RECORDING REQUESTED BY:
Fontana Public Facilities Financing Authority

AND WHEN RECORDED RETURN TO:
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Vanessa S. Legbandt, Esq.

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

THE GRANTOR AND THE GRANTEE ARE GOVERNMENTAL AGENCIES.

GROUND LEASE

by and between

CITY OF FONTANA

and

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

Dated as of November 1, 2021

Relating to

$_____
FONTANA PUBLIC FACILITIES FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2021A

GROUND LEASE

THIS GROUND LEASE (this "Ground Lease"), executed and entered into as of November 1, 2021, is by and between the CITY OF FONTANA (the "City"), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as lessor, and the FONTANA PUBLIC FACILITIES FINANCING AUTHORITY (the "Authority"), a joint exercise of powers entity duly organized and existing under the laws of the State of California, as lessee.

WITNESSETH:

WHEREAS, the City previously financed a portion of the costs of the acquisition, construction and installation of certain public capital improvements in the City including Fire Station No. 71, as more fully described in the proceedings for the issuance of the 2010 Bonds (defined below) (the "2010 Project");

WHEREAS, the City determined to provide the funds necessary to finance the acquisition, construction and installation of the 2010 Project through issuance by the Fontana Public Financing Authority of its 2010 Lease Revenue Bonds (Taxable Recovery Zone Economic Development Bonds) (the "2010 Bonds"), payable from certain lease payments to be made by the City under a lease agreement;

WHEREAS, the City and the Authority desire to finance the acquisition, construction, and installation of certain public capital improvements in the City, including a new Fire Station No. 81 and a Fire Protection District Training Facility located on the site of future Fire Station No. 80 (collectively, the "2021 Project"; and, together with the 2010 Project, the "Project");

WHEREAS, the City and Authority desire to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the "Fontana Public Facilities Financing Authority Lease Revenue Bonds, Series 2021A" (the "Series 2021A Bonds") for the purpose of refinancing the 2010 Project, the 2010 Bonds and the City's related lease payments, and financing the 2021 Project;

WHEREAS, in order to facilitate the issuance of the Series 2021A Bonds, the City will lease certain real property and the improvements located thereon (the "Property") to the Authority pursuant to this Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to the Lease Agreement (the "Lease Agreement");

WHEREAS, the Property is more particularly described in Exhibit A hereto;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance all or a portion of the 2010 Project and finance all or a portion of the 2021 Project through the issuance by the Authority of the Series 2021A Bonds payable from the base rental payments (the "Base Rental Payments") to be made by the City under the Lease Agreement;

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide for the issuance of such bonds payable from the Base Rental Payments pursuant to an Indenture, dated as of the date hereof, by and among the Authority, the City and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof (the "Assignment Agreement");

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Ground Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Ground Lease;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in Article I of the Lease Agreement shall have the same meaning in this Ground Lease.

ARTICLE II

LEASE OF THE PROPERTY; RENTAL

Section 2.01 Lease of Property. The City hereby leases to the Authority, and the Authority hereby leases from the City, for the benefit of the Owners of the Bonds, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Ground Lease.

Section 2.02 Rental. The Authority shall pay to the City as and for rental of the Property hereunder, the sum of $1.00, the receipt of which is hereby acknowledged.

ARTICLE III

QUIET ENJOYMENT

The parties intend that the Property will be leased back to the City pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if an event of default occurs under the Lease Agreement, the Authority, or its assignee, will have the right, for the then remaining term of this Ground Lease to (a) take possession of the Property, (b) if it deems it appropriate, cause an appraisal of the Property and a study of the then reasonable use thereof to be undertaken, and (c) relet the Property. Subject to any rights the City may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Property, the City hereby covenants and agrees that it will not take any action to prevent the Authority from having quiet and peaceable possession and enjoyment of the Property during the term

hereof and will, at the request of the Authority and at the City's cost, to the extent that it may lawfully do so, join in any legal action in which the Authority asserts its right to such possession and enjoyment.

