



BOARD OF DIRECTORS REGULAR MEETING AGENDA

Kelly Gregg *President*

James Roberts III *Vice President*

Jose Gonzalez *Director*

Shawna Irish *Director*

Roman Aguilar III *Director*

Kyle Woolley *General Manager*

HESPERIA RECREATION AND PARK DISTRICT

Wednesday, July 12, 2023 - 6:00 P.M.

Lime Street Park Community Center

16292 Lime Street, Hesperia, CA 92345

AGENDA

CALL TO ORDER

- a. Roll Call
- b. Approval of Agenda

FLAG SALUTE

PROCLAMATIONS AND PRESENTATIONS

MESSAGE TO THE PUBLIC/PUBLIC COMMENT

Welcome to this Board of Directors Meeting. The Board encourages public participation. If you desire to address the Board on any District related matter or item on the Agenda, you are asked to please fill out one of the speaker forms in the back of the meeting room and turn it in to the General Manager. When called upon, please come forward, and state your name and address (if you wish) before addressing the Board. Please limit your comments to five minutes per speaker.

Please note that if you address the Board on items NOT on the Agenda, the Brown Act does not allow discussion of such items. Therefore, the Board may only do the following: refer the matter to staff, ask for additional information, request a report back, or give a very limited factual response.

CONSENT ITEMS

The following items are expected to be routine and non-controversial, and will be acted upon by the Board at one time without discussion, unless a Board member requests that an item be removed from the consent agenda and held for discussion.

- A. Approval of Minutes of Regular Meeting, June 14, 2023
- B. Approval of Minutes of Special Meeting, June 21, 2023

**PULLED CONSENT ITEMS
DISCUSSION/ACTION ITEMS**

- C. Approval of Resolution No. 23-07-01, A Resolution of the Board of Directors of the Hesperia Recreation District Approving a Debt Management Policy
- D. Approval Resolution No. 23-07-02, a Resolution of the Hesperia Recreation and Park District Approving a Site Lease, and a Lease Agreement; Making Certain Determinations Relating Thereto; and Authorizing Certain Other Actions in Connection Therewith
- E. Waiving Reading in Full and Introduce Ordinance No. 23-01, Ordinance of the Hesperia Recreation and Park District Board of Directors Amending Section 23 of Ordinance No. 2 Establishing Rules and Regulations Governing Use of Parks, Recreation Areas, and Facilities to Provide that Fees and Fines Shall be Set by Resolution
- F. **PUBLIC HEARING** - Fiscal Year 2023/2024 Final Budget

Approval of Fiscal Year 2023/2024 Final Budget
- G. Adopt a Tree Program
- H. Approval to Extend Property Management Contract
- I. Approval of Employment Contract with Kyle Woolley
- J. Bi-Monthly Regular Meetings
- K. District Board Field Trip

CORRESPONDENCE/WRITTEN COMMUNICATION

GENERAL MANAGER/STAFF REPORTS - The General Manager will report on the following topics, report on committees, or other activities.

- a. Recreation Programs
- b. Lake
- c. Parks Division
- d. Park Ranger
- e. Marketing
- f. General Manager

BOARD MEMBER REPORTS

Standing Committees:

- Recreation Foundation – Gonzalez/Roberts
- Tri-Agency – Aguilar/Irish (no meeting held)
- Safety, Security, and Maintenance – Roberts/Aguilar

Personnel - Irish/Gregg (no meeting held)
Finance - Gregg/Irish (no meeting held)
Development - Roberts/Gregg (no meeting held)

Ad Hoc Committee:

Event - Irish/Aguilar

BOARD MEMBER COMMENTS

CLOSED SESSION ITEMS

- L. CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54956.9(d)(2) -
Anticipated Litigation - 1 case: *Whyte vs. HRPD and HARD Foundation*

REPORT FROM CLOSED SESSION, IF ANY

ANNOUNCEMENTS

The next Regular Board Meeting is scheduled for August 9, 2023, at 6:00 p.m. and will be held in the Lime Street Community Center at 16292 Lime Street, Hesperia, CA 92345.

ADJOURNMENT

It is the intent of the Hesperia Recreation and Park District to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Hesperia Recreation and Park District will attempt to accommodate you in every reasonable manner. Please contact the District Office at (760) 244-5488, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

Board Meeting documents can be reviewed by the public at the District Office, 16292 Lime Street, Hesperia, CA - Monday through Friday, 8:30 a.m. to 5:00 p.m.

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: July 7, 2023

PHONE: (760) 244-5488

FROM: *KG*
KARABETH GARCIA, EXECUTIVE DISTRICT CLERK
Hesperia Recreation and Park District

TO: BOARD OF DIRECTORS
Hesperia Recreation and Park District

SUBJECT: EXPANDED AGENDA INFORMATION FOR REGULAR BOARD
MEETING 7/12/2023

DISCUSSION/ACTION ITEMS

C. Approval of Resolution No. 23-07-01, A Resolution of the Board of Directors of the Hesperia Recreation District Approving a Debt Management Policy

Background: Local agencies in California that wish to enter into debt financing transactions must have a debt management policy that is compliant with SB 1029 (2016), which became effective on January 1, 2017. The resolution being considered tonight by the Board would have the District adopt a SB 1029-compliant debt management policy, in anticipation of entering into a financing transaction with a private placement lender for the Sitelogiq Energy Efficiency Projects.

Analysis: In order to raise funds for the Sitelogiq Energy Efficiency Projects, the District is planning to enter into a real property lease purchase financing with Capital One Public Funding. Prior to entering into this transaction, the District will need to submit to the California Debt and Investment Advisory Commission (CDIAC) a preliminary report of debt issuance which will include a certification that the District has adopted a debt policy that meets the requirements of SB 1029, which became effective on January 1, 2017, and which are found in California Government Code 8855. Adoption of the debt policy by the Board is required for compliance with the legislation.

In accordance with Government Code 8855, a local debt policy must include all of the following:

- (A) The purposes for which the debt proceeds may be used.
- (B) The types of debt that may be issued.
- (C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
- (D) Policy goals related to the issuer's planning goals and objectives.
- (E) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The contemplated debt management policy meets all of these requirements.

Fiscal Impact: Adoption of the debt management policy will have no financial impact, as it is simply a policy governing future debt financing transactions.

Recommendation: Approve a resolution of the Board adopting a debt management policy, as required by State law for local agencies wishing to enter into debt financing transactions.

Reference Materials Included In Tab: YES NO

1. Resolution No. 23-07-01
2. Debt Management Policy

D. Approval Resolution No. 23-07-02, a Resolution of the Hesperia Recreation and Park District Approving a Site Lease, and a Lease Agreement; Making Certain Determinations Relating Thereto; and Authorizing Certain Other Actions in Connection Therewith

Background: In March of 2023, staff began meeting with consultants from the CSDA Finance Corporation (“CSDAFC”) regarding the potential financing for the District’s energy efficiency projects with Sitelogiq. The consulting team from CSDAFC was Oppenheimer & Co. Inc (“Oppenheimer”). Based on the small financing amount, it was determined that a direct placement method of sale would be the most appropriate approach for the District’s financing when ready. On April 19, 2023, Oppenheimer presented information to the District’s Finance Committee regarding potential financing structures and subsidies available through the Inflation Reduction Act. Following the Finance Committee meeting, staff directed Oppenheimer to return for the June Board meeting to present financing options.

In preparation for the June 14th Board meeting, Oppenheimer began canvassing the direct placement market for a tax-exempt equipment lease term sheet. The requirements for the financing were a 20-year term, with an interest rate that would achieve a budget neutral repayment through the savings from the energy efficiency measures. Oppenheimer received feedback from six lenders. Two lenders, Bank of America and Webster Bank were not providing financing to recreation and park districts regardless of credit strength. Two other lenders, First Foundation Bank and Pacific Western Bank were providing interest rates that exceeded the budget neutral requirements for the financing. Flagstar Bank was willing to provide a term sheet for an equipment lease financing. Their pricing was in the range of 4.70%, and they were only able to offer a 15-year fixed rate with a 5-year reset. Oppenheimer also received feedback from Capital One Public Funding who was willing to provide a 20-year fixed rate, but required a real property lease instead of an equipment lease.

Due to the timing of the June 14th Board meeting being the same day as the Federal Open Market Committee meeting, Oppenheimer decided to hold off on requesting interest rate pricing from

Flagstar Bank and Capital One Public Funding. Instead, Oppenheimer presented the structures for the two financing options to the Board. The Board determined they were not comfortable with pursuing an equipment lease that was not fixed for the full 20-year term of the financing. The Board instructed Oppenheimer to negotiate pricing with Capital One Public Funding for a real property lease. A special Board Meeting was scheduled on June 21st, where Oppenheimer returned with a term sheet from Capital One Public Funding for a real property lease purchase financing that offered a 20-year fixed rate at 4.50%.

At the June 21st meeting, the Board directed Oppenheimer to work with the rest of the CSDAFC team to bring back financing documents at the July 12th Board meeting. The Board also requested that Oppenheimer conduct further negotiations with Capital One Public Funding for the ability to execute two early partial redemptions at any time. Oppenheimer was successful in those negotiations. The revised term sheet from Capital One Public Funding provides the District with the ability to execute two partial prepayments of up to 20% of the outstanding loan value, at any time, with zero prepayment penalty.

Summary of Legal Structure and Documents: The financing will be structured as a lease/leaseback. The District's obligation to make lease payments will be secured by an annual appropriation from the District's general fund. The documents for this financing are summarized below.

Site Lease: Pursuant to the site lease, the District leases property to the CSDA Finance Corporation, (the "Counterparty") in order to facilitate the financing of the project. The District will then lease the property back from the Counterparty pursuant to the lease agreement described below.

Lease Agreement: Under the Lease Agreement, the District agrees to lease the property back from the Counterparty and make rental payments to the Counterparty (representing a principal component and an interest component). The lease agreement describes certain covenants, representations and warranties of the District and the Counterparty, as well as, among other things: (i) the terms and conditions related to the deposit and application of funds, (ii) the term of the financing and (iii) provisions related to the lease payments.

Assignment Agreement: The Counterparty will assign its right to receive the lease payments as well as the right to enforce said payments to Capital One Public Funding. As consideration for such assignment, Capital One Public Funding provides the funding for the project and as such is entitled to receive the assigned lease payments the District makes pursuant to the lease agreement.

Memorandum of Lease: This document memorializes and facilitates the recording of the lease agreement.

Financing Results: Below is a summary of the financing results per the term sheet provided by Capital One Public Funding.

Term	20-Year Direct Placement
Par Amount	\$4,945,000
Total Costs of Issuance	\$82,000
Interest Rate	4.50%
Total Capitalized Interest	\$222,525
First Lease Payment Date	February 15, 2025
First Lease Payment Amount	\$156,262

Next Steps: The next steps following the adoption of Resolution No. 23-07-02 are as follows:

Week of 8/1 Finalize and execute financing documents
 Tuesday, 8/15 Close transaction; fund lease

Result Of Recommended Action: If the Board adopts Resolution No. 23-07-02, staff will work with the financing team to finalize and execute the legal documents, and close and fund the transaction on Tuesday, August 15th. If closing does not occur by August 15th, then the interest rate lock will expire.

Recommendation: Adopt Resolution No. 23-07-02 approving a site lease and a lease agreement; making certain determinations relating thereto; and authorizing certain other actions in connection therewith.

Reference Materials Included In Tab: YES NO

1. Resolution No. 23-07-02
2. Site Lease
3. Lease Agreement
4. Bond Counsel Agreement
5. Escrow Agreement
6. Placement Agent Agreement
7. Memorandum of Lease

E. Waiving Reading in Full and Introduce Ordinance No. 23-01, Ordinance of the Hesperia Recreation and Park District Board of Directors Amending Section 23 of Ordinance No. 2 Establishing Rules and Regulations Governing Use of Parks, Recreation Areas, and Facilities to Provide that Fees and Fines Shall be Set by Resolution

Background: At the June 14, 2023, Regular Board of Directors meeting, the Board voted to increase the fine on the Administrative Fine Schedule regarding, "B-C, Utilizing Facilities/Off-

Road Vehicles,” from \$250 to \$500. The Administrative Fine Schedule is currently set by Ordinance No. 2, which would need to be amended to increase the fines.

The alternative is to pass Ordinance No. 23-01, which amends Section 23 of Ordinance No. 2, to provide that in the future, fees and fines shall be set by resolution. This would be the first reading of the Ordinance. The second reading would be held at a following meeting. Thirty (30) days after the second reading and adoption of this Ordinance, the Board would then adopt a resolution which increases the fees.

Recommendation: Waive the reading in full and introduce Ordinance No. 23-01. Hold a second reading and a following meeting and adopt Ordinance No. 23-01. Thirty (30) days after the adoption, approve the fee increase by resolution.

