

BE RECORDED AND WHEN RECORDED
RETURN TO:
Jones Hall,
A Professional Law Corporation
475 Sansome Street, Suite 1700
San Francisco, California 94111
Attention: Scott R. Ferguson, Esq.

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

SITE LEASE

Dated as of December 1, 2019

by and between

**COUNTY OF MONTEREY,
as lessor**

and

**COUNTY OF MONTEREY PUBLIC IMPROVEMENT CORPORATION,
as lessee**

Relating to

**\$ _____
County of Monterey
2019 Certificates of Participation
(Public Facilities Refinancing)**

SITE LEASE

THIS SITE LEASE (this "Site Lease"), dated for convenience as of December 1, 2019, is by and between the COUNTY OF MONTEREY, a county duly organized and existing under the laws of the State of California, as lessor (the "County"), and the COUNTY OF MONTEREY PUBLIC IMPROVEMENT CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, as lessee (the "Corporation");

WITNESSETH:

WHEREAS, the County has determined that it is in the best interests of the County at this time to provide for the refinancing of the cost of acquiring and constructing the County's Natividad Medical Center through the prepayment of lease obligations represented by the following certificates of participation (the "Prior Certificates") and the concurrent defeasance of the Prior Certificates:

- \$43,700,000 Certificates of Participation (2009 Refinancing Project), executed and delivered on December 30, 2009, and
- \$17,845,000 Certificates of Participation (2010 Refinancing Project), executed and delivered on October 29, 2010; and

WHEREAS, in order to provide the funds for said purpose, pursuant to this Site Lease, the County has agreed to lease to the Corporation, and the Corporation has agreed to lease from the County, the land and improvements thereon more fully described on Exhibit A hereto (the "Leased Property"), in return for an upfront site lease payment that will be applied toward the defeasance and prepayment of the Prior Certificates; and

WHEREAS, the Leased Property consists of the Natividad Medical Center, located at 1441 Constitution Boulevard, in Salinas, California; and

WHEREAS, the Corporation has agreed to sublease the Leased Property back to the County pursuant to that certain unrecorded Lease Agreement dated as of December 1, 2019, by and between the Corporation, as sublessor, and the County, as sublessee (the "Lease Agreement") and evidenced of record by that certain Memorandum of Lease Agreement dated as of December 1, 2019 and recorded concurrently herewith, and to assign its rights to receive lease payments to be made by the County under the Lease Agreement to U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, under that certain Trust Agreement dated as of December 1, 2019, by and among the Corporation, the County and the Trustee (the "Trust Agreement"), the Trustee agrees to execute and deliver certificates of participation captioned "County of Monterey 2019 Certificates of Participation (2019 Public Facilities Refinancing)" in the principal amount of \$_____ (the "Certificates") representing the direct, undivided fractional interests of the owners thereof in such lease payments; and

WHEREAS, the County and the Corporation are authorized to enter into this Site Lease; and

WHEREAS, the Corporation and the County wish to enter into this Site Lease to provide the terms and conditions relating to the lease of the Leased Property by the Corporation from the County;

NOW, THEREFORE, in consideration of the above property and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

SECTION 1. Site Lease. The County hereby leases the Leased Property to the Corporation, and the Corporation hereby leases the Leased Property from the County, on the terms and conditions hereinafter set forth.

SECTION 2. Term; Possession. The term of this Site Lease shall commence on the Closing Date (as defined in the Trust Agreement), and the Corporation shall be entitled to possession of the Leased Property hereunder on said date. This Site Lease shall end, and the right of the Corporation hereunder to possession of the Leased Property shall thereupon cease, on October 1, 20___, or such earlier or later date on which the Lease Payments (as such term is defined in the Lease Agreement) are paid in full or provisions made for such payment, but in no event later than October 1, 20___, being ten years after the stated maturity date of the Certificates.

SECTION 3. Rental. The Corporation shall pay to the County, as and for rental of the Leased Property hereunder, the Site Lease Payment in the amount of \$_____, which shall become due and payable upon the execution and delivery hereof.

SECTION 4. Lease Back to County. The Corporation shall sublease the Leased Property back to the County pursuant to the Lease Agreement.

SECTION 5. Assignments and Subleases. Unless the County shall be in default under the Lease Agreement, the Corporation 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 County.

