

‘Attachment B’

RECORDING REQUESTED BY:  
City of Kerman

AND WHEN RECORDED RETURN TO:  
Jones Hall LLP  
Attn: James A. Wawrzyniak, Jr.  
4 West 4th Avenue, Suite 406  
San Mateo, California 94402

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

## **SITE LEASE**

This SITE LEASE (this “Site Lease”), dated for convenience as of October 1, 2025, is between the CITY OF KERMAN, a general law city and municipal corporation duly organized and existing under the laws of the State of California, as lessor which acquired title to a portion of the Leased Property (the “City”), and the KERMAN PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California, as lessee (the “Authority”).

### ***BACKGROUND:***

1. The City is proceeding to finance public capital improvements, anticipated to consist of a new multi-generational community resiliency center and improvements to the City’s new police station (collectively, the “Project”).

2. In order to provide financing for a portion of the costs of the Project, the City has agreed to lease the real property and facilities more particularly described in Appendix A attached hereto and by this reference incorporated herein, consisting of [(i) the Police Station located at 850 S Madera Avenue, (ii) the Office Building and the Warehouse and Shop Building each located at 15061 W C Street, (iii) the Public Works Office Building, the Public Works Shop Building and the Public Works Shop each located at 15201 W California Avenue, (iv) the Office Building located at 942 S Madera Avenue, (v) the Animal Shelter located at 15375 W California Ave ("A" Street), (vi) the Community Teen Center located at 15101 W Kearney Plaza, (vii) Lion's Park located at 744 S Park Ave and (viii) Kerckhoff Park located at 15023-15099 W G Street] (collectively, the “Leased Property”) to the Authority under this Site Lease, pursuant to which the Authority agrees to make an initial rental payment (as described herein, the “Site Lease Payment”) which is sufficient to provide funds for such purpose.

3. The Authority has authorized the issuance of its Kerman Public Financing Authority 2025 Lease Revenue Bonds in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”) under an Indenture of Trust dated as of October 1, 2025 (the “Indenture”), between the Authority and U.S. Bank Trust Company, National Association, as trustee

(the "Trustee"), for the purpose of providing the funds to enable the Authority to pay the Site Lease Payment to the City in accordance with this Site Lease.

4. In order to provide revenues which are sufficient to enable the Authority to pay debt service on the Bonds, the Authority has agreed to lease the Leased Property back to the City under a Lease Agreement dated as of October 1, 2025 (the "Lease"), which has been recorded concurrently herewith, under which the City has agreed to pay semiannual Lease Payments as the rental for the Leased Property thereunder.

5. The lease payments made by the City under the Lease have been assigned by the Authority to Trustee for the security of the Bonds under an Assignment Agreement dated as of October 1, 2025, between the Authority as assignor and the Trustee as assignee, which has been recorded concurrently herewith.

#### 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. *Lease of Property to Authority.* 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 2. *Term; Possession.* The term of this Site Lease commences on the Closing Date and ends on the date on which the Indenture is discharged in accordance with Section 13.01 thereof, but under any circumstances not later than October 1, 20\_\_\_. The provisions of this Section 2 are subject in all respects to any other provisions of this Site Lease relating to the termination hereof.

SECTION 3. *Rental.* The Authority shall pay to the City as and for rental of the Leased Property hereunder, the sum of \$\_\_\_\_\_ (the "Site Lease Payment"). The Site Lease Payment is due and payable upon the issuance of the Bonds and the execution and delivery hereof, and will be paid from the proceeds of the Bonds. The Authority and the City hereby find and determine that the total amount of the Site Lease Payment does not exceed the fair market value of the leasehold interest in the Leased Property which is conveyed hereunder by the City to the Authority. No other amount of rental is due and payable by the Authority for the use and occupancy of the Leased Property under this Site Lease.

SECTION 4. *Leaseback to City.* The Authority shall lease the Leased Property back to the City under the Lease. In no event shall this effectuate a merger of the Site Lease and the Lease.

SECTION 5. *Assignments and Subleases.* Unless the City is in default under the Lease, 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 Assignment Agreement and in the Lease, without the prior written consent of the City.

SECTION 6. *Addition, Substitution or Release of Property.* The description of the Leased Property which is leased under the Lease shall conform at all times to the description of the Leased Property which is leased hereunder. Accordingly, if the City exercises its option (a) to substitute property as part of the Leased Property under Section 3.3 of the Lease, (b) to release property from the Lease under Section 3.4 of the Lease, and/or (c) to add to the Leased Property under Section 7.5(b) of the Lease, an amendment shall be made to this Site Lease making a conforming change to the Leased Property hereunder.

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 title thereto shall vest thereupon in the City for no additional consideration.

SECTION 9. *Default.* If the Authority defaults 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 shall be deemed to occur as a result thereof and no such remedy may include termination hereof; *provided, however,* that so long as the Lease remains in effect, the Lease Payments payable by the City under the Lease 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 and subject only to Permitted Encumbrances (as that term is defined in the Lease).

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Authority are solely corporate liabilities of the Authority as a public entity, 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.* If the whole or any part of the Leased Property or any improvements thereon 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 Lease Payments payable under the Lease 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. Notice shall be effective either (a) 48 hours after deposit in the United States mail, postage prepaid, or (b) in the case of personal delivery to any person, upon actual receipt. The City, the Authority and the Trustee may, by written notice to the other parties, from time to time modify the address to which communications are to be given hereunder.

*If to the Authority or the City:* City of Kerman  
850 S Madera Avenue  
Kerman, CA 93630  
Attention: Finance Director

*If to the Trustee:* U.S. Bank Trust Company, National Association  
633 West Fifth Street  
Los Angeles, CA 90071  
Attention: Global Corporate Trust

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 Section 9.01 of the Indenture; or

- (iv) for the purpose of effectuating any addition, 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 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.

SECTION 22. *Defined Terms.* All capitalized terms used herein and not otherwise defined have the respective meanings given those terms in the Indenture.

*[Remainder of page intentionally left blank. Signatures on next page.]*

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.

**KERMAN PUBLIC FINANCING AUTHORITY**

By: \_\_\_\_\_  
John Jansons  
Executive Director

**CITY OF KERMAN**

By: \_\_\_\_\_  
John Jansons  
City Manager

## **APPENDIX A**

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

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