Reference Materials Included In Tab: YES NO

1. Ordinance No. 23-01

F. PUBLIC HEARING - Fiscal Year 2023/2024 Final Budget

Approval of Fiscal Year 2023/2024 Final Budget

Background: We have advertised a Public Hearing on the Fiscal Year 2023/2024 Final Budget. We will take public testimony as required by law.

The Fiscal Year 2023/2024 Budget is before you.

Recommendation: Open Public Hearing, take public testimony, and close Public Hearing. Approve Fiscal Year 2023/2024 Final Budget.

Reference Materials Included In Tab: YES NO

1. Fiscal Year 2023/2024 Final Budget

G. Adopt a Tree Program

Background: This item was placed on the Agenda at the request of the Board. Staff will defer the introduction of this item to the Committee.

Recommendation: Consensus of the Board.

Reference Materials Included In Tab: YES NO

H. Approval to Extend Property Management Contract

Background: The contract with CPI Capital, property management, ends on July 11, 2023. Section 8. of the current contract states:

8.2 Extension. District may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein.

Staff is working on drafting an extension to the contract which will be presented to the Board upon completion.

Recommendation: Approve an extension of the contract with CPI Capital.

Reference Materials Included In Tab: YES NO

I. Approval of Employment Contract with Kyle Woolley

Background: In your tab you will find a copy of the General Manager’s proposed contract. The agreement shall be effective July 1, 2023, for a four-year term through June 30, 2027.

Recommendation: Approve the Employment contract with Kyle Woolley.

Reference Materials Included In Tab: YES NO

1. Amended and Restated Employment Agreement (General Manager)

J. Bi-Monthly Regular Meetings

Background: This item was placed on the Agenda at the request of the Board. Staff will defer the introduction of this item to the Committee.

Recommendation: Consensus of the Board.

Reference Materials Included In Tab: YES NO

K. District Board Field Trip

Background: The Board had requested a field trip to visit neighboring agencies. Staff is seeking direction on which area to focus on. Options could include similar park and

recreation districts, Community Facilities Districts, etc. Staff will then make arrangements for the field trip.

Recommendation: Direct staff on the area of focus the field trip should include.

Reference Materials Included In Tab: YES NO

**HESPERIA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
June 14, 2023**

MINUTES

CALL TO ORDER

The Hesperia Recreation and Park District Board of Directors Regular Meeting was called to order by President Gregg at 6:00 p.m., at the Lime Street Park Community Center, located at 16292 Lime Street, Hesperia, CA 92345.

ROLL CALL

ATTENDANCE

BOARD PRESENT:	Gonzalez, Gregg, Irish, Aguilar, Roberts
BOARD ABSENT:	None
STAFF PRESENT:	Woolley, Garcia, Varner, Chavez, Hauser
OTHER:	Josh Steeber and Supporting Staff, SitelogIQ; Jeff Land, CSDA Finance Corporation Alex Gibbs, Townsend Public Affairs (via teleconference)

APPROVAL OF AGENDA

It was moved by Director Aguilar and seconded by Director Gonzalez to approve the Agenda. The motion passed by the following roll call vote:

AYES:	Gregg, Irish, Aguilar, Roberts, Gonzalez
NOES:	None
ABSENT:	None
ABSTAIN:	None

FLAG SALUTE

The Flag Salute was led by Vice President Roberts.

PROCLAMATIONS AND PRESENTATIONS

- Josh Steeber, SitelogIQ, gave a brief introduction to the energy improvement project.

MESSAGE TO THE PUBLIC/PUBLIC COMMENT

- Mike Clayton addressed the Board about expanding the Lime Street Dog Park.
- Additional community members also addressed the Board about expanding the Lime Street Dog Park.

CONSENT ITEMS

- A. Approval of Minutes of Special Meeting, May 10, 2023
- B. Approval of Minutes of Regular Meeting, May 10, 2023
- C. Approval of Minutes of Special Meeting, May 11, 2023
- D. Approval of Minutes of Special Meeting May 24, 2023

MOTION: It was moved by Director Aguilar and seconded by Vice President Roberts to approve Items A through D. The motion passed by the following roll call vote:

AYES: Irish, Aguilar, Roberts, Gonzalez, Gregg
NOES: None
ABSENT: None
ABSTAIN: None

PULLED CONSENT ITEMS

None.

DISCUSSION/ACTION ITEMS

E. PUBLIC HEARING - Regarding Adopting Findings and Authorizing the Hesperia Recreation and Park District to Execute an Energy Services Contract

Approval of Resolution No. 23-06-01, A Resolution of the Board of Directors of the Hesperia Recreation and Park District Adopting Required Findings to Execute an Energy Services Contract

Public hearing opened at: 6:57 p.m.

Public Comment:

- Mike Layton commented to go ahead and do it.

Public hearing closed at 6:59 p.m.

MOTION: It was moved by President Gregg and seconded by Vice President Roberts to approve Resolution No. 23-06-01, A Resolution of the Board of Directors of the Hesperia Recreation and Park District Adopting Required Findings to Execute an Energy Services Contract. The motion passed by the following roll call vote:

AYES: Roberts, Gonzalez, Gregg, Irish, Aguilar
NOES: None
ABSENT: None
ABSTAIN: None

F. PUBLIC HEARING - Regarding Ordering the Levy and Collection of Assessments for Landscape and Lighting Assessment District No. 1, for Fiscal Year 2023/2024

Approval of Resolution No. 23-06-02, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Amending or Approving the Engineer's Report and Ordering the Levy and Collection of Assessments for Landscape and Lighting Assessment District No. 1, for Fiscal Year 2023/2024

Public hearing opened at: 7:25 p.m.
No public comments.
Public hearing closed at 7:27 p.m.

MOTION: It was moved by Director Aguilar and seconded by Director Gonzalez to approve Resolution No. 23-06-02, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Amending or Approving the Engineer's Report and Ordering the Levy and Collection of Assessments for Landscape and Lighting Assessment District No. 1, for Fiscal Year 2023/2024. The motion passed by the following roll call vote:

AYES: Gonzalez, Gregg, Irish, Aguilar, Roberts
NOES: None
ABSENT: None
ABSTAIN: None

G. PUBLIC HEARING - Regarding Ordering the Levy and Collection of Assessments for Landscape and Lighting Assessment District No. 2, Including All Zones, for Fiscal Year 2023/2024

Approval of Resolution No. 23-06-03, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Amending or Approving the Engineer's Report and Ordering the Levy and Collection of Assessments for Landscape and Lighting Assessment District No. 2, Including All Zones, for Fiscal Year 2023/2024

Public hearing opened at: 7:28 p.m.
No public comments.
Public hearing closed at 7:29 p.m.

MOTION: It was moved by Vice President Roberts and seconded by Director Gonzalez to approve Resolution No. 23-06-03, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Amending or Approving the Engineer's Report and Ordering the Levy and Collection of Assessments for Landscape and Lighting Assessment District No. 2, Including All Zones, for Fiscal Year 2023/2024. The motion passed by the following roll call vote:

AYES: Gregg, Irish, Aguilar, Roberts, Gonzalez
NOES: None
ABSENT: None
ABSTAIN: None

H. Approval of Resolution No. 23-06-04, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Adopting the GANN Appropriations Limit for Fiscal Year 2023-2024

MOTION: It was moved by President Gregg and seconded by Vice President Roberts to approve Resolution No. 23-06-04, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Adopting the GANN Appropriations Limit for Fiscal Year 2023-2024. The motion passed by the following roll call vote:

AYES: Irish, Aguilar, Roberts, Gonzalez, Gregg

NOES: None

ABSENT: None

ABSTAIN: None

I. Approval of Master Fee Schedule

MOTION: It was moved by Director Aguilar and seconded by President Gregg to amend the Master Fee Schedule for the Hesperia Days Rodeo on page four, that the non-profit will be \$150, and for-profit will be \$250, and for the Hesperia Days celebration it will be \$150 for the non-profit and a \$16 electrical fee, and for the profit \$250 and \$16 electrical fee, and for Ordinance No. 2 Fine Schedule revised, B-C - Utilizing Facilities/Off-Road Vehicles, will be increased to \$500. The motion passed by the following roll call vote:

AYES: Aguilar, Roberts, Gonzalez, Gregg, Irish

NOES: None

ABSENT: None

ABSTAIN: None

Meeting recessed from open session at 8:00 p.m.

Meeting reconvened into open session at 8:12 p.m.

J. Review and Approval of Fiscal Year 2023/2024 HARD Foundation Budget

MOTION: It was moved by President Gregg and seconded by Vice President Roberts to approve the Fiscal Year 2023/2024 HARD Foundation Budget. The motion passed by the following roll call vote:

AYES: Roberts, Gonzalez, Gregg, Irish, Aguilar

NOES: None

ABSENT: None

ABSTAIN: None

K. Review and Approval of Fiscal Year 2023/2024 Draft Budget

MOTION: It was moved by President Gregg and seconded by Vice President Roberts to approve the Fiscal Year 2023/2024 Draft Budget. The motion passed by the following roll call vote:

AYES: Gonzalez, Gregg, Irish, Aguilar, Roberts
NOES: None
ABSENT: None
ABSTAIN: None

L. Approval of Resolution No. 23-06-05, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Declaring July as Parks Make Life Better!® Month

MOTION: It was moved by President Gregg and seconded by Vice President Roberts to approve Resolution No. 23-06-05, a Resolution of the Board of Directors of the Hesperia Recreation and Park District, California, Declaring July as Parks Make Life Better!® Month. The motion passed by the following roll call vote:

AYES: Gregg, Irish, Aguilar, Roberts, Gonzalez
NOES: None
ABSENT: None
ABSTAIN: None

M. Approval of Proposed Agreement with Data Ticket

MOTION: It was moved by Vice President Roberts and seconded by Director Irish to approve the proposed agreement with Data Ticket. The motion passed by the following roll call vote:

AYES: Irish, Aguilar, Roberts, Gonzalez, Gregg
NOES: None
ABSENT: None
ABSTAIN: None

N. Future of Splash Pad Equipment

MOTION: It was moved by Director Aguilar and seconded by Vice President Roberts to put the future splash pad at Rick Novack along with restrooms and a dog park. The motion passed by the following roll call vote:

AYES: Aguilar, Roberts, Gonzalez, Gregg, Irish

NOES: None
ABSENT: None
ABSTAIN: None

O. Skate Park Location

MOTION: It was moved by President Gregg and seconded by Director Aguilar to put the skate park at Timberlane and add the dog park feature as well. The motion passed by the following roll call vote:

AYES: Roberts, Gonzalez, Gregg, Irish, Aguilar
NOES: None
ABSENT: None
ABSTAIN: None

P. Park Ranger Presence at District Meetings

MOTION: No motion was made.

CORRESPONDENCE/WRITTEN COMMUNICATION

- Mr. Woolley highlighted correspondence from Oak Hills High School thanking the HARD Foundation and staff for the Rick Novack High School Scholarship.

GENERAL MANAGER/STAFF REPORTS

- Recreation Programs
 - Lake
 - Parks Division
 - Park Ranger
 - Marketing
 - Development
 - General Manager
 - Monthly Budget
- Mr. Woolley highlighted the following: Tyler Technology progress, new Finance Manager, and District vehicles.

BOARD MEMBER REPORTS

Standing Committees:

Recreation Foundation - Gonzalez/Roberts

Director Aguilar reported on the May 25 meeting.

Tri-Agency - Aguilar/Irish

Director Irish and Director Aguilar reported on the June 7 meeting.

Safety, Security, and Maintenance - Roberts/Aguilar

Vice President Roberts reported on the May 25 meeting.

Personnel Committee – Irish/Gregg

No meeting held.

Finance Committee – Gregg/Irish

No meeting held.

Development – Roberts/Gregg

Vice President Roberts reported on the May 30 meeting.

Event Ad Hoc- Irish/Aguilar

Director Aguilar and Director Irish reported on the June 8 meeting.

BOARD MEMBER COMMENTS

- Director Irish – none.
- Director Gonzalez commented that we are moving right along. He thanked Mr. Varner for being here.
- Director Aguilar expressed that he’s looking forward to things happening.
- Vice President Roberts – none.
- President Gregg highlighted the need for AEDs. He commented on the fallen trees at the Dog Park and proposed an Adopt a Tree program.

Meeting recessed from open session at 10:53 p.m.

Meeting reconvened into closed session at 10:59 p.m.

CLOSED SESSION ITEMS

**Q. CLOSED SESSION pursuant to Govt. Code Section 54957- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager**

**R. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Govt. Code Section 54957.6
Agency Designated Representatives: District Board
Negotiating with: Unrepresented General Manager**

Meeting recessed from closed session at 11:34 p.m.

