

## ASSIGNMENT OF LEASE

This ASSIGNMENT OF LEASE (this "Assignment"), dated for convenience as of October 1, 2025, is between the CITY OF KERMAN (the "City") and the KERMAN PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority").

The City is proceeding to finance public capital improvements through the issuance by the Authority of 2025 Lease Revenue Bonds (the "Bonds"), which requires the City to lease its real property in the City known as 942 S Madera Avenue (the "Leased Property") to the Authority under a Site Lease dated as of October 1, 2025 (the "Site Lease").

The Authority has authorized the issuance 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 a lease payment to the City in accordance with a Site Lease.

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 property which is the subject of the Site Lease, which includes the Leased Property, back to the City under a Lease Agreement dated as of October 1, 2025 (the "Leaseback Agreement") under which the City agrees to pay semiannual Lease Payments as the rental for the certain parcels of real property, which includes the Leased Property.

The office building portion of the Leased Property is currently subject to a Lease Agreement dated as of October 1, 2010 (the "VHT Lease") by and between the City, as lessor, and Valley Health Team, Inc., as tenant.

The Authority has requested the City to enter into this Assignment for the purpose of assigning certain of its rights under the VHT Lease, including any amendments or extensions thereto entered into so long as the Bonds are outstanding, to the Authority for the benefit of the Bond owners, to facilitate the financing structure.

In consideration of the material agreements contained in the Site Lease, Leaseback Agreement and Indenture and this Assignment, the parties hereto hereby formally covenant, agree and bind themselves as follows:

1. The City hereby assigns to the Authority, for the benefit of the owners of the Bonds, all of the City's rights under the VHT Lease, including but not limited to:

- (a) the right to receive and collect all of the lease payments from the VHT under the VHT Lease,
- (b) the right to receive and collect any proceeds of any insurance maintained thereunder with respect to the Leased Property, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Leased Property, and

- (c) the right to exercise such rights and remedies conferred on the Authority under the VHT Lease as may be necessary or convenient
  - (i) to enforce payments due under the VHT Lease.

2. The Authority and the City acknowledge and agree that, as contemplated by the Leaseback Agreement, the City shall continue to administer the VHT Lease and shall have the right to make any amendments or extensions thereto, which administration, amendments and extensions, if any, shall all be for the benefit of the Authority and not adverse to the owners of the Bonds, so long as the Bonds are outstanding.

3. The Authority may at any time assign its rights under this Assignment to the Trustee to enable the Trustee to administer all of the rights assigned to it by the Authority in accordance with the provisions of the Indenture and an assignment by the Authority to the Trustee of the Leaseback Agreement, for the benefit of the owners of Bonds. Such assignment to the Trustee, if and when made, shall be irrevocable so long as the Bonds are outstanding.

4. The Authority hereby accepts the assignments made herein for the purpose of securing the payments due on the Bonds.

5. This Assignment may be executed in any number of counterparts, each of which is an original and all together constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Assignment by their duly authorized officers as of the day and year first written above.

**KERMAN PUBLIC FINANCING AUTHORITY**

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

**CITY OF KERMAN**

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

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Hilda Cantu Montoy, CITY / AUTHORITY ATTORNEY