

RECORDING REQUESTED BY:
Stewart Title Guaranty Company
Commercial Services San Francisco

TO BE RECORDED MAIL TO:
Jones Hall, A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Charles F. Adams, Esq.

File No.

APN:

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

AMENDED AND RESTATED SITE LEASE

This AMENDED AND RESTATED SITE LEASE (this "Site Lease"), dated for convenience as of October 1, 2020, is between the CITY OF HERMOSA BEACH, a municipal corporation duly organized and existing under the laws of the State of California, as lessor (the "City"), and the HERMOSA BEACH PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, as lessee (the "Authority").

BACKGROUND:

1. The Authority has previously issued its Hermosa Beach Public Financing Authority 2015 Lease Revenue Bonds in the aggregate principal amount of \$11,600,000 (the "2015 Bonds") for the purpose of providing funds to enable the City to discharge its obligation to settle certain claims made against the City, pursuant to that certain Settlement Agreement and Release dated as of March 2, 2012 between MacPherson Oil Company, Woodward Associates, E & B Natural Resources Management Corporation and the City.

2. In order to secure the payment of the 2015 Bonds, the City has previously leased certain property, consisting generally of the land and improvements which constitute the existing civic center of the City, as described more fully in Appendix A which is attached hereto and by this reference incorporated herein (the "Leased Property"), to the Authority under a Site Lease dated as of August 1, 2015, which was recorded on August 13, 2015, as Document No. 2015-0994372 in the Office of the Los Angeles County Recorder (the "2015 Site Lease"); and the Authority has leased the Leased Property back to the City under a Lease Agreement dated as of August 1, 2015, which was recorded on

August 13, 2015, as Document No. 2015-0994373 in the Office of the Los Angeles County Recorder (the "2015 Lease Agreement").

3. The 2015 Bonds are subject to redemption at the option of the Authority on October 1, 2020, at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2015 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2020 Refunding Lease Revenue Bonds in the aggregate principal amount of \$_____ (the "Bonds"), under an Indenture of Trust dated as of October 1, 2020 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

5. The City and the Authority have amended and restated the 2015 Lease Agreement pursuant to an Amended and Restated Lease Agreement dated as of October 1, 2020, which has been recorded concurrently herewith (the "Lease Agreement"), for the purpose of providing for the payment of lease payments by the City (the "Lease Payments") which have been pledged for the security of the Bonds and which have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of October 1, 2020, which has been recorded concurrently herewith, between the Authority as assignor and the Trustee as assignee.

6. The Authority and the City have agreed to amend and restate the 2015 Site Lease as provided herein, for the purpose of incorporating provisions relating to the Bonds.

7. The Authority has been organized for the purpose of providing financial assistance to the City and is authorized to enter into financing documents for that purpose.

A G R E E M E N T :

In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

SECTION 1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Site Lease have the respective meanings given them in the Indenture.

SECTION 2. *Restatement of 2015 Site Lease.* This Site Lease constitutes an amendment and restatement in full of the 2015 Site Lease. From and after the Closing Date the 2015 Site Lease, in the form heretofore executed and delivered by the City and the Authority, will be of no further force and effect and will be deemed to be restated in full hereby. The City continues to and does hereby lease the Leased Property to the Authority, upon the terms and conditions set forth in this Site Lease, without interruption by virtue of the amendment and restatement of the 2015 Site Lease hereby.

SECTION 3. *Term; Possession.* The term of this Site Lease shall commence on the Closing Date. This Site Lease shall end, and the right of the Authority hereunder to

possession of the Leased Property shall thereupon cease, on November 1, 2035 (unless the term of the Lease Agreement has been extended under the provisions thereof), or such earlier or later date on which the Lease Payments are paid in full or provisions made for such payment, but in any event not later than November 1, 2045.

SECTION 4. *Consideration.* In consideration for the agreement by the City to amend and restate the 2015 Site Lease as provided herein, the Authority hereby agrees to issue the Bonds and to apply the proceeds as set forth in Section 3.02 of the Indenture for the purpose of providing funds to refund the 2015 Bonds in full. No other amounts of rental shall be due and payable by the Authority for the use and occupancy of the Leased Property under this Site Lease.

SECTION 5. *Assignments and Subleases.* Unless the City shall be in default under the Lease Agreement, the Authority 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 City.