Meeting reconvened into open session at 11:34 p.m.

REPORT FROM CLOSED SESSION, IF ANY

None.

ANNOUNCEMENTS

The next Regular Board Meeting is scheduled for Wednesday, July 12, 2023, at 6:00 p.m. and will be held in the Lime Street Community Center at 16292 Lime Street, Hesperia, CA 92345.

ADJOURNMENT

The meeting was adjourned by declaration by President Gregg at 11:35 p.m.

Respectfully submitted,

Kyle Woolley
General Manager

Karabeth Garcia
Board Secretary/Clerk of the Board

DRAFT

**HESPERIA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
Wednesday, June 21, 2023**

MINUTES

CALL TO ORDER

The Hesperia Recreation and Park District Board of Directors Special Meeting was called to order by President Gregg at 6:00 p.m., at the Lime Street Park Community Center, located at 16292 Lime Street, Hesperia, CA 92345.

**ROLL CALL
ATTENDANCE**

BOARD PRESENT:	Irish, Gregg, Aguilar, Gonzalez, Roberts
BOARD ABSENT:	None
STAFF PRESENT:	Woolley, Garcia, Chavez
OTHER:	Josh Steeber and Team, SitelogIQ; Jeff Land, CSDA Finance Corporation

FLAG SALUTE

The Flag Salute was led by Director Aguilar.

PROCLAMATIONS AND PRESENTATIONS

None.

MESSAGE TO THE PUBLIC/PUBLIC COMMENT

None.

CONSENT ITEMS

None.

DISCUSSION/ACTION ITEMS

A. CSDA Finance Corporation

MOTION: No motion was made.

B. After School Activities Program Contract

MOTION: It was moved by President Gregg, seconded by Director Aguilar to send a sixty-day notice tomorrow to cut ties. The motion passed by the following roll call vote:

AYES:	Aguilar, Gonzalez, Roberts, Irish, Gregg
NOES:	None

ABSENT: None
ABSTAIN: None

C. Rick Novack Community Center Gym Floor

MOTION: No motion was made.

D. Board Member Photo Selection

MOTION: No motion was made.

CLOSED SESSION ITEMS

None.

ANNOUNCEMENTS

The next Regular Board Meeting is scheduled for Wednesday, July 12, 2023, at 6:00 p.m. and will be held in the Lime Street Community Center at 16292 Lime Street, Hesperia, CA 92345.

ADJOURNMENT

The meeting was adjourned by declaration by President Gregg at 7:38 p.m.

Respectfully submitted,

Kyle Woolley
General Manager

Karabeth Garcia
Board Secretary/Clerk of the Board



HESPERIA

Recreation & Park District

... Serving the Community Since 1957

Post Office Box 401055 • Hesperia, California 92340-1055 • (760) 244-5488

RESOLUTION NO. 23-07-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HESPERIA
RECREATION AND PARK DISTRICT APPROVING A DEBT MANAGEMENT
POLICY**

WHEREAS, the Board of Directors (the “Board”) of the Hesperia Recreation and Park District (the “District”) recognizes that cost-effective access to the capital markets depends on prudent management of the District’s debt program; and

WHEREAS, Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a report of the proposed issuance (the “Report of Proposed Debt Issuance”), and must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies (the “CDIAC Requirements”); and

WHEREAS, the Board wishes to set parameters for issuing debt, managing the debt portfolio and providing guidance to decision makers; and

WHEREAS, the Board finds and determines that adoption of the attached Debt Management Policy (the “Debt Management Policy”) will help ensure that debt is issued and managed prudently in order to maintain sound fiscal policy, and is in compliance with the CDIAC Requirements; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Hesperia Recreation and Park District hereby orders and determines as follows:

Section 1. Recitals. The Board hereby specifically finds and declares that each of the recitals set forth above are true and correct and are hereby incorporated in conjunction with the respective staff report.

Section 2. Approval of the Debt Management Policy. This Board hereby declares that the proposed Debt Management Policy attached hereto, is hereby approved as the Hesperia Recreation and Park District Debt Management Policy to be effective on the date of approval.

Section 3. Authorization to Manage Debt Issuance Functions. The General Manager or a designee thereof, is hereby authorized to manage debt issuance functions for the District in accordance with the Debt Management Policy.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED, and ADOPTED at a regular meeting of the Board of Directors of the Hesperia Recreation and Park District, this 12th day of July 2023.

Board President
Hesperia Recreation and Park District

District Secretary/Executive District Clerk
Hesperia Recreation and Park District

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
HESPERIA RECREATION AND PARK DISTRICT)

I, Karabeth Garcia, District Secretary of the Hesperia Recreation and Park District, County of San Bernardino, State of California do hereby certify that the foregoing Resolution No. 23-07-01 was duly introduced, read, and adopted by the Board of Directors of said Hesperia Recreation and Park District at a regular meeting of said Board of Directors held on the 12th day of July 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTESTED:

District Secretary/Executive District Clerk
Hesperia Recreation and Park District

HESPERIA RECREATION AND PARK DISTRICT

DEBT MANAGEMENT POLICY

This Debt Management Policy (the “Debt Policy”) of the Hesperia Recreation and Park District (the “District”) was approved by the Board of Directors of the District (the “Board”) on July 12, 2023. The Debt Policy may be amended by the Board as it deems appropriate from time to time in the prudent management of the debt of the District. This Debt Policy shall also apply to any improvement districts formed by the District.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the District and is intended to comply with Government Code Section 8855, effective on January 1, 2017. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the District's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the District.

Debt, properly issued and managed, is a critical element in any financial management program. It assists in the District's effort to allocate limited resources to provide the highest quality of service to the public. The District understands that poor debt management can have ripple effects that hurt other areas of the District. On the other hand, a properly managed debt program promotes economic growth and enhances the vitality of the District for its residents and businesses.

1. FINDINGS

Unless waived by the District, this Debt Policy shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.
- Encourage those that benefit from a facility/improvement to pay the cost of that facility/improvement without the need for the expenditure of limited general fund resources.

2. POLICIES

A. Purposes For Which Debt May Be Issued

The District will consider the use of debt financing for capital improvement projects (“CIP”) primarily when the project's useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this section’s focus is the issuance of short-term instruments such as tax and revenue anticipation notes, which are to be used for prudent cash management purposes and conduit financing, as described below.

- i. Long-Term Debt. To the extent permitted by law, long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and/or operated by the District.
 - (a) Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
 - (b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
 - (c) The District may use long-term debt financings subject to the following conditions:
 - The project to be financed has been or will be approved by the Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not cause the District to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
 - The District estimates that sufficient income or revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
 - The District considers the improvement/facility to be of vital, time-sensitive need of the community and there are no plausible alternative financing sources
 - (d) Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refundings will be considered

(within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refunding. Refundings which are non-economic may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service profile.

In general, refundings which produce a net present value savings of at least three percent (3%) of the refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than three percent (3%) or negative savings will be considered on a case-by-case basis and are subject to Board approval.

- ii. Short-Term Debt. To the extent permitted by law, short-term borrowing may be issued to generate funding for cash flow needs in the form of Tax and Revenue Anticipation Notes (TRAN).

To the extent permitted by law, other types of short-term borrowings, such as commercial paper, and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Board determines that extraordinary circumstances exist, must not exceed seven (7) years.

Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Types of Debt

In order to maximize the financial options available to benefit the public, it is the policy of the District to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- General Obligation (GO) Bonds: General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include but, are not limited to: street improvements, libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- Lease-Backed Debt/Certificates of Participation (COP): Issuance of lease-backed debt is a commonly used form of debt that allows a District to finance projects where the debt service is secured via a lease, lease/purchase agreement or installment agreement.

The District may from time to time find that other forms of debt to, the extent permitted by law, would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

To maintain a predictable debt service burden, the District will only issue debt that carries a fixed interest rate.

C. Relationship Of Debt To Capital Improvement Program And Budget

The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes. The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related To Planning Goals And Objectives

The District is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operating budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12;
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- any required reporting to be filed with the California Debt and Investment Advisory Commission (CDIAC); and
- the District's investment policies as they relate to the investment of bond proceeds.

The General Manager or designee can recommend future changes to the Debt Management Policy as deemed necessary.

RESOLUTION NO. 23-07-02

**RESOLUTION OF THE HESPERIA RECREATION AND PARK DISTRICT
APPROVING A SITE LEASE, AND A LEASE AGREEMENT; MAKING CERTAIN
DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN
OTHER ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Hesperia Recreation and Park District (the "District") is a recreation and park district duly organized and validly existing under the laws of the State of California; and

WHEREAS, in order to provide funds for the financing of the acquisition, construction and installation of certain improvements to real property of the District consisting of certain solar and energy efficient improvements of benefit to the District (the "Project"), the District will lease certain real property owned by the District (the "Site") to CSDA Finance Corporation (the "Corporation") under a Site Lease, currently dated as of August 1, 2023, (the "Site Lease") between the District and the Corporation and the Corporation will lease the Site to the District under a Lease Agreement, currently dated as of August 1, 2023 (the "Lease Agreement") between the Corporation and the District; and

WHEREAS, there have been presented at this meeting forms of the Site Lease and the Lease Agreement; and

WHEREAS, Capital One Public Funding, LLC (the "Bank") has issued a term sheet to the District offering to provide a loan to finance the Project; and

WHEREAS, the District desires to appoint Oppenheimer & Co. Inc., as placement agent (the "Placement Agent"); and Kutak Rock LLP, as special counsel ("Special Counsel"), in connection with the financing of the Project; and

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

WHEREAS, the Board of Directors of the District (the "Board") wishes to designate the Lease Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Lease Agreement, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the lease payments made pursuant to the Lease Agreement, (b) the sum of all fees and charges paid to third parties with respect to the Lease Agreement, (c) the amount of proceeds of the Lease Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Lease Agreement, and (d) the sum total of all lease payments with respect to the Lease Agreement (the "Lease Payments") calculated to the final Lease Payment Date under the Lease Agreement plus the fees and charges paid to third parties not paid with the proceeds of the Lease Agreement; and

WHEREAS, in compliance with SB 450, the Board obtained from the Placement Agent the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hesperia Recreation and Park District (the "Board") as follows:

Section 1. Approval of Site Lease. The form of Site Lease, as presented to the District at this meeting, is hereby approved. The President, Vice President, and the General Manager or any other officers duly designated by the District (collectively, the "Officers") are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Site Lease, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District's General Counsel and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. Approval of Lease Agreement. The form of Lease Agreement, as presented to the District at this meeting, along with the Memorandum of Lease, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Lease Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District's General Counsel and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal component of the portion of the Lease Payments due under the Lease Agreement shall not exceed \$4,945,000, the

scheduled term of the financing does not exceed August 15, 2043 and the initial interest rate is not greater than 4.500% per annum.

Section 3. Approval of Private Placement. The District hereby approves the assignment of the Lease Payments by the Corporation to the Bank, by a private placement pursuant to and in accordance with an assignment agreement.

Section 4. Approval of Consultants. The Board hereby appoints the firms of Oppenheimer & Co. Inc., as placement agent; and Kutak Rock LLP, as special counsel, in connection with the proposed transactions described herein. The Board hereby authorizes and directs the President of the Board or the General Manager to execute and deliver an agreement with each of said firms for their respective services, provided that any and all compensation to such firms under the agreement for each firm is payable solely from the proceeds derived from the transactions described herein.

Section 5. SB 450 Good Faith Estimates. In accordance with SB 450, good faith estimates of the following have been obtained from the Placement Agent and are set forth on Exhibit A attached hereto: (a) the true interest cost of the lease payments made pursuant to the Lease Agreement, (b) the sum of all fees and charges paid to third parties with respect to the Lease Agreement, (c) the amount of proceeds of the Lease Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Lease Agreement, and (d) the sum total of all Lease Payments with respect to the Lease Agreement calculated to the final Lease Payment Date under the Lease Agreement plus the fees and charges paid to third parties not paid with the proceeds of the Lease Agreement.

Section 6. Bank Qualified. The Lease Payments due under the Lease Agreement are hereby designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The Board hereby finds and determines that the aggregate face amount of all tax exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2023 is not expected to exceed \$10,000,000.

Section 7. Official Actions. The Officers are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions which they, or any of them, may deem necessary or advisable in order to consummate the transactions as described herein in connection with the financing of the Project, including but not limited to, entering into an escrow agreement or similar agreement with the Bank and/or the escrow agent named therein or a custodian agreement with a financial institution to be selected by the District and, upon full payment of the District’s obligations under the Lease Agreement, executing and delivering a termination agreement for the Memorandum of Lease, the Site Lease, and the Assignment Agreement for recordation and accepting the reconveyance of the Site to the District.

