIPAL FINANCING
AUTHORITY

By: _____
Gary Halbert
Executive Director

ATTEST:

Donna Norris
Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing 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 the Authority (the "Board"), pursuant to authority conferred by resolution of said Board adopted on April 5, 2016, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2016

**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

THAT REAL PROPERTY IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (CORPORATION YARD APN'S: 644-230-11-00 THROUGH 644-230-19-00)

LOTS 11 THROUGH 19 INCLUSIVE IN CHULA VISTA TRACT NO. 81-6, OTAY VALLEY INDUSTRIAL PARK, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10974, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 21, 1984.

TOGETHER WITH THAT PORTION OF CHULA VISTA TRACT NO. 81-6, OTAY VALLEY INDUSTRIAL PARK, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10974, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JUNE 21, 1984, DESCRIBED AS RESEARCH COURT AS VACATED AND CLOSED TO PUBLIC USE BY RESOLUTION NO. 12630 WHICH RECORDED IN THE OFFICE OF THE COUNTY RECORDER ON SEPTEMBER 12, 1986 AS INSTRUMENT NO. 86- 402309 OF OFFICIAL RECORDS.

PARCEL 2: (FIRE STATION NO. 4 APN: 642-391-06-00)

LOT I OF CHULA VISTA TRACT NO. 88-1, RANCHO DEL REY PHASE 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 12341, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 28, 1989.

PARCEL 3: (FIRE STATION NO. 6 APN: 595-570-01-00)

LOT 1 OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH NEIGHBORHOOD 3A SCHOOL PARK, AND FIRE STATION, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13440, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JULY 19, 1997.

PARCEL 5: (FIRE STATION NO. 8 APN: 595-080-54-00)

LOT 'K' AND A PORTION OF LOT 'G' OF CHULA VISTA TRACT NO. 01-09, EASTLAKE III WOODS, NEIGHBORHOOD WR-4 IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA ACCORDING TO THE MAP THEREOF NO. 14394 FILED IN THE OFFICE OF THE COUNTY RECORDER MAY 16, 2002, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 'K'; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT "K" NORTH 53°45'38" EAST, 231.84 FEET; THENCE NORTH 43°28'38" EAST, 14.69 FEET TO A POINT ON THE WESTERLY LINE OF WOODS DRIVE AS SHOWN ON SAID MAP NO. 14394; THENCE ALONG SAID WESTERLY LINE NORTH 12°24'11" EAST, 12.89 FEET TO THE BEGINNING OF A

TANGENT 689.50 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 03°58'17", A DISTANCE OF 47.79 FEET; THENCE NORTH 26°28'31" WEST, 26.45 FEET TO A POINT ON THE SOUTHERLY LINE OF HAWTHORNE CREEK DRIVE AS SHOWN ON SAID MAP; THENCE ALONG SAID SOUTHERLY LINE NORTH 69°52'42" WEST, 11.23 FEET TO THE BEGINNING OF A TANGENT 830.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°55'21", A DISTANCE OF 143.74 FEET; THENCE LEAVING SAID SOUTHERLY LINE OF HAWTHORNE CREEK DRIVE, SOUTH 27°08'59" WEST, 207.29 FEET; THENCE SOUTH 12°22'20" WEST, 100.42 FEET; THENCE SOUTH 77°37'40" EAST, 58.08 FEET TO THE POINT OF BEGINNING.

PARCEL 6: (FIRE STATION NO. 8 APN: 595-080-47-00)

ALL THAT PORTION OF RANCHO JANAL, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN BOOK 1, PAGE 89 ET SEQ. OF PATENTS, LYING WITHIN SECTIONS 35 AND 36, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF PARCEL 1 OF PARCEL MAP NO. 17874 FILED IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY JULY 3, 1997, SAID POINT BEING ON THE NORTHERLY LINE OF OTAY LAKES ROAD GRANTED TO THE CITY OF CHULA VISTA PER DOCUMENT RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 90-634654 OF OFFICIAL RECORDS; THENCE ALONG SAID NORTHERLY LINE SOUTH 77°37'40" EAST (SOUTH 77°38'00" EAST PER SAID INSTRUMENT NO. 90-634654) 238.48 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 53°45'38" EAST, 13.33 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 53°45'38" EAST, 231.84 FEET; THENCE NORTH 43°28'38" EAST; 14.69 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE SOUTH 12°24'11" WEST, 166.03 FEET; THENCE SOUTH 57°23'16" WEST, 29.91 FEET; THENCE NORTH 76°49'57" WEST, 12.16 FEET TO THE BEGINNING OF A TANGENT 5064.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 0°47'42" A DISTANCE OF 70.27 FEET; THENCE NORTH 77°37'39" WEST, 57.20 FEET TO THE TRUE POINT OF BEGINNING.

THIS LEGAL IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED MAY 30, 2006, AS INSTRUMENT NO. 2006-0380709 OF OFFICIAL RECORDS.