SECTION 6. *Substitution or Release of Property.* If the City exercises its option under Section 3.3 of the Lease Agreement to substitute property for the Leased Property in whole or in part, such substitution shall also operate to substitute property for the Leased Property which is leased hereunder. If the City exercises its option under Section 3.4 of the Lease Agreement to release a portion of the Leased Property from the Lease Agreement, such substitution shall also operate to release such portion of the Leased Property hereunder. The description of the Leased Property which is leased hereunder shall conform at all times to the description of the Leased Property which is leased under the Lease Agreement.

SECTION 7. *Right of Entry.* The City 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 8. *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 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 all right, title and interest of the Authority thereto shall vest thereupon in the City for no additional consideration.

SECTION 9. *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 of this Site Lease, which default continues for 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, however*, that so long as the Lease Agreement remains in effect, the Lease Payments payable by the City under the Lease Agreement shall continue to be paid to the Trustee.

SECTION 10. *Quiet Enjoyment.* The Authority at all times during the term of this Site Lease 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.

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Authority are solely liabilities of the Authority, and the City hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site Lease. No member or officer of the Authority 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 Authority hereunder.

SECTION 12. *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 and any improvements thereon.

SECTION 13. *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 Authority 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 City.

SECTION 14. *Partial Invalidity.* 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.

SECTION 15. *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 telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of electronic or 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 City and the Authority 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 City:

City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, California 90254
Attention: City Manager

If to the Authority:

Hermosa Beach Public Financing Authority
1315 Valley Drive
Hermosa Beach, California 90254
Attention: Executive Director

If to the Trustee:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services

SECTION 16. *Amendment of this Site Lease.* The Authority and the City may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to make cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds;
- (ii) to amend any provision hereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on the Bonds under the Tax Code, in the opinion of Bond Counsel;
- (iii) to conform to any amendment of the Indenture which is made thereto in accordance with applicable provisions of the Indenture; or
- (iv) to amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in connection with any substitution or release of property under Section 6.

SECTION 17. *Governing Law.* This Site Lease shall be construed in accordance with and governed by the Constitution and laws of the State of California.

SECTION 18. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary under this Site Lease with all rights of a third party beneficiary.

SECTION 19. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 20. *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 21. *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 Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

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.

CITY OF HERMOSA BEACH, *as lessor*

By _____
City Manager

Attest:

City Clerk

**HERMOSA BEACH PUBLIC FINANCING
AUTHORITY, *as lessee***

By _____
Executive Director

Attest:

Secretary

APPENDIX A

DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of that certain real property which is situated in the County of Los Angeles, State of California, and is more particularly described as follows:

PARCEL 1:

LOTS 1, 2 AND 3 IN BLOCK 73, OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM SAID LOT 3 THAT PORTION THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES, A BODY CORPORATE AND POLITIC, BY GRANT DEED RECORDED AUGUST 3, 1964 AS INSTRUMENT NO. 168, OFFICIAL RECORDS.

PARCEL 2:

LOTS 7, 8, 9, 10, 11 AND 12 IN BLOCK 73, OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES, A BODY CORPORATE AND POLITIC, BY GRANT DEED RECORDED AUGUST 3, 1964 AS INSTRUMENT NO. 168, OFFICIAL RECORDS.

PARCEL 3:

THAT PORTION OF LOT 2 IN BLOCK 74, OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHERLY LINE OF SAID LOT, DISTANT WESTERLY THEREON 69 FEET FROM THE SOUTHEASTERLY CORNER THEREOF; THENCE NORTHERLY PARALLEL TO THE EASTERLY LINE OF SAID LOT 2, A DISTANCE OF 300 FEET TO A POINT IN THE SOUTHERLY LINE OF 11TH PLACE, FORMERLY OF ELM STREET; THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF SAID ELM STREET, 69 FEET; THENCE SOUTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT, 300 FEET TO THE SOUTHERLY LINE OF SAID LOT; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 69 FEET TO THE POINT OF BEGINNING.

EXCEPT THE SOUTHERLY 150 FEET OF SAID LAND.

PARCEL 4:

LOT 1 OF TRACT NO. 780, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTHERLY 150 FEET OF SAID LOT.