Section 8. Ratification of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Board or by the officers, employees and agents of the District directed toward the financing of the Project for the purposes herein set forth are hereby ratified, approved and confirmed.

Section 9. Effective Date. This Resolution shall take effect immediately upon adoption and the Executive District Clerk shall certify to its adoption.

PASSED, APPROVED, and ADOPTED at a regular meeting of the Board of Directors of the Hesperia Recreation and Park District, this 12th day of July 2023.

Board President
Hesperia Recreation and Park District
STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
HESPERIA RECREATION AND PARK DISTRICT)

District Secretary/Executive District Clerk
Hesperia Recreation and Park District

I, Karabeth Garcia, District Secretary of the Hesperia Recreation and Park District, County of San Bernardino, State of California do hereby certify that the foregoing Resolution No. 23-07-02 was duly introduced, read, and adopted by the Board of Directors of said Hesperia Recreation and Park District at a regular meeting of said Board of Directors held on the 12th day of July 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTESTED:

District Secretary/Executive District Clerk
Hesperia Recreation and Park District

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from the Placement Agent and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Lease Agreement:

1. *True Interest Cost of the Lease Agreement.* A good faith estimate of the true interest cost of the Lease Payments made pursuant to the Lease Agreement, which means the rate necessary to discount the amounts allocable as principal and interest components and payable on the respective Lease Payment Dates, as described under the Lease Agreement to the purchase price received for Lease Agreement, is 4.500% so long as an event of default or an event of taxability has not occurred.

2. *Finance Charge of the Lease Agreement.* A good faith estimate of the District's finance charge of the Lease Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Lease Agreement), is \$82,000.

3. *Amount of Proceeds to be Received by the District.* A good faith estimate of the amount of proceeds expected to be received by the District for sale of the Lease Agreement less the finance charge of the Lease Agreement described in paragraph 2 above, is \$4,640,000.

4. *Total Payment Amount.* A good faith estimate of the total payment amount, which means the sum total of all Lease Payments the District will make to pay their obligations on the Lease Agreement plus the finance charge of the Lease Agreement described in paragraph 2 above not paid with the proceeds of the Lease Agreement, calculated to the final Lease Payment Date under the Lease Agreement, is \$7,877,785.

AFTER RECORDATION PLEASE RETURN TO:

Kutak Rock LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614-8595
Attention: Albert R. Reyes, 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 August 1, 2023

between the

HESPERIA RECREATION AND PARK DISTRICT

and the

CSDA FINANCE CORPORATION

SITE LEASE

THIS SITE LEASE (the “Site Lease”), dated as of August 1, 2023, is between the **HESPERIA RECREATION AND PARK DISTRICT**, a recreation and park district organized and existing under the laws of the State of California (the “District”), as lessor, and the **CSDA FINANCE CORPORATION**, a non-profit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”), as lessee;

WITNESSETH:

WHEREAS, pursuant to this Site Lease, the District proposes to lease certain real property situated in the County of San Bernardino, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the “Site”), and those certain improvements thereon (the “Facility” and, with the Site, the “Property”), to the Corporation, all for the purpose of assisting the District in financing the acquisition of certain real property for the benefit of the District (the “Project”);

WHEREAS, the Corporation proposes to lease the Property back to the District pursuant to that certain Lease Agreement, dated as of August 1, 2023, a memorandum of which is recorded concurrently herewith (the “Lease Agreement”) and to assign all of its rights, title and interest in, to and under this Site Lease and the Lease Agreement, including its right to receive lease payments under the Lease Agreement (the “Lease Payments”), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under the Lease Agreement in the event of a default thereunder by the District, to Capital One Public Funding, LLC including its successors and assigns (the “Assignee”) pursuant to that certain Assignment Agreement, dated as of August 1, 2023, between the Corporation and the Assignee, and recorded concurrently herewith;

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

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site Lease. The District hereby leases to the Corporation and the Corporation hereby leases from the District, on the terms and conditions hereinafter set forth, the Property.

Section 3. Term. The term of this Site Lease shall commence on the Closing Date, as defined in the Lease Agreement, and shall end on August 15, 2043, unless such term is extended or sooner terminated as hereinafter provided. If, on August 15, 2043, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid by reason of abatement, default or otherwise, or provision shall not have been made for their payment in accordance with the Lease Agreement, then the term of this Site Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, but in no event later than August 15, 2053. If, prior to August 15, 2043, all Lease Payments shall be fully paid or provision made for such payment in accordance with the Lease Agreement, the term of this Site Lease shall end.

Section 4. Advance Rental Payment. The District agrees to lease the Property to the Corporation in consideration of the payment by the Corporation of an advance rental payment of \$4,945,000. The District and the Corporation agree that by reason of the assignment of the Lease Payments to the Assignee under and pursuant to the Assignment Agreement, the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Corporation shall use the Property solely for the purpose of leasing the Property to the District pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however,* that in the event of default by the District under the Lease Agreement, the Corporation and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. District's Interest in the Property. The District covenants that it is the owner in fee of the Property.

Section 7. Assignments and Subleases. Unless the District shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site Lease or sublet the Property, except as provided in the Lease Agreement and the Assignment Agreement, without the written consent of the District and the Assignee. If the District is in default under the Lease Agreement, the Assignee (including its successors and assigns under the Lease Agreement) may fully and freely assign and sublease the Property or any portion thereof, subject to this Site Lease.

Section 8. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the District.

Section 10. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District 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 and the District shall have no right to terminate this Site Lease as a remedy for such default. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the District will continue to pay the Lease Payments to the Assignee. In the event of the occurrence of an Event of Default under the Lease Agreement, the Corporation may (i) exercise the remedies provided in the Lease Agreement; (ii) use the Property for any lawful purpose, subject to any applicable legal limitations or restrictions; and (iii) exercise all options provided herein.

Section 11. 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 Property subject to the provisions of the Lease Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation and the District hereby releases each and every board member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site Lease. No board member, director, officer, employee or agent 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.

Section 13. Taxes. All assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Property or the Corporation's interest in the Property created by this Site Lease (including both land and improvements) will be paid by the District in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Property is 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 component of the Lease Payments, any then unpaid interest component of the Lease Payments and any premium due with respect to the prepayment of Lease Payments to the date such amounts are remitted to the Corporation or its assignee, and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the District. The District hereby waives, to the extent permitted by law, any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Property through the eminent domain powers of the District. However, the District hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the District with respect to the Property shall be in an amount not less than the total unpaid principal component of Lease Payments, the interest component of Lease Payments accrued to the date of payment of all Lease Payments and any premium due with respect to the prepayment of Lease Payments under the Lease Agreement.

Section 15. Use of the Proceeds. The District and the Corporation hereby agree that the lease to the Corporation of the District's right and interest in the Property pursuant to Section 2 serves the public purposes of the District.

Section 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, 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 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, at the addresses set forth in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the District and the Corporation and their respective successors and assigns. The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 19. Amendment. This Site Lease may not be amended except as permitted under the Lease Agreement.

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. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

Section 22. No Merger. Neither this Site Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the District to the Property under this Site Lease and the District's leasehold interest therein under the Lease Agreement.

Section 23. 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 instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the District 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 written above.

HESPERIA RECREATION AND PARK DISTRICT

By: _____
Kyle Woolley
General Manager

CSDA FINANCE CORPORATION

By: _____
Neil C. McCormick
Chief Executive Officer

[Signature Page to Site Lease]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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)
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 name(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.

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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)

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 name(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.

Place Notary Seal Above

Signature of Notary Public

EXHIBIT A
DESCRIPTION OF THE SITE

Address: [_____]

Legal Description

[LEGAL DESCRIPTION TO BE ADDED]

(End of Legal Description)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Site Lease, dated as of August 1, 2023, from the Hesperia Recreation and Park District, as lessor (the “District”), to the CSDA Finance Corporation (the “Corporation”), as lessee, is hereby accepted by the undersigned officer on behalf of the Corporation, pursuant to authority conferred by the Board of Directors of the Corporation adopted on July ____, 2023, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: August 15, 2023

CSDA FINANCE CORPORATION

By: _____
Neil C. McCormick
Chief Executive Officer

[Certificate of Acceptance to Site Lease]

LEASE AGREEMENT

Dated as of August 1, 2023

between the

CSDA FINANCE CORPORATION

and the

HESPERIA RECREATION AND PARK DISTRICT

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions..... 1
Section 1.2. Interpretation..... 6

ARTICLE II
COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the District..... 6
Section 2.2. Covenants, Representations and Warranties of the Corporation 10

ARTICLE III
DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds 12

ARTICLE IV
LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Lease of Property by the Corporation Back to the District..... 12
Section 4.2. Term..... 13
Section 4.3. Lease Payments..... 13
Section 4.4. Quiet Enjoyment 16
Section 4.5. Title 16
Section 4.6. Release of Excess Property 16
Section 4.7. Substitution of Property 17

ARTICLE V
MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments 19
Section 5.2. Modification of Property..... 19
Section 5.3. Commercial General Liability Insurance..... 20
Section 5.4. Casualty Insurance 20
Section 5.5. Rental Interruption Insurance 20
Section 5.6. Worker’s Compensation Insurance..... 20
Section 5.7. Recordation Hereof; Title Insurance..... 21
Section 5.8. Insurance Net Proceeds; Form of Policies 21
Section 5.9. Installation of District’s Personal Property..... 21
Section 5.10. Liens..... 21
Section 5.11. Advances..... 22
Section 5.12. District Consent to Assignment Agreement 22
Section 5.13. Environmental Covenants..... 22

ARTICLE VI
EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1.	Eminent Domain	23
Section 6.2.	Application of Net Proceeds	23
Section 6.3.	Abatement of Lease Payments in the Event of Damage or Destruction.....	25

ARTICLE VII
OTHER COVENANTS OF THE DISTRICT

Section 7.1.	Disclaimer of Warranties	25
Section 7.2.	Access to the Property; Grant and Conveyance of Right of Entry	26
Section 7.3.	Release and Indemnification Covenants	26
Section 7.4.	Assignment Agreement by the Corporation	26
Section 7.5.	Assignment Agreement and Subleasing by the District	27
Section 7.6.	Amendment of Lease Agreement	28
Section 7.7.	Tax Covenants	28
Section 7.8.	Financial Statements	28
Section 7.9.	Records and Accounts.....	28
Section 7.10.	Observance of Laws and Regulations.....	29
Section 7.11.	Notices	29

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

Section 8.1.	Events of Default Defined	29
Section 8.2.	Remedies on Default.....	30
Section 8.3.	No Remedy Exclusive.....	32
Section 8.4.	Agreement to Pay Attorneys' Fees and Expenses	32
Section 8.5.	No Additional Waiver Implied by One Waiver.....	32
Section 8.6.	Assignee to Exercise Rights.....	32

ARTICLE IX
PREPAYMENT OF LEASE PAYMENTS

Section 9.1.	Optional Prepayment	32
Section 9.2.	Partial Optional Redemption.....	32
Section 9.3.	Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain.....	32
Section 9.4.	Security Deposit.....	33

ARTICLE X
MISCELLANEOUS

Section 10.1.	Notices	33
Section 10.2.	Binding Effect.....	34
Section 10.3.	Severability	34

Section 10.4.	Net-net-net Lease	34
Section 10.5.	Further Assurances and Corrective Instruments	34
Section 10.6.	Waiver of Personal Liability	34
Section 10.7.	Execution in Counterparts.....	35
Section 10.8.	Applicable Law	35
Section 10.9.	Captions	35
Section 10.10.	Waiver of Jury Trial; Agreement for Judicial Reference.....	35

EXHIBIT A	DESCRIPTION OF THE SITE
EXHIBIT B	SCHEDULE OF LEASE PAYMENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease Agreement”), dated as of August 1, 2023, is between the **CSDA FINANCE CORPORATION**, a non-profit public benefit corporation organized and existing under the laws of the State of California, as lessor (the “Corporation”), and the **HESPERIA RECREATION AND PARK DISTRICT**, a recreation and park district organized and existing under the laws of the State of California, as lessee (the “District”);

WITNESSETH:

WHEREAS, pursuant to that certain Site Lease, dated as of August 1, 2023 (the “Site Lease”), the District has leased that certain real property situated in the County of San Bernardino, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the “Site”), and those certain improvements thereon (the “Facility” and, with the Site, the “Property”), to the Corporation, all for the purpose of enabling the District to finance solar and energy efficient improvements of benefit to the District on certain District property (the “Project”);

WHEREAS, the Corporation proposes to lease the Property back to the District pursuant to this Lease Agreement and to assign all of its rights, title and interest in, to and under this Lease Agreement, including its right to receive lease payments under this Lease Agreement (the “Lease Payments”), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the District and its rights under the Site Lease, to Capital One Public Funding, LLC including its successors and assigns (the “Assignee”), pursuant to that certain Assignment Agreement, dated as of August 1, 2023, between the Corporation and the Assignee; and

WHEREAS, the District and the Corporation have agreed to enter into this Lease Agreement providing for Lease Payments with an aggregate principal component in the amount of \$4,945,000 for the purpose of implementing the transaction described above; and

WHEREAS, the District and the Corporation agree to mutually cooperate now and hereafter, to the extent possible, in order to sustain the intent of this Lease Agreement and the bargain of both parties hereto.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease Agreement.

