

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**STRADLING YOCCA CARLSON & RAUTH
500 Capitol Mall Suite 1120
Sacramento, CA 95814
Attn: Kevin Civalé**

[Space above for Recorder's use.]

NO DOCUMENTARY TRANSFER TAX DUE.
This Site and Facilities Lease is recorded for the
benefit of the City of Manhattan Beach and the
recording is exempt under Section 27383 of the
California Government Code.

SITE AND FACILITIES LEASE

by and between

**CITY OF MANHATTAN BEACH,
as Lessor**

and

**MANHATTAN BEACH CAPITAL IMPROVEMENTS CORPORATION,
as Lessee**

Dated as of August 1, 2025

**\$ _____
City of Manhattan Beach
Certificates of Participation
Series 2025A
(Term Rate)**

**\$ _____
City of Manhattan Beach
Certificates of Participation
Series 2025B
(Fixed Rate)**

SITE AND FACILITIES LEASE

THIS SITE AND FACILITIES LEASE, dated as of August 1, 2025 (the "Site Lease"), by and between CITY OF MANHATTAN BEACH, a general law city duly organized and existing under the laws of the State of California (the "City"), as lessor, and MANHATTAN BEACH CAPITAL IMPROVEMENTS CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessee;

WITNESSETH:

WHEREAS, the City will initially lease to the Corporation its fee interest in the City's Peck Reservoir and related structures and the real property on which they are located (the "Leased Premises") pursuant to this Site Lease, concurrently with the execution of this Site Lease, will lease the Leased Premises back to the City pursuant to a Lease Agreement (the "Lease"), in consideration for lease payments equal to the principal and interest components coming due with respect to the City of Manhattan Beach Certificates of Participation Series 2025A (Term Rate) (the "2025A Certificates") and the City of Manhattan Beach Certificates of Participation Series 2025B (Fixed Rate) (the "2025B Certificates" and, together with the 2025A Certificates, the "2025 Certificates");

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

1. Definitions. Unless the context otherwise requires, all capitalized terms used in this Site Lease and not defined herein shall for all purposes of this Site Lease have the meaning specified therefor in the Lease or in the 2025 Trust Agreement relating to the 2025A Certificates, dated as of the date hereof (the "2025A Trust Agreement"), by and among the Corporation, the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and the 2025 Trust Agreement relating to the 2025B Certificates, dated as of the date hereof (the "2025B Trust Agreement" and, together with the 2025A Trust Agreement, the "Trust Agreements"), by and among the Corporation, the City the Trustee.

2. Site Lease. The City hereby leases to the Corporation and the Corporation hereby hires from the City, on the terms and conditions hereinafter set forth, the Leased Premises, as more fully described in Exhibit A attached hereto and made a part hereof and as may be amended from time to time in accordance herewith.

3. Term. The Term of this Site Lease shall commence on the date of execution and delivery of the 2025 Certificates, and shall remain in effect until the term of the Lease expires as provided by Section 4.2 thereof; unless such term is extended or sooner terminated as hereinafter provided.

The City shall have no right to terminate this Site Lease by reason of default by the Corporation pursuant to Section 11 hereof.

4. Rental. The City acknowledges receipt of the aggregate principal amount of the 2025 Certificates to be executed and delivered pursuant to the 2025A Trust Agreement and the 2025B Trust Agreement as and for rental hereunder.

5. Purpose. The Corporation shall use the Leased Premises solely for the purpose of leasing the Leased Premises to the City pursuant to the Lease and for such purposes as may be

incidental thereto; provided, that in the event of default by the City under the Lease, the Corporation and its assigns may exercise the remedies provided in the Lease.