PARCEL 5:

THAT PORTION OF THE UNNAMED ALLEY, BEING A PART OF BLOCK 73 OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, VACATED BY RESOLUTION NO. N.S. 2192 OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, A CERTIFIED COPY OF WHICH RECORDED OCTOBER 27, 1958, AS INSTRUMENT NO. 3982 IN BOOK D257, PAGE 352 OF OFFICIAL RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED IN SAID RESOLUTION AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 1 IN SAID BLOCK 73; THENCE NORTH 77 DEGREES, 10 MINUTES EAST, 180 FEET TO THE SOUTHEAST CORNER OF LOT 6 IN SAID BLOCK 73; THENCE SOUTH 12 DEGREES 50 MINUTES EAST, 20 FEET TO THE NORTHEAST CORNER OF LOT 7 IN SAID BLOCK 73; THENCE SOUTH 77 DEGREES, 10 MINUTES WEST, 180 FEET TO THE NORTHWEST CORNER OF LOT 12; THENCE NORTH 12 DEGREES, 50 MINUTES WEST, 20 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES, A BODY CORPORATE AND POLITIC, BY GRANT DEED RECORDED AUGUST 3, 1964 AS INSTRUMENT NO. 168, OFFICIAL RECORDS.

PARCEL 6:

THAT PORTION OF THE ELEVENTH PLACE, FORMERLY ELM ST., BEING A PART OF BLOCK 73 OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, VACATED BY RESOLUTION NO. N.S. 2192 OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, A CERTIFIED COPY OF WHICH RECORDED OCTOBER 27, 1958, AS INSTRUMENT NO. 3982 IN BOOK D257, PAGE 352 OF OFFICIAL RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED IN SAID RESOLUTION AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 12 IN SAID BLOCK 73; THENCE NORTH 77 DEGREES, 10 MINUTES EAST, 180 FEET TO THE SOUTHEAST CORNER OF LOT 7 IN SAID BLOCK 73; THENCE SOUTH 12 DEGREES, 50 MINUTES EAST, 30 FEET ON THE WEST PROPERTY LINE OF VALLEY DRIVE, SHOWN AS "WEST RAILROAD DRIVE" ON SAID MAP, TO AN INTERSECTION WITH THE CENTER LINE OF SAID ELEVENTH PLACE; THENCE SOUTH 77 DEGREES, 10 MINUTES WEST, 180 FEET TO AN INTERSECTION WITH THE EAST PROPERTY LINE OF BARD STREET;

THENCE NORTH 12 DEGREES, 50 MINUTES WEST, 30 FEET TO THE POINT OF BEGINNING.

PARCEL 7:

THAT PORTION OF ELEVENTH PLACE VACATED BY RESOLUTION NO. N.S. 2385 OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, A CERTIFIED COPY OF WHICH RECORDED OCTOBER 11, 1961 AS INSTRUMENT NO. 4079, IN BOOK D1384, PAGE 472, OF OFFICIAL RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

THE SOUTHERLY ONE-HALF OF ELEVENTH PLACE, FORMERLY ELM ST., BEING A PART OF BLOCK 74 OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING BETWEEN THE NORTHERLY EXTENSION OF THE WESTERLY LINE OF VALLEY DRIVE, FORMERLY WEST RAILROAD DRIVE, AND THE SOUTHERLY EXTENSION OF THE EASTERLY LINE OF BARD STREET.

PARCEL 8:

THAT PORTION OF LOT 2 IN BLOCK 74 OF THE SECOND ADDITION OF HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT 2, 69 FEET; THENCE NORTHERLY PARALLEL TO THE EASTERLY LINE OF SAID LOT 2, A DISTANCE OF 300 FEET TO A POINT IN THE SOUTHERLY LINE OF ELM STREET; THENCE NORTHEAST ALONG SAID SOUTHERLY LINE TO THE EASTERLY LINE OF SAID LOT 2; THENCE SOUTHERLY ALONG SAID LAST MENTIONED EASTERLY LINE 300 FEET TO THE POINT OF BEGINNING.

EXCEPT FROM PARCELS 1 THROUGH 8 DESCRIBED HEREINABOVE THE INTEREST IN SAID LAND WHICH WAS CONVEYED BY CITY OF HERMOSA BEACH, A CALIFORNIA MUNICIPAL CORPORATION, TO MACPHERSON OIL COMPANY, A CALIFORNIA CORPORATION, BY DEED RECORDED APRIL 11, 2012 AS INSTRUMENT NO. 20120541608, OF OFFICIAL RECORDS, WHICH DEED DESCRIBES A ROYALTY OF 3-1/3% OF 100% OF ALL ROYALTY SUBSTANCES (AS DEFINED IN SAID DEED) WHICH MAY THEREAFTER AT ANY TIME BE PRODUCED FROM ANY BURDENED WELL (AS DEFINED AND DESCRIBED IN SAID DEED).

APN: 4187-020-904; 4187-020-907