“Additional Payments” means the amounts specified as such in Section 4.3(b) of this Lease Agreement.

“Applicable Environmental Laws” means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Assignee” means (a) initially, Capital One Public Funding, LLC, as assignee of all rights, title and interests of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation hereunder are assigned, including subsequent assignees of the Assignee, as provided in Section 7.4.

“Assignment Agreement” means the Assignment Agreement, dated as of August 1, 2023, between the Corporation, as assignor of its rights under the Site Lease and this Lease Agreement, and the Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Bond Counsel” means (a) Kutak Rock LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

“Closing Date” means August 15, 2023.

“Corporation” means CSDA Finance Corporation, a non-profit public benefit corporation, organized and existing under the laws of the State of California.

“Corporation Representative” means the Chief Executive Officer or the designee of any such official, or any other person authorized by resolution of the Corporation delivered to the Assignee to act on behalf of the Corporation under or with respect to the Site Lease, the Lease Agreement and the Assignment Agreement.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization and execution of the Lease Agreement, including but not limited to filing and recording fees, fees, charges and disbursements of attorneys, including counsel to the Assignee, counsel to the Corporation, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Lease Agreement, administrative costs of the District and the Corporation incurred in connection with the issuance of the Lease Agreement, expenses of the placement agent of the Lease Agreement, and any other cost, charge or fee in connection with the original issuance of the Lease Agreement, including fees of the California Debt and Investment Advisory Commission.

“Default Rate” means 8.0%.

“Determination of Taxability” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue, or any court of competent jurisdiction, to the effect that an Event of Taxability shall have occurred; provided, however, that the District shall have the opportunity to take such remedial action necessary to restore the tax-exempt status of the interest component of Lease Payments under the Lease Agreement. A Determination of Taxability also shall be deemed to have occurred on the date when the District files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred.

“District” means the Hesperia Recreation and Park District, a recreation and park district organized and existing under the laws of the State of California.

“District Representative” means the President, Vice President, General Manager, or the designee of any such official, or any other person authorized by resolution delivered to the Corporation and the Assignee to act on behalf of the District under or with respect to the Site Lease and this Lease Agreement.

“Escrow Agent” means TMI Trust Company, as identified in the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement in form and substance acceptable to and executed by the District, Assignee and the Escrow Agent, pursuant to which the Escrow Fund is established and administered.

“Escrow Fund” means the fund established and held by the Escrow Agent pursuant to the Escrow Agreement.

“Event of Default” means any of the events of default as defined in Section 8.1.

“Event of Taxability” means, with respect to the Lease Agreement: (a) the application of the proceeds of the advance rental payment by the Corporation pursuant to the Site Lease in such manner that the Lease Agreement becomes an “arbitrage bond” within the meaning of Tax Code Sections 103(b)(2) and 148, and with the result that interest component of the Lease Payments is or becomes includable in a recipient’s gross income (as defined in Tax Code Section 61); or (b) if as the result of any act, failure to act or use of the proceeds of the advance rental payment or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in the Lease Agreement or the Site Lease by the District the interest component of Lease Payments is or becomes includable in a recipient’s gross income (as defined in Tax Code Section 61.)

“Facility” means those certain facilities existing on the Site.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Fiscal Year” means each twelve-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Gross Up Rate” means an interest rate equal to 5.90% with respect to the interest applicable to the principal portion of the Lease Payments.

“Hazardous Substance” means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.).

“Lease Agreement” means this Lease Agreement, dated as of August 1, 2023, between the Corporation and the District, as amended and supplemented hereafter.

“Lease Payment Date” means semiannual payments on February 15 and August 15 in each year, commencing February 15, 2024, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payments” means all payments required to be paid by the District under Section 4.3, including any prepayment thereof under Sections 9.1 or 9.3.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis, (c) the validity or enforceability of this Lease Agreement, or (d) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated by this Lease Agreement, or (iii) may adversely affect (A) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Lease Agreement.

“Net Proceeds” means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Permitted Encumbrances” means, as of any time: (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under Article VI of this Lease Agreement; (b) the Site Lease, this Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy issued with respect to the Property issued as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Property for its intended purposes.

“Property” means, collectively, the Site and the Facility.

“Rental Period” means each period during the Term of the Lease commencing on and including February 15 in each year and extending to and including the next succeeding February 15. The first Rental Period begins on the Closing Date and ends on February 15, 2024.

“Site” means that certain real property more particularly described in Exhibit A to the Site Lease and in Exhibit A to the Lease Agreement.

“Site Lease” means the Site Lease, dated as of August 1, 2023, between the District, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

“State” means the State of California.

“Tax Certificate” means that certain Tax Certificate, dated the Closing Date concerning certain matters pertaining to the use and investment of proceeds of the Lease executed by the District on the date of issuance thereof, including any and all exhibits attached thereto.

“Tax Code” means the Internal Revenue Code of 1986, as amended, as in effect on the Closing Date or (except as otherwise referenced herein) to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

“Term of this Lease Agreement” or “Term” means the time during which this Lease Agreement is in effect, as provided in Section 4.2.

Section 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

**ARTICLE II
COVENANTS, REPRESENTATIONS AND WARRANTIES**

Section 2.1. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence.* The District is a recreation and park district, organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into the Site Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery by the District of the Site Lease and this Lease Agreement.

(b) *Due Execution.* The representative of the District executing the Site Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the Board of Directors of the District.

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease and this Lease Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Site Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a material violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound including all applicable restrictive covenants, zoning, ordinances and building laws, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease or this Lease Agreement or the financial condition, assets, properties or operations of the District.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the District or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District.

(g) *Sufficient Funds.* The District reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) *No Defaults.* The District has never non-appropriated or materially defaulted under any of its payment or performance obligations or covenants, either under any

financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

(i) *Fee Title.* The District is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the District's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(j) *Use of the Property.* During the term of this Lease Agreement, the Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority

(k) *Change in Financial Condition.* The District has experienced no material change in its financial condition since June 30, 2022.

(l) *Flooding Risk.* The Property is not located in a flood hazard area and has never been subject to material damage from flooding.

(m) *Value of Property and Useful Life of Property.* The value of the Property (insurance and/or assessed value) will not be less than \$4,945,000 and the useful life of the Property at least extends to August 15, 2053.

(n) *Essential to District Operations.* The Property is essential to the District's efficient and economic operations and the lease thereof for use by the District is in the best interest of the District.

(o) *Financial Statements.* The statement of financial position of the District as of June 30, 2022, and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Assignee, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the District at such date and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect, and (ii) no material increase in the indebtedness of the District.

(p) *Compliance with Seismic Building Code Requirements.* To the best knowledge of the District, and without independent investigation, the improvements on the Property were built in compliance with seismic building code requirements of the State of California at the time such improvements were constructed.

(q) *No Material Adverse Change.* Since the most current date of the information, financial or otherwise, supplied by the District to the Assignee:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect.

(ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iii) The District has not (A) incurred any material indebtedness on, or lease obligations payable from, its general fund, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person.

(r) *Accuracy of Information.* All information, reports and other papers and data furnished by the District to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(s) *Hazardous Substances.* The Property is free of all Hazardous Substances, and the District is in full compliance with all Applicable Environmental Laws.

(t) *No Financial Advisory or Fiduciary Relationship.* The District acknowledges that: (i) the Assignee is acting solely as assignee of the Corporation's interests in this Lease Agreement for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor; (ii) the Assignee has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District (including to any financial advisor or placement agent engaged by the District) with respect to the structuring of the financing or the execution and delivery of this Lease Agreement; (iii) the Assignee has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the District with respect to the transactions relating to the structuring of the financing or the execution and delivery of this Lease Agreement and the discussions, undertakings, and procedures leading thereto; (iv) each of the District, its financial advisor (if any), and its placement agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction from its financial, legal, and other

advisors (and not the Assignee or its affiliates) to the extent that the District, its financial advisor (if any), or its placement agent desires to, should, or needs to obtain such advice; (v) the Assignee has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the District's financial advisor (if any) or placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the District's financial advisor (if any) or placement agent, with respect to any such matters; and (vi) the transactions between the District and the Assignee are arm's length, commercial transactions in which the Assignee is acting and has acted solely as a principal and for its own interest, and the Assignee has not made recommendations to the District with respect to the transactions relating to this Lease Agreement.

(u) *Financial Obligation Disclosure.* The District has not entered into any previous Continuing Disclosure Agreements or certificates and is not currently subject to any continuing disclosure. The District is not currently subject to any future continuing disclosure undertaking pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"). In connection with the District's compliance with any continuing disclosure undertakings subsequently entered into by the District after the date hereof (each, a "Continuing Disclosure Agreement") pursuant to the Rule, the District believes it may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or its successor ("EMMA") notice of its incurrence of its obligations with respect to this Lease and related documents and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Lease and related documents, in each case including a full copy thereof or a description of the material terms thereof (each such posting, an "EMMA Posting"). The District agrees that it shall not file or submit or permit the filing or submission of any EMMA Posting that includes information relating to Capital One Public Funding, LLC ("COPF"), including the following: unredacted sensitive or confidential information about COPF or its affiliates in any portion of an EMMA Posting, address and account information of COPF or any affiliates, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of COPF or its affiliates. The District acknowledges and agrees that COPF and its affiliates are not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule

Section 2.2. Covenants, Representations and Warranties of the Corporation. The Corporation makes the following covenants, representations and warranties to the District and Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence.* The Corporation is a non-profit public benefit corporation, duly organized and existing under the laws of the State, has full legal right, power and authority to enter into the Site Lease, this Lease Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery by the Corporation of the Site Lease, this Lease Agreement and the Assignment Agreement.

(b) *Due Execution.* The representative of the Corporation executing the Site Lease, this Lease Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Site Lease, this Lease Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a material violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* To the best knowledge of the Corporation, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the Corporation or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease, this Lease Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(g) *Continued Existence of the Corporation.* The Corporation will take or cause to be taken all actions reasonably necessary to continue its existence until such time as the Lease Payments have been paid in full.

(h) *Municipal Advisor Rules.* The Corporation is not acting as an advisor to the District, including, without limitation, as a “Municipal Advisor” as such term is defined in the Municipal Advisor Rules, or an agent or a fiduciary of the District and the Corporation has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or by the Site Lease and the discussions, undertakings and procedures leading thereto.

ARTICLE III DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. The amount of \$4,945,000 shall be derived from amounts paid by the Assignee under the Assignment Agreement. On the Closing Date, the Assignee shall cause the amount of (a) \$4,640,000.00 to be deposited into the Escrow Fund held by the Escrow Agent pursuant to the Escrow Agreement to be used to pay for the costs of the Project and (b) \$222,525.00 to be deposited into the Escrow Fund representing capitalized interest to be used for the payment of the interest component of the Lease Payments on February 15, 2024 and August 15, 2024. In addition, a portion of the amounts paid by the Assignee under the Assignment Agreement (net of amounts retained by the Assignee for its fees) shall be deposited into the Escrow Fund to pay Costs of Issuance in the amount of \$82,000.00 pursuant to the Escrow Agreement. Any Costs of Issuance in excess of \$82,000.00 shall be paid by the District.

ARTICLE IV LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Lease of Property by the Corporation Back to the District.

(a) The Corporation hereby leases the Property to the District, and the District hereby leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the District to the Corporation pursuant to the Site Lease shall not affect or result in a merger of the District’s leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site Lease. This Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the District to the Corporation pursuant to the Site Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Corporation under the Site Lease.

Section 4.2. Term. The Term of this Lease Agreement commences on the Closing Date and ends on August 15, 2043, or the date on which all of the Lease Payments have been paid in full. If on August 15, 2043, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the District shall have defaulted in its payment of Lease Payments hereunder

or any Event of Default has occurred and continues without cure by the District, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed ten (10) years. The provisions of this Section 4.2 are subject to the provisions of Section 6.1 relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.3. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of Sections 6.1 and 6.3 and the provisions of Article IX, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit B. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period. The interest component of the portion of the Lease Payments has been calculated based on a tax-exempt interest rate of 4.500% per annum, on the basis of a 360-day year of twelve 30-day months. In the event the District does not make any Lease Payment by the applicable Lease Payment Date, the interest component of the portion of the Lease Payment shall be calculated based on the Default Rate.