ARTICLE IV

SPECIAL COVENANTS AND PROVISIONS

Section 4.01 Waste. The Authority agrees that at all times that it is in possession of the Property, it will not commit, suffer or permit any waste on the Property, and that it will not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Section 4.02 Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease, the Indenture and the Lease Agreement.

Section 4.03 Waiver of Personal Liability. All liabilities under this Ground Lease on the part of the Authority shall be solely liabilities of the Authority as a joint exercise of powers entity, and the City hereby releases each and every director, officer and employee of the Authority of and from any personal or individual liability under this Ground Lease. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the City or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

All liabilities under this Ground Lease on the part of the City shall be solely liabilities of the City as a public corporation, and the Authority hereby releases each and every member, officer and employee of the City of and from any personal or individual liability under this Ground Lease. No member, officer or employee of the City shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the City hereunder.

Section 4.04 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 Property.

Section 4.05 Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Section 4.06 Representations of the City. The City represents and warrants to the Authority and the Trustee as follows:

(a) the City has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or

encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the City;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full; and

(d) the Property is necessary to the City in order for the City to perform its governmental functions.

Section 4.07 Representations of the Authority. The Authority represents and warrants to the City and the Trustee that the Authority has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Ground Lease.

ARTICLE V

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 5.01 Assignment and Subleasing. This Ground Lease may be sold or assigned and the Property subleased, as a whole or in part, by the Authority without the necessity of obtaining the consent of the City, if an event of default occurs under the Lease Agreement. The Authority shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the City a true and correct copy of such assignment, sale or sublease, as the case may be.

Section 5.02 Restrictions on City. The City agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Ground Lease.

ARTICLE VI

TERM; TERMINATION

Section 6.01 Term. The term of this Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including November 1, 2051, unless such term is extended or sooner terminated as hereinafter provided. Notwithstanding the foregoing, the term of this Ground Lease shall automatically terminate on November 1, 2042 with respect to the portion of the Property designated as Fire Station No. 71 on Exhibit A hereto.

Section 6.02 Extension; Early Termination. If, on November 1, 2051, the Bonds shall not be fully paid, or provision therefor made in accordance with Article X of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Ground Lease shall be automatically extended until the date upon which all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, except that the term of this Ground Lease shall in no event be extended more than ten years. If, prior to November 1, 2051, all Bonds shall be fully paid, or provisions therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, the term of this Ground Lease shall end simultaneously therewith.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the City, the Authority and their respective successors and assigns.

Section 7.02 Severability. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.03 Amendments, Changes and Modifications. This Ground Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of the Lease Agreement.

Section 7.04 Assignment to Trustee. The Authority and City acknowledge that the Authority has assigned its right, title and interest in and to this Ground Lease (but none of its obligations and none of its rights to provide consents or approvals hereunder) to the Trustee pursuant to certain provisions of the Assignment Agreement. The City consents to such assignment.

Section 7.05 Execution In Counterparts. This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.06 Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 7.07 [2021 Insurer as Third Party Beneficiary. The 2021 Insurer is recognized as and shall be deemed to be a third party beneficiary of this Ground Lease and may enforce the provisions of this Ground Lease as if it were a party hereto.]

Section 7.08 Captions. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority and the City have caused this Ground Lease to be executed by their respective officers hereunto duly authorized, all as of the day and year first above written.

CITY OF FONTANA

By: _____
Mark Denny
City Manager

ATTEST:

_____
Tonia Lewis
City Clerk

FONTANA PUBLIC FACILITIES FINANCING AUTHORITY

By: _____
Mark Denny
Executive Director

ATTEST:

_____
Tonia Lewis
Secretary

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the Property conveyed under the foregoing to the City of Fontana, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the City Council of the City of Fontana, pursuant to authority conferred by resolution of the said City Council adopted on September 28, 2021, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2021

CITY OF FONTANA

By: _____
Mark Denny
City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____
SIGNATURE OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public,

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

_____
SIGNATURE OF NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Ben L. Abernathy Police Facility

PARCEL NO. 1:

THE SOUTH 7.13 FEET OF LOT 20, ALL OF LOT 21, AND THE NORTH 42.67 FEET OF LOT 22, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 2:

LOT 8 AND THE NORTH 42.93 FEET OF LOT 9 AND THE SOUTH 7.07 FEET OF LOT 7, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 3:

THE NORTH 42.87 FEET OF LOT 20 AND THE SOUTH 7.13 FEET OF LOT 19, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE

VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 A 55438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 4:

THE NORTH 42.87 FEET OF LOT 19 AND THE SOUTH 7.13 FEET OF LOT 18, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL NO. 5:

THE SOUTH 7.07 FEET OF LOT 9 AND ALL OF LOTS 10 AND 11, BLOCK 9, FONTANA TOWNSITE, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 19, PAGES 53 AND 54 OF MAPS, RECORDS OF SAID SAN BERNARDINO COUNTY, CALIFORNIA.

TOGETHER WITH THOSE PORTIONS AS DESCRIBED IN THAT CERTAIN RESOLUTION NO. 86214 OF THE CITY COUNCIL OF THE CITY OF FONTANA ORDERING THE VACATION OF CITY STREET APPROVED AND ADOPTED ON THE 18TH DAY OF NOVEMBER, 1986 BY THE MAYOR OF THE CITY OF FONTANA AND RECORDED ON THE 24 DAY OF NOVEMBER, 1986 AS INSTRUMENT NO. 86-355438, OF OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

APN: 192-031-10
APN: 192-031-11
APN: 192-031-12
APN: 192-031-13
APN: 192-031-14

Fire Station No. 71:

THAT PORTION OF BLOCK 17 OF TRACT NO. 2266, FONTANA, TOWNSITE, IN THE CITY OF FONTANA, PER MAP RECORDED IN BOOK 32, PAGES 43 THROUGH 53, INCLUSIVE, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 17, SAID POINT BEING SOUTH 89°44’00” WEST, 862.67 FEET OF THE SOUTHEAST CORNER OF

SAID BLOCK 17; THENCE NORTH 00°14’00” WEST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 247.57 FEET; THENCE NORTH 89°23’47” EAST, 240.55 FEET; THENCE SOUTH 00°14’00” EAST PARALLEL WITH THE EASTERLY LINE OF SAID BLOCK 17, 248.98 FEET TO THE SOUTHERLY LINE OF SAID BLOCK 17; THENCE SOUTH 89°44’00” WEST ALONG SAID SOUTHERLY LINE, 240.55 FEET TO THE POINT OF BEGINNING.

APN: 0192-042-26
APN: 0192-042-27

Fire Protection District Training Facility

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 35;
THENCE ALONG THE NORTH LINE OF SAID SECTION 35, SOUTH 89°55’12” EAST, 950.74 FEET TO THE NORTHWESTERLY LINE OF THE LAND CONVEYED IN A DEED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN RECORDED JULY 31, 1991 AS INSTRUMENT NO. 91-290525, OFFICIAL RECORDS;
THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 44° 23’ 30” WEST, 579.12 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 44° 23’ 30” WEST, 663.27 FEET;
THENCE NORTH 43° 47’ 30” WEST, 31.95 FEET;
THENCE NORTH 00° 01’ 56” EAST, 363.73 FEET;
THENCE NORTH 79° 49’ 49” EAST, 493.66 FEET TO THE TRUE POINT OF BEGINNING.

APN: 0228-021-46

Fire Station No. 81

LOT E OF TRACT NO. 20213-1, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, AS PER MAP FILED ON JULY 9, 2019, IN BOOK 353, PAGES 55 THROUGH 60, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM 1/2 INTEREST IN AND TO ALL OIL, MINERALS, ASPHALTUM AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID LAND, AS RESERVED IN THE DEED FROM JAMES R. JOHNSON AND MILDRED E. JOHNSON, HUSBAND AND WIFE TO BERRY INVESTMENT CORPORATION, RECORDED NOVEMBER 25, 1957 IN BOOK 4376, PAGE 206 OF OFFICIAL RECORDS.

APN: 0239-932-37