SECTION 6. Right of Entry. The County 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 7. Termination. The Corporation 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 County for no additional consideration.

SECTION 8. Default. If the Corporation is in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which continues for 30 days following notice and demand for correction thereof to the Corporation, the County 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 County under the Lease Agreement shall continue to be paid to the Trustee.

SECTION 9. Quiet Enjoyment. The Corporation at all times during the term of this Site Lease Agreement 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 (as such term is defined in the Lease Agreement).

SECTION 10. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely corporate liabilities of the Corporation, and the County hereby releases each and every member and officer of the Corporation of and from any personal or individual liability under this Site Lease. No member or officer of the Corporation 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 Corporation hereunder.

SECTION 11. Taxes. The County 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 12. 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 Corporation 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 County.

SECTION 13. 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, or by electronic transmission or other form of telecommunication, at its address set forth below. Notice shall be effective either (a) upon confirmation of a successful transmission by email or other form of 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 County and the Corporation 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 County: County of Monterey
Administrative Office
168 West Alisal Street, 3rd Floor
Salinas, CA 93901
Email: _____

If to the Corporation: County of Monterey Public Improvement Corporation
c/o County of Monterey
Administrative Office
168 West Alisal Street, 3rd Floor
Salinas, CA 93901
Email: _____

If to the Trustee: U.S. Bank National Association
1 California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust
Email: serena.gutierrez@usbank.com

SECTION 14. Governing Law. This Site Lease shall be construed in accordance with and governed by the laws of the State of California.

SECTION 15. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the Corporation, the County and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 16. Severability of Invalid Provisions. If any one or more of the provisions contained in this Site Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Site Lease and such invalidity, illegality or unenforceability shall not affect any other provision of this Site Lease, and this Site Lease shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the County each hereby declares that it would have entered into this Site Lease and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Site Lease may be held illegal, invalid or unenforceable.

SECTION 17. 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 18. 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 Corporation and the County, all with the same force and effect as though the same counterpart had been executed by both the Corporation and the County.

* * * * *

IN WITNESS WHEREOF, the County 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.

COUNTY OF MONTEREY, as lessor

By: _____
Charles J. McKee,
County Administrative Officer

ATTEST:

By: _____
Clerk of the Board of Supervisors

**COUNTY OF MONTEREY PUBLIC
IMPROVEMENT CORPORATION, as lessee**

By: _____
Mary Zeeb,
President

ATTEST:

By: _____
Clerk/Treasurer

[NOTARY ACKNOWLEDGMENTS]

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

The land referred to herein is situated in the State of California, County of Monterey, City of Salinas and described as follows:

Certain real property situate in the Rancho El Sausal and the City of Salinas, Monterey County, California, being a portion of the lands of Monterey County as described in deeds recorded in Volume 10 of Deeds at page 332, and Volume 1679, at page 148, official records of said county, being more particularly described as follows:

Beginning at county monument number 231 as shown on the map recorded in Volume 15 of Parcel Maps at page 14, from which county monument number 232 bears along the centerline of an access road N 29°41'34" East, 498.42 feet distant; thence along said road centerline S 29°12'35" W, 16.93 feet to the True Point of Beginning; thence leave said road center line, South 58°12'15" East, 80.64 feet; thence South 34°06'54" East, 28.20 feet; thence South 15°40'46" East, 28.61 feet; thence South 2°42'15" East, 32.19 feet; thence South 15°30'23" West, 31.77 feet; thence South 29°34'27" West, 78.58 feet; thence South 38°28'20" East, 18.85 feet; thence South 67°03'45" East, 129.34 feet; thence South 62°28'39" East, 228.70 feet; thence South 66°45'12" East, 51.70 feet; thence North 29°00'37" East, 310.00 feet; thence South 67°46'24" East, 77.56 feet; thence North 21°09'38" East, 22.25 feet; thence North 62°51'11" East, 172.74 feet; thence South 11°40'40" East, 26.62 feet; thence South 32°39'41" East, 79.51 feet; thence South 31° 42'42" East, 59.09 feet; thence South 32°34'18" East, 197.26 feet; thence South 38°16'25" East, 113.90 feet; thence South 68°25'58" East, 20.33 feet; thence South 5°09'23" East, 25.00 feet; thence Along the arc of a circular curve to the left from a radial bearing of North 5°09'23" West, with a radius of 150.00 feet, through a central angle of 28°22'09" for an arc distance of 74.27 feet; thence tangentially North 56°28'28" East, 181.91 feet; thence tangentially Along the arc of a circular curve to the right with a radius of 150.00 feet, through a central angle of 84°12'14" for an arc distance of 220.45 feet; thence South 39°19'18" East, 27.89 feet to a point on the northerly line of Constitution Boulevard, a 106' wide city street; thence along said street line, non-tangentially Along the arc of a circular curve to the left from a radial bearing of South 38°57'01" East, with a radius of 1853.00 feet, through a central angle of 7°13'25" for an arc distance of 233.62 feet; thence South 43°49'33" West, 929.92 feet; thence Along the arc of a circular curve to the right with a radius of 90.00 feet, through a central angle of 82°17'37" for an arc distance of 129.27 feet to a point on the north line of East Laurel Drive, a city street of varying width; thence along said line Along the arc of a circular curve to the left from a radial bearing of South 36°07'11" West, with a radius of 2064.00 feet, through a central angle of 5°33'07" for an arc distance of 200.00 feet; thence North 66°10'56" West, 278.00 feet; thence Along the arc of a circular curve to the left with a radius of 2050.00 feet, through a central angle of 8°49'41" for an arc distance of 315.87 feet; thence North 75°23'51" West, 77.39 feet; thence North 80°03'24" West, 127.75 feet; thence North 73°48'58" West, 222.87 feet; thence North 74°18'36" West, 64.60 feet; thence leave said line of East Laurel Drive North 64°05'34" East, 488.82 feet to a point in the center line of said first mentioned access road; thence along the center line thereof, non-tangentially Along the arc of a circular curve to the right from a radial bearing of North 60°44'49" East, with a radius of 350.00 feet, through a central angle of 2°43'37" for an arc distance of 16.66 feet; thence North 26°31'34" West, 105.21 feet; thence tangentially Along the arc of a circular curve to the right with a radius of 125.00 feet, through a central angle of 55°44'31" for an arc distance of 121.61 feet; thence North 29°12'35" East, 446.12 feet to the True Point of Beginning.

EXCEPTING THEREFROM, HOWEVER, the following described tracts of land:

FIRST: Beginning at the southerly terminus of the herein before described course number 21, thence Along the arc of a circular curve to the left from a radial bearing of North 5°09'23" West, with a radius of 150.00 feet through a central angle of 28°22'09" for an arc distance of 74.27 feet; thence tangentially North 56°28'28" East, 181.91 feet; thence tangentially Along the arc of a circular curve to the right with a radius of 150.00 feet through a central angle of 84°12'14" for an arc distance of 220.45 feet; thence South 39°19'18" East, 27.89 feet to a point on the northerly line of Constitution Boulevard, a 106' wide city street; thence along said line Along the arc of a circular curve to the left from a radial bearing of South 38°57'01" East, with a radius of 1853.00 feet, through a central angle of 7°13'25" for an arc distance of 233.62 feet; thence South 43°49'33" West, 501.14 feet; thence leave said line of Constitution Boulevard North 63°44'31" West, 157.06 feet; thence non-tangentially Along the arc of a circular curve to the left from a radial bearing of North 41°19'29" West, with a radius of 450.00 feet, through a central angle of 5°59'29" for an arc distance of 47.06 feet; thence North 26°10'37" East, 318.88 feet; thence tangentially Along the arc of a circular curve to the right with a radius of 86.00 feet, through a central angle of 36°57'29" for an arc distance of 55.47 feet; thence North 84°50'37" East, 40.80 feet to the point of beginning.

SECOND: Beginning at a point on the north line of East Laurel Drive, said point being also on the herein before mentioned course number 30 from which the most westerly terminus thereof bears North 66°10'56" West, 121.26 feet distant; thence North 66°10'56" West, 121.26 feet; thence Along the arc of a circular curve to the left with a radius of 2050.00 feet, through a central angle of 6°01'02" for an arc distance of 215.29 feet; thence leave said line of East Laurel Drive North 26°14'13" East, 360.00 feet; thence 4b. South 63°45'47" East, 335.00 feet; thence South 26°14'13" West, 330.83 feet to the point of beginning.

APN: portion of 003-851-041-00 and 003-851-039-00