6. Owner in Fee. The City covenants that it is the owner in fee of the Leased Premises.

7. Substitution or Release of Leased Premises. From time to time, the City may elect to substitute alternate real property or equipment for the Leased Premises or add additional real property or equipment to the Leased Premises or release property or equipment pursuant to the Lease only by providing the Trustee with a supplement to the Lease. In the event that the City effects a substitution or release of all or a portion of the Leased Premises hereunder, all or a designated portion of the Leased Premises formerly subjected to this Site Lease shall be released from the lien hereof upon receipt by the Trustee of evidence that the requirements of the Lease relating to such release or substitution have been satisfied. After any such release, the term "Leased Premises" shall be defined as the remaining portion or substitution of the Leased Premises. The City, the Corporation and the Trustee shall execute any and all appropriate legal documents, instruments and certificates to effect such release or substitution. After any such release, the term "Leased Premises" shall be deemed to include only the remaining portion of the Leased Premises.

8. Assignments and Subleases. Unless the City shall be in default under the Lease, the Corporation may not assign its rights under this Site Lease or sublet the Leased Premises, except as provided in the Lease, without the written consent of the City.

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

10. Termination. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Premises and agrees that any permanent improvements and structures existing upon the Leased Premises at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the City. The Corporation irrevocably waives and releases the Corporation's rights under California Civil Code Sections 1932, 1933(4), 1941, 1941.1 and 1942.

11. Default. In the event the Corporation shall be in default in the performance of any obligation of 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 Corporation, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that so long as any of said Certificates are outstanding and unpaid in accordance with the terms thereof, the 2025A Lease Payments and the 2025B Lease Payments assigned by the Corporation to the Trustee under the Trust Agreement shall continue to be paid to the Trustee and the City shall have no right to terminate this Site Lease as a remedy for such default.

12. Quiet Enjoyment. The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Premises, subject to the provisions of the Lease and the Trust Agreements.

13. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation, and the City hereby releases each and every director, officer and employee of the Corporation of and from any personal or individual liability

under this Site Lease. No director, officer or employee of the Corporation 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 Corporation hereunder.

14. 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 Premises (including both land and improvements).

15. Eminent Domain. In the event the whole or any part of the Leased Premises shall be taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid 2025 Certificates delivered to refinance the acquisition of the Leased Premises, including the unpaid principal and interest with respect to any then-Outstanding 2025 Certificates and the balance of the award, if any, shall be paid to the City.

16. 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.

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 City of Manhattan Beach, 1400 Highland Avenue, Manhattan Beach, California 90266, Attn: City Manager, or if to the Corporation, addressed to Manhattan Beach Capital Improvements Corporation, 1400 Highland Avenue, Manhattan Beach, California 90266, Attn: Chief Administrative Officer, or to such other addresses as the respective parties may from time to time designate by notice in writing.

18. Amendment. This Site Lease may not be altered, modified or amended except as permitted by Article X of the Trust Agreement.

19. 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.

20. Execution. 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.

IN WITNESS WHEREOF, the City and the Corporation 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 MANHATTAN BEACH,
as Lessor

By: _____
City Manager

ATTEST:

By: _____
City Clerk

MANHATTAN BEACH CAPITAL
IMPROVEMENTS CORPORATION,
as Lessee

By: _____
Chief Administrative Officer

ATTEST:

By: _____
Chief Financial Officer

EXHIBIT A

LEASED PREMISES

Real property in the City of Manhattan Beach, County of Los Angeles, State of California, described as follows:

PARCEL 1:

LOTS 6 TO 21 INCLUSIVE, OF BLOCK 51 OF TRACT NO. 141, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGES 178 AND 179 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS AND MINERALS AND ALL OIL, GAS AND MINERAL RIGHTS UPON AND UNDER SAID LAND AS CONTAINED IN THE DEED RECORDED IN BOOK 19841, PAGE 35 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERAL RIGHTS IN AND UNDER SAID LAND AND PREMISES, WITHOUT THE RIGHT OF SURFACE ENTRY THEREON FOR THE PURPOSES OF PROSPECTING FOR OR REMOVING THE SAME, AS RESERVED BY DEED RECORDED IN BOOK 49438, PAGE 144, OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION LOT "A" OF TRACT NO. 141, IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGES 178 AND 179 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY OF THE CENTER LINE OF HERRIN AVENUE, 40.00 FEET WIDE, AS SHOWN ON SAID MAP OF TRACT NO. 141.

For conveyancing purposes only: APN 4165-006-904