(b) *Additional Payments.* In addition to the Lease Payments set forth herein, the District agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Corporation therein or in this Lease Agreement; provided, however, the District may, at the District's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Corporation shall notify the District that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any portion thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes and assessments or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof;

(iii) any other reasonable fees, costs or expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however,

the District shall not be responsible for any costs incurred by the Corporation associated with any assignment made by the Assignee;

(iv) any amounts required to be paid as rebate to the United States pursuant to the Tax Certificate; and

(v) upon the occurrence of a Determination of Taxability with respect to this Lease Agreement, the District shall, with respect to future Lease Payments, make Additional Payments resulting from the application of the Gross Up Rate thereto directly to the Corporation equal to the difference between the interest component of the Lease Payments calculated at the interest rate provided in this Lease Agreement and the interest component of the Lease Payments calculated at the Gross Up Rate; provided, however, in no event shall the total of the Lease Payments and the aggregate Additional Payments under this Section 4.3(b)(v) for any Fiscal Year exceed the annual fair rental value of the Property. In addition, the District shall make immediately upon demand of the Corporation an Additional Payment to the Corporation sufficient to indemnify the Corporation for any prior Lease Payments determined to be taxable as a consequence of a Determination of Taxability such that the taxable prior Lease Payments will be calculated at the Gross Up Rate instead of the interest rate set forth in this Lease Agreement; provided, however, in no event shall the total of the Lease Payments and the aggregate Additional Payments under this Section 4.3(b)(v) for any Fiscal Year exceed the annual fair rental value of the Property. To the extent that all such Additional Payments have not been paid to the Corporation at the end of the term of the Lease Agreement, the Term shall be extended in accordance with Section 4.2 hereof.

Amounts constituting Additional Payments payable hereunder shall be paid by the District directly to the person or persons to whom such amounts shall be payable. The District shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from the Corporation to the District stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) *Effect of Prepayment.* If the District prepays all Lease Payments in full under Sections 9.1 or 9.3, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part under Section 9.2, amounts so paid in respect of principal components shall be applied by the Corporation as prepayment to the remaining unpaid principal components of the Lease Payments owing hereunder in inverse order of Lease Payments coming due under this Lease Agreement. If the District prepays the Lease Payments in part but not in whole under Section 9.3, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) *Rate on Overdue Payments.* If the District fails to make any of the payments required in this Section 4.3, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the Default Rate per annum.

(e) *Fair Rental Value.* The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public.

(f) *Source of Payments; Budget and Appropriation.* The Lease Payments and Additional Payments are payable from any source of legally available funds of the District, subject to the provisions of Sections 6.1 and 6.3. The District covenants to take such action as may be necessary to include all Lease Payments and Additional Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Additional Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of officials of the District vested with the authority to execute the terms of this Lease Agreement to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.

(g) *Allocation of Lease Payments.* All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) *No Offsets.* Notwithstanding any dispute between the Corporation, or Assignee as the Corporation's assignee, and the District, the District shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) *Assignment Agreement.* The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Assignee under the Assignment Agreement executed concurrently herewith, and the District hereby consents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Assignee (or to its assignees as directed pursuant to Section 7.4 hereof) all payments payable by the District under this Section 4.3 and all amounts payable by the District under Article IX. Lease Payments shall be paid to the Assignee in accordance with wire instructions provided by the Assignee from time to time.

Section 4.4. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Corporation will provide the District with quiet use and enjoyment of the Property and the District will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The

Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation and the Assignee have the right to inspect the Property as provided in Sections 5.13(c) and 7.2.

Section 4.5. Title. At all times during the Term of this Lease Agreement, the District shall hold title to the Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.2.

Upon the termination of this Lease Agreement (other than under Section 8.2(b) hereof), all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.4, all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer.

Section 4.6. Release of Excess Property. The District may, at any time and from time to time, release any portion of the Property (the "Released Property") from the Lease, with the prior written consent of the Assignee, which consent shall be at the Assignee's sole discretion, and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) The District shall certify to the Corporation and the Assignee that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under Section 6.3 has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) The District shall file with the Corporation and the Assignee, and cause to be recorded in the office of the San Bernardino County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) The District shall file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Assignee, the District shall provide to the Assignee additional information and documents to evidence the value of the remaining portion of the Property;

(d) The District shall file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate;

(e) The District shall furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that the release of the Released Property does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State; and

(f) The District shall file with the Corporation and the Assignee such other information, documents and instruments as the Corporation or the Assignee shall reasonably request, including (if requested by the Assignee) evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge this Lease Agreement of record against the Released Property.

Section 4.7. Substitution of Property. In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available, or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the District shall substitute under the Site Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining unpaid principal components of the Lease Payments hereunder.

(a) If for any reason the District is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining unpaid principal components of the Lease Payments hereunder, the District shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

(b) The District, with Assignee's prior written consent, which consent shall be at the Assignee's sole discretion, has the option at any time and from time to time, to substitute other real property (the "Substitute Property") for the Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(i) No Event of Default has occurred and is continuing.

(ii) The District has filed with the Corporation and the Assignee, and caused to be recorded in the office of the San Bernardino County Recorder sufficient memorialization of an amendment hereof which adds the legal description of the Substitute Property to Exhibit A and deletes therefrom the legal description of the Former Property.

(iii) The District has obtained a title report for the Substitute Property and, only upon receipt of Assignee's written request, an ALTA policy of title insurance insuring the District's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the remaining Lease Payments.

(iv) The District has certified in writing to the Corporation and the Assignee that the Substitute Property serves the public purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District.

(v) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein.

(vi) The District has filed with the Corporation and the Assignee a written certificate of the District or other written evidence stating that (i) the value of the Property after such substitution is at least equal to the remaining unpaid principal components of the Lease Payments, (ii) the fair rental of the Property after such substitution is at least equal to the Lease Payments thereafter coming due and payable, and (iii) the useful life of the Substitute Property at least extends to August 15, 2053.

(vii) The District shall furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that the Substitute Property does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

ARTICLE V MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the District and the District will maintain the Property in good condition. The District will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may

include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease Agreement.

The District will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the District that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the District will promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The District shall promptly notify the Assignee of any tax, assessment, utility or other charge it elects to contest.

Section 5.2. Modification of Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, prevent the District's beneficial use of the property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.3. Commercial General Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard commercial general liability insurance policy or policies in protection of the District, the Assignee and their respective members, officers, agents, employees and assigns, and shall name the Assignee as an additional insured. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits and subject to such deductibles as the District shall deem adequate and prudent, and in all events in form and amount (including any deductibles)

satisfactory to the Assignee. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.4. Casualty Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the District, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement in favor of the Assignee. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Earthquake insurance shall only be carried if available from reputable insurers at a reasonable cost as determined by the General Manager of the District. Such insurance shall be subject to a deductible of not to exceed \$1,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with the Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.5. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the District. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.6. Worker's Compensation Insurance. If required by applicable California law, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

Section 5.7. Recordation Hereof; [Title Insurance]. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease Agreement, the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Bond

Counsel, to be recorded in the office of the San Bernardino County Recorder with respect to the Property, [and (b) obtain a CLTA or ALTA title insurance policy insuring the Assignee's interests in the leasehold estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments.] The District will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.8. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.3, 5.4 and 5.5 and provided by third party insurance carriers shall name the District and the Assignee as insured parties and the Assignee as loss payee and shall include a lender's loss payable endorsement for the benefit of the Assignee. In the case of coverage pursuant to Section 5.3, the Corporation and the Assignee shall be added as additional insureds. Prior to the Closing Date, the District will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the District shall notify the Assignee of such fact.

Section 5.9. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Property.

Section 5.10. Liens. The District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than as herein contemplated and except for such encumbrances as the District certifies in writing to the Assignee do not materially and adversely affect the leasehold estate in the Property hereunder and for which the Assignee provides its prior written approval, which approval shall be at Assignee's sole discretion. Except as expressly provided in this Article V, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The District will reimburse the Assignee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(d).

Section 5.12. District Consent to Assignment Agreement. The Corporation's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site Lease, are being assigned to the Assignee pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Assignee or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Assignee or its assignees to protect their interests in the Property and in this Lease Agreement.

Section 5.13. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances*. The District will comply with all Applicable Environmental Laws with respect to the Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Property.

(b) *Notification of Assignee*. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Assignee, and the District will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Assignee.

(c) *Access for Inspection*. The District will permit the Assignee, its agents, or any experts designated by the Assignee to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Assignee has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

ARTICLE VI
EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such

taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Assignee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award.*

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the District in the event of any such damage or destruction shall be deposited by the District promptly upon receipt thereof in a special fund with the Assignee designated as the “Insurance and Condemnation Fund.”

(ii) Within ninety (90) days following the date of such deposit, the District shall determine and notify the Corporation and the Assignee in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the District and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.3 hereof, or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the District’s determination is as set forth in clause (A) of subparagraph (ii) above, such Net Proceeds shall be promptly applied to the prepayment of the unpaid principal component of the Lease Payments and other amounts pursuant to Section 9.3 of this Lease Agreement; *provided, however*, that in the event of damage or destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, and all other costs related to such prepayments pursuant to Section 9.3 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of the unpaid principal component of the Lease Payments only if the resulting Lease Payments following such prepayment from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, evidenced by a certificate signed by a District Representative.

(iv) In the event the District’s determination is as set forth in clause (B) of subparagraph (ii) above, such Net Proceeds shall be applied to the prompt

replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the District, and until the Property has been restored to its prior condition, the District shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Assignee, at its sole discretion.

(b) *From Eminent Domain Award.* If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the District in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the District has given written notice to the Corporation and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are not needed for repair or rehabilitation of the Property, the District shall so certify to the Corporation and the Assignee, and the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.3 of this Lease Agreement.

(ii) If the District has given written notice to the Corporation and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the District shall so certify to the Corporation and the Assignee, and the District shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District has given written notice to the Corporation and the Assignee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under the Lease Agreement or (B) all of the Property shall have been taken in such eminent domain proceedings, then the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.3 of this Lease Agreement.

(iv) In making any determination under this Section 6.2(b), the District may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Corporation and the Assignee. Any such determination by the District shall be final.

(c) *From Title Insurance.* The Net Proceeds from a title insurance award shall be deposited by the District in the Insurance and Condemnation Fund and credited towards the prepayment of Lease Payments required to be paid pursuant to Section 9.3 of this Lease Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the District of the Property or any portion thereof to the extent to be agreed upon by the District and the Assignee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit B, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a District Representative to the Corporation and the Assignee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the District waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance, or (b) amounts in the Insurance and Condemnation Fund or the Escrow Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII OTHER COVENANTS OF THE DISTRICT

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE DISTRICT LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the District.

Section 7.2. Access to the Property; Grant and Conveyance of Right of Entry. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the District, to enter upon and to examine and inspect (to the extent permitted by law and public policy) the Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours written notice provided to the District, as may be reasonably necessary to cause the proper maintenance of the Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

The District further grants, conveys and confirms to the Corporation, for the use, benefit and enjoyment of the Corporation, its successors in interest to the Property, including the Assignee, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the District adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.3. Release and Indemnification Covenants. The District hereby indemnifies the Corporation, the Assignee and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the District or the District's employees, agents, contractors, invitees or licensees, (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease Agreement, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Property, (e) the acquisition, construction, improvement and equipping of the Property, (f) the clean-up of any Hazardous Substances or toxic wastes from the Property, or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Corporation, the Assignee, or their respective officers, agents, employees, successors or assigns. The indemnification hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of the Term of this Lease Agreement for any reason. The District and the Corporation each agree to promptly give notice to each other and the Assignee of any claim or liability hereby indemnified against following learning thereof.

Section 7.4. Assignment Agreement by the Corporation. The Assignee and its assignees may assign the Site Lease and this Lease Agreement only to (a) an affiliate, or (b) banks, trusts, custodians, insurance companies, or other financial institutions or their affiliates. Such an assignment may include an assignment in whole to a trust, partnership, custodial arrangement, or similar entity, participation interests in which may be offered and sold to one or more entities listed in (a) or (b). Any participation, custodial, or similar agreement under which multiple ownership interests in the Site Lease and this Lease Agreement are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer, or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "registered owner") to act on their behalf with respect to the rights and interests of the registered owner of such interests, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an event of default under this Lease Agreement.

Other than for the initial assignment to the Assignee, the assignor must provide notice to the District within five (5) business days of any assignment performed in accordance with this Section 7.4 and an executed copy of a letter of representations addressed to the District substantially in the form of the letter delivered by the Assignee on the Closing Date. The District hereby consents to any assignment of the Site Lease and this Lease Agreement done in accordance with this Section 7.4. The District shall pay all Lease Payments hereunder to the Assignee, as provided in Section 4.3(i) hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the District. During the Term of this Lease Agreement, the District will keep a complete and accurate record of all such notices of assignment.

Section 7.5. Assignment Agreement and Subleasing by the District. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the District. The District may sublease the Property, or any portion thereof, with the prior written consent of the Assignee, at the Assignee's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.

(c) No such sublease by the District may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) The District shall furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.6. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the Corporation and the Assignee (at the Assignee's sole discretion) provided such amendment does not, in the Assignee's sole judgment, adversely affect the Assignee.

Section 7.7. Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross

income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Lease Agreement that may cause the Lease Agreement to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Lease Agreement will not be used so as to cause the proceeds on the Lease Agreement to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) The District represents and covenants that it, together with its subordinate entities, has not and will not issue during the calendar year 2023 obligations (other than private activity bonds (except qualified 501(c)(3) bonds) as defined in Section 145 of the Code) the interest on which is exempt from federal income tax under Section 103 of the Code which, when aggregated with all obligations the interest on which is exempt from federal income tax under Section 103 of the Code, will exceed an aggregate principal amount of \$10,000,000.

Section 7.8. Financial Statements. Within nine (9) months, following the end of each Fiscal Year of the District, commencing with Fiscal Year June 30, 2023, during the Term of this Lease Agreement, the District will provide the Assignee with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include the District’s audited financial statements, including such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within thirty (30) days following the approval of the District’s budget, the District will provide the Assignee with a copy of said budget. Additionally, the District shall provide the Assignee with timely notice of any updates from the State regarding any State investigations, material litigation and notices of default. The District hereby agrees to provide the Assignee with such other information as may be reasonably requested by the Assignee.

Section 7.9. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of its operations, in which complete and correct entries shall be made of all transactions relating to the District. Said books and records shall at all reasonable times be subject to the inspection of the Assignee upon 72 hours’ prior notice.

Section 7.10. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District’s right to exist and carry on business as a recreation and park district, to the end that such rights, privileges

and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.11. Notices. During the Term of this Lease Agreement, the District shall provide to the Assignee:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease Agreement, together with a detailed statement by a District Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) within ten (10) days of knowledge by the District written notice of any Material Litigation or Material Adverse Effect, or any investigation, inquiry or similar proceeding by any Governmental Authority.

(c) with reasonable promptness, such other information respecting the District, and the operations, affairs and financial condition of the District as the Assignee may from time to time reasonably request.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Assignee. However, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, the Corporation and the Assignee shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the District within such 30-day period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State act now existing or which may hereafter be enacted.

(d) Any statement, representation or warranty of a material nature made by the District in or pursuant to this Lease Agreement or its execution, delivery or performance shall

have been false, incorrect, misleading or breached in any material respect on the date when made.

(e) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the District is an obligor, if such default arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Assignee or any affiliate of the Assignee.

(f) Any default by the District to observe any material covenant, condition or agreement on its part to be observed or performed under the Site Lease.

(g) Any court of competent jurisdiction shall find or rule that the Site Lease or this Lease Agreement is not valid or binding against the District.

(h) Any Material Adverse Effect shall exist.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) *Enforcement of Payments Without Termination.* If the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, if the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in San Bernardino County for the account of and at the expense of the District, and the District hereby exempts and agrees to hold harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions

herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The District agrees to surrender and quit possession of the Property upon demand of the Corporation for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the sum of Lease Payments plus costs and expenses incurred by the Corporation for its services in re-leasing the Property shall be paid to the District.

(b) *Termination of Lease.* If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site Lease. If the Corporation terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the District (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re-leasing shall be applied by the Corporation to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) *Proceedings at Law or In Equity.* If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) *Remedies under the Site Lease.* If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as

often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If any party to this Lease Agreement defaults under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the non-defaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Assignee, to which assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

ARTICLE IX PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Optional Prepayment. The District may prepay, commencing on any date on or after August 15, 2033, with 30 days written notice, any of the remaining Lease Payments in whole, but not in part, from any available source of funds at a prepayment price equal to 100% of the principal component of the Lease Payments to be redeemed, together with accrued interest to the date of prepayment, without premium.

Section 9.2. Partial Optional Redemption. The District may prepay, commencing on any date after the Closing Date, with 30 days' written notice, any of the remaining Lease Payments, in part, up to 20% of the remaining principal balance of such remaining Lease Payments, at the option of the District, from any available source of funds, prior to the maturity thereof by payment of principal to be redeemed, plus accrued interest to date of redemption, without premium. The District may not partially redeem the remaining Lease Payments pursuant to this Section 9.2 more than two (2) times prior to the maturity or prepayment in whole of the remaining Lease Payments.

Section 9.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the District on any date, together with any accrued and unpaid interest, a prepayment premium, if applicable, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose

under Section 6.2. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this Section 9.3.

Section 9.4. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Corporation or a fiduciary reasonably satisfactory to the Corporation, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Corporation, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B, or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Corporation and addressed and delivered to the Corporation), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.3(a) or when due on any optional prepayment date under Section 9.1 or Section 9.2, as the District instructs at the time of said deposit; provided, however, that at or prior to the date on which any such security deposit is established, the District shall deliver to the Corporation an opinion of Bond Counsel (in form and substance acceptable to the Corporation) to the effect that any such security deposit will not adversely affect the excludability of the interest component of Lease Payments from gross income of the Assignee for federal income tax purposes. In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue, (ii) all obligations of the District under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the District to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the District, and (B) the release and indemnification obligations of the District under Section 7.3, and (iii) under Section 4.5, the Corporation's leasehold interest in the Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. The District hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Corporation. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.3 hereof to the extent payable from the funds held by the Corporation or the fiduciary as described in the first sentence of this Section 9.4.

ARTICLE X MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon

transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Assignee 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 District: Hesperia Recreation and Park District
16292 Lime Street
Hesperia, CA 92345
Phone: (760) 244-5488
Attention: General Manager

If to the Corporation: CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
Phone: (877) 924-2732
Attention: Neil C. McCormick

If to the Assignee: Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, NY 11747
Phone: (631) 531-2824
Attention: Jonathan A. Lewis, President

Section 10.2. Binding Effect. This Lease Agreement inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns. The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 10.3. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease Agreement is a “net-net-net lease” and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. Further Assurances and Corrective Instruments. The Corporation and the District 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 Lease Agreement.

Section 10.6. Waiver of Personal Liability. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for the payment of Lease Payments; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.7. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.8. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.9. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

Section 10.10. Waiver of Jury Trial; Agreement for Judicial Reference. To the fullest extent permitted by law, each of the District and the Corporation hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, this Agreement or any related documents, or the enforcement of any remedy under any law, statute, or regulation.

To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, each of the District and the Corporation agrees to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court.

IN WITNESS WHEREOF, the Corporation and the District have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

CSDA FINANCE CORPORATION

By: _____
Neil C. McCormick
Chief Executive Officer

HESPERIA RECREATION AND PARK DISTRICT

By: _____
Kyle Woolley
General Manager

EXHIBIT A
DESCRIPTION OF THE SITE

Address: [_____]

Legal Description

[LEGAL DESCRIPTION TO BE ADDED]

(End of Legal Description)

EXHIBIT B
SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component⁰	Total Lease Payment
2/15/2024 ⁽²⁾	--	\$111,262.50	\$111,262.50
8/15/2024 ⁽²⁾	--	111,262.50	111,262.50
2/15/2025	\$ 45,000	111,262.50	156,262.50
8/15/2025	57,000	110,250.00	167,250.00
2/15/2026	59,000	108,967.50	167,967.50
8/15/2026	67,000	107,640.00	174,640.00
2/15/2027	68,000	106,132.50	174,132.50
8/15/2027	63,000	104,602.50	167,602.50
2/15/2028	62,000	103,185.00	165,185.00
8/15/2028	72,000	101,790.00	173,790.00
2/15/2029	73,000	100,170.00	173,170.00
8/15/2029	69,000	98,527.50	167,527.50
2/15/2030	71,000	96,975.00	167,975.00
8/15/2030	81,000	95,377.50	176,377.50
2/15/2031	81,000	93,555.00	174,555.00
8/15/2031	92,000	91,732.50	183,732.50
2/15/2032	93,000	89,662.50	182,662.50
8/15/2032	105,000	87,570.00	192,570.00
2/15/2033	105,000	85,207.50	190,207.50
8/15/2033	118,000	82,845.00	200,845.00
2/15/2034	120,000	80,190.00	200,190.00
8/15/2034	125,000	77,490.00	202,490.00
2/15/2035	125,000	74,677.50	199,677.50
8/15/2035	140,000	71,865.00	211,865.00
2/15/2036	140,000	68,715.00	208,715.00
8/15/2036	156,000	65,565.00	221,565.00
2/15/2037	156,000	62,055.00	218,055.00
8/15/2037	173,000	58,545.00	231,545.00
2/15/2038	173,000	54,652.50	227,652.50
8/15/2038	192,000	50,760.00	242,760.00
2/15/2039	192,000	46,440.00	238,440.00
8/15/2039	173,000	42,120.00	215,120.00
2/15/2040	174,000	38,227.50	212,227.50
8/15/2040	192,000	34,312.50	226,312.50
2/15/2041	192,000	29,992.50	221,992.50
8/15/2041	212,000	25,672.50	237,672.50

2/15/2042	212,000	20,902.50	232,902.50
8/15/2042	234,000	16,132.50	250,132.50
2/15/2043	233,000	10,867.50	243,867.50
8/15/2043	\$ 250,000	\$ 5,625.00	\$ 255,625.00
Total	\$4,945,000	\$2,932,785.00	\$7,877,785.00

⁽¹⁾ Applicable interest rate is 4.500% per annum. Default Rate of 8.0% shall apply if a Lease Payment is not made by the applicable Lease Payment Date.

⁽²⁾ Capitalized interest to be used for the payment of the interest component of the Lease Payments on February 15, 2024 and August 15, 2024.

AGREEMENT FOR BOND COUNSEL SERVICES

THIS AGREEMENT (the “Agreement”) is made and entered into this ____ day of July, 2023, between the Hesperia Recreation and Park District, whose address is 16292 Lime Street, Hesperia, California 92345 (the “District”), and Kutak Rock LLP (“Kutak”) whose address is 5 Park Plaza, Ste. 1500, Irvine, California 92614.

W I T N E S S E T H:

WHEREAS, the District proposes to finance the acquisition, construction and installation of certain improvements to real property of the District consisting of certain solar and energy efficient improvements of benefit to the District (the “Project”); and

WHEREAS, Kutak is specifically trained and experienced in the conduct of proceedings for accomplishing the financing of the Project through the preparation, sale and delivery of a tax-exempt lease agreement or other obligations for such purposes (the “Obligations”); and

NOW, THEREFORE, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. Duties. Kutak shall provide legal services in connection with the authorization, issuance, sale, execution and delivery of the Obligations (the “Transaction”). Such services shall include, but not be limited to, the following:

a. Conferring and consulting with the District, the officers, administrative staff, municipal advisor, underwriter, if any, placement agent, if any, and other representatives of the District in connection with the preparation and formulation of the Transaction.

b. Preparation of the Resolution of Issuance, security documents and all other resolutions, agreements, notices and other documents necessary for the proper conduct and consummation of the Transaction.

c. A review of all financial documents for legal sufficiency.

d. Preparation of an incumbency certificate, a tax compliance certificate, and any and all other closing documents required of the District to accompany delivery of the financing documents.

e. Attendance at and supervision of the closing, and issuing the legal opinion of Kutak stating that the interest payments with respect to the Obligations is exempt from present federal and State income taxes, as the case may be, and approving in all respects the legality of all proceedings for the authorization, issuance, sale and delivery of the Obligations and other agreements relating to the Transaction.

- f. Preparation of a transcript of the closing of the Transaction.
- g. Conferring and consulting with District officials and agents with regard to any problems which may arise prior to the maturity of the issuance.
- h. Providing any other necessary services, including ongoing monitoring of the Transaction after the sale of the Obligations and assistance to the District regarding the Transaction, generally expected of Kutak not listed above.

2. Compensation. For provision of the services to be rendered pursuant to this Agreement, the District shall pay Kutak a fee of \$27,500 assuming the Obligations are issued on a private placement basis. Such fee shall include any out-of-pocket expenses incurred by Kutak in the course of this engagement, such as reproduction and printing costs, word processing time, long distance telephone calls, travel at the request of the District and similar items (excluding any publication costs). Such fee is payable only upon issuance of the Obligations and shall be paid from proceeds thereof.

In the event Kutak is requested to perform additional work outside of its normal and customary services as bond counsel, such as litigation, Kutak will be paid additional compensation therefor following the submission of monthly, itemized bills at the hourly rate of the attorney performing such services; provided, however, there shall be no additional compensation due Kutak under the paragraph without the prior approval of the District.

3. Assignment. This Agreement may be assigned by the District to any other issuer of the securities as may be necessary to consummate the Transaction, without the consent of but with notice to Kutak.

4. No Guarantees; Entire Agreement. Nothing in this Agreement and nothing in our statements to you should be construed as a guarantee or promise about the outcome of the Transaction or any phase thereof. We make no such guarantees or promises. Comments about the course or outcome of the Transaction or any phase thereof which we may make from time to time are expressions of opinion only. The written Agreement constitutes the entire Agreement between the parties hereto with respect to Kutak services and neither party has been induced to make or enter into this Agreement by reason or promise, agreement, representation, statement or warranty other than as herein contained.

5. Other Representation. Kutak may, from time to time, have clients with interests which may be potentially adverse to the District. Kutak reserves the right to represent said clients except on matters directly relating to the issuance and sale of the Obligations. We will disclose any such potential conflict to you and will seek a waiver of that conflict. We will of course work with you and our other clients to construct an appropriate ethical wall to protect the confidences of all of our clients and to clearly separate our work in any such case. Although we are not asking for a waiver now since these conflicts may not emerge, we ask that you agree to give good faith consideration to our requests for any such waivers in the future. This will allow us to better serve all of our clients.

6. Work Product. Our files developed in the course of work undertaken pursuant to this Agreement are your property. We will release those files to you or to anyone else you designate upon your written request delivered to the attorney in charge of this matter. However, such a request will signify the end of this engagement if it is then still ongoing. You agree that we may, in our sole discretion, copy all or any portion of such files at your expense and retain such copies, and that we may have a reasonable period of time before releasing the documents to you or your designee in order to make the copies. We will from time to time send portions of your files that are not currently needed to an off-site storage facility. The cost of using this facility will be our sole expense. However, we are not the guarantor of the security of any off-site storage facility. Accordingly, you agree that the firm will not be responsible for any damages which may occur as a result of the loss of any of your files which we store at an off-site storage facility. You also agree that we may, after the passage of two years without our having performed any work for you pursuant to this engagement, destroy the files of this engagement without further notice to you unless you have previously provided us with written instructions to forward the files to you or to another person you designate.

7. Insurance. Kutak carries professional liability insurance which would cover the services we will be providing under the terms of this Agreement. That insurance is subject to a self-insured retention.

8. Litigation. If an action or proceeding is commenced to enforce this Agreement or any provision hereof, the prevailing party in such an action or proceeding shall be entitled to recover the reasonable amount of his, her or its fees and costs thereof, in addition to compensatory damages. For the purposes of enforcing this Agreement only, and as otherwise required by law, you agree that this Agreement may be disclosed to a court or arbitrator.

9. Notices. All notices, demands, requests, consents and approvals given, required or permitted to be given hereunder, shall be contained in writing and shall be deemed sufficiently given if sent by express delivery service or by registered or certified mail, postage prepaid and return receipt requested, addressed to the parties at the addresses set forth above or on any addendum or counterpart to this Agreement, or to such other address as the recipient shall have notified the sender of in writing. You agree to keep us currently informed of any change in your address or telephone numbers so that we may effectively communicate with you. We will also advise you promptly of any change in the firm's business address, electronic mail address, telephone or facsimile numbers.

10. California Law. This Agreement is made under and shall be construed in accordance with the substantive laws of the State of California.

11. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

**HESPERIA RECREATION AND PARK
DISTRICT**

By: _____
Title: _____

KUTAK ROCK LLP

By: _____
Albert R. Reyes, a Partner

ESCROW AGREEMENT

ASSIGNEE: CAPITAL ONE PUBLIC FUNDING, LLC, a limited liability company organized and existing under the laws of the State of New York

LESSEE: HESPERIA RECREATION AND PARK DISTRICT, a recreation and park district and political subdivision organized and existing under the laws of the State of California

ESCROW AGENT: TMI TRUST COMPANY, a trust company duly organized and existing under the laws of the State of Florida

DATE: August 15, 2023

THIS ESCROW AGREEMENT, dated as of the date set forth above, by and among the Assignee named above (“Assignee”), the Lessee named above (“Lessee”), and the Escrow Agent named above (the “Escrow Agent”):

In consideration of the mutual covenants and agreements herein set forth, the parties hereto do hereby covenant and agree as follows:

1. This Escrow Agreement relates to and is hereby made a part of the Lease Agreement (the “Lease”), dated as of August 1, 2023, between the CSDA Finance Corporation, as lessor and Lessee.

2. Except as otherwise defined herein, all capitalized terms in this Escrow Agreement that are not otherwise defined herein shall have the meaning set forth in the Lease.

3. Assignee, Lessee and the Escrow Agent agree that the Escrow Agent will act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. The Escrow Agent shall not be deemed to be a party to the Lease, and this Escrow Agreement shall be deemed to constitute the entire agreement among Assignee, Lessee and Escrow Agent.

4. There is hereby established in the custody of Escrow Agent a special trust fund designated as set forth on **Exhibit A** hereto (the “Escrow Fund”) to be held and administered by the Escrow Agent in trust in accordance with this Escrow Agreement.

5. Assignee shall deposit the amount set forth on **Exhibit A** in the Escrow Fund at the time of the execution and delivery of the Lease and this Escrow Agreement. Lessee hereby directs the Escrow Agent to invest the cash comprising the Escrow Fund from time to time in Qualified Investments (as hereinafter defined). Interest or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund. No investment shall be made that would cause the Lease to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended. For the purpose of this paragraph, the term “Qualified Investments” means an interest-bearing demand account of any bank or trust company which the Escrow Agent has a fiduciary banking relationship located within the United States, provided, that any such bank or trust company must have capital and surplus of at least \$500,000,000, or such other investments as Lessee may specify in writing, to the extent the same are at the time legal for investment of the funds being invested.

6. Moneys in the Escrow Fund shall be used to pay for costs of the Project Facilities, to pay the interest component of the Lease Payments on February 15, 2024 and August 15, 2024 and to pay certain costs of entering into the Lease. Payment shall be made from the Escrow Fund for costs of the Project Facilities upon presentation to the Escrow Agent of (a) a written request and certification in the form attached hereto as **Exhibit B**, signed by an Authorized Officer, and approved in writing by Assignee, and (b) any additional documentation required by Assignee. An "Authorized Officer" shall be a person designated in the Incumbency Certificate attached hereto as **Exhibit D**, or on a subsequent Incumbency Certificate of Lessee actually received and acknowledged by Assignee and the Escrow Agent. A "Assignee Representative" shall be a person designated in the Certificate of Assignee Representatives attached hereto as **Exhibit E**.

The Escrow Agent may rely conclusively on any such written request and certificate and shall not be required to make any independent inspection or investigation in connection therewith. The Escrow Agent shall make disbursements to pay costs of the Project Facilities, to pay the interest component of the Lease Payments on February 15, 2024 and August 15, 2024 and to pay certain costs of entering into the Lease.

Upon receipt of a written request for payment of funds from the Escrow Fund, Assignee is authorized but not required to seek confirmation of such instructions by telephone call-back to any Authorized Officer designated on **Exhibit D** hereto, and Assignee may rely upon the confirmations of anyone purporting to be such Authorized Officer. The Escrow Agent shall seek confirmation of the Assignee's approval of all Payment Requests by telephone call-back to an Assignee Representative designated for verifying such draw requests on **Exhibit E** (such person verifying the request shall be different than the person initiating the request). Assignee and Lessee hereby confirm that any call-back performed by the Escrow Agent to verify a disbursement instruction pursuant to a Payment Request submitted pursuant to this Section before release shall be made to Assignee only and the Escrow Agent shall have no obligation to call back Lessee.

The persons and telephone numbers for Lessee call-backs may be changed only in writing actually received and acknowledged by Assignee. The persons and telephone numbers for Assignee call-backs may be changed only in writing actually received and acknowledged by the Escrow Agent. The parties to this Escrow Agreement acknowledge that such security procedure is commercially reasonable.

It is understood that Assignee, the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by any party hereto to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank.

7. The Escrow Fund shall terminate upon the occurrence of the earlier of (a) the presentation to Assignee and the Escrow Agent of a Completion Certificate, a form of which is attached hereto as **Exhibit C**; or (b) the presentation of written notification by Assignee, or, if Assignee shall have assigned its interest under the Lease, then the assignees or subassignees of all of Assignee's interest under the Lease, that an Event of Default has occurred or that Lessee has terminated the Lease pursuant to **Section 6** of the Lease. The Completion Certificate may also state that it is given without prejudice to any rights of Lessee that then exist or may subsequently come into being against third parties. Upon termination as described in (a) or (b), any amount remaining in the Escrow Fund shall, first be applied to all reasonable fees and expenses incurred by the Escrow Agent, if applicable, in connection herewith as evidenced by its statement forwarded to Assignee and Lessee; and, second be paid to Assignee, for application against the outstanding principal components of Lease Payments (as defined in the Lease), including prepayment of Lease Payments under the Lease, as provided therein, unless Assignee directs that payment of such amount be made in such other manner directed by Assignee that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Assignee, will not adversely affect the exclusion of

the interest components of Lease Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Lease Payment Schedule attached to the Lease will be revised accordingly, with such prepayment being applied to reduce principal in inverse order of due dates as specified by Assignee.

8. Lessee shall comply with the Tax Compliance Certificate delivered by Lessee concurrently with entering into the Lease. The Tax Compliance Certificate may be amended at any time without the consent of the parties hereto if in the opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments satisfactory to Assignee, such amendment is necessary or desirable to ensure that the interest components of Lease Payments will remain excluded from gross income for federal income tax purposes.

9. The Escrow Agent may at any time resign by giving at least 30 days' written notice to Lessee and Assignee, but such resignation shall not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Assignee and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Assignee and Lessee. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Assignee and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Assignee, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent shall, without any further act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of the Escrow Agent under this Escrow Agreement, and the predecessor Escrow Agent shall deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent.

10. The Escrow Agent incurs no liability to make any disbursements pursuant to this Escrow Agreement except from funds held in the Escrow Fund. The Escrow Agent makes no representations or warranties as to the title to the Project or as to the performance of any obligations of Assignee or Lessee.

11. The Escrow Agent makes no representation or admission and assumes no responsibility respecting the ownership, validity, genuineness or value of the Escrow Fund, instruments, documents, matters or things, or any endorsement or assignment thereof, mentioned in this Escrow Agreement.

12. The Escrow Agent shall be liable as a depository only and shall not be responsible for the sufficiency or accuracy of the form, execution or validity of the documents herein referred to or deposited hereunder, nor shall it be liable in any respect on account of the identity, authority or rights of the persons executing or delivering, or purporting to execute or deliver any such document, paper, matter or thing.

13. The decision of the Escrow Agent reached by it in good faith by its officer and/or counsel that the stipulations in this Escrow Agreement have been complied with or not complied with shall be binding upon the parties to this Escrow Agreement and upon all persons interested in the Escrow Fund, instrument, documents, matters or things, and the Escrow Agent shall not be liable for any loss, expense, claim or damage that may result or be claimed to result to any such part(ies) by reason of this Escrow Agreement acting upon the basis of such decision.

14. The Escrow Agent is under no obligation whatsoever to superintend or monitor the Project Facilities.

15. Lessee, to the extent permitted by law, shall indemnify and hold the Escrow Agent harmless from any and all loss or damage of whatsoever kind and from any suits, claims or demands,

including the Escrow Agent's reasonable legal fees and expenses on account of any matter or thing arising out of this Escrow Agreement or in connection therewith, except for such suits, claims or demands resulting from the Escrow Agent's own gross negligence or willful misconduct or violation of the terms of this Escrow Agreement by the Escrow Agent.

16. Lessee and Assignee understand and agree that the Escrow Agent is not the agent or representative of either party and this Agreement shall not be construed to make Escrow Agent liable to materialmen, contractors, subcontractors, craftsmen, laborers or others for goods or services delivered or provided by them upon the Project Facilities or for debts or claims accruing to Lessee or Assignee against the Project Facilities, and it is distinctly understood and agreed that there is no contractual relationship, either express or implied, between Escrow Agent and any materialman, contractor, subcontractor, craftsman, laborer, or any other persons supplying any work, labor or material in the construction of the Project Facilities.

17. The reasonable fees and expenses of the Escrow Agent incurred in connection herewith shall be the responsibility of Assignee and are herein defined as the sum of \$[1,500], for escrow services as described herein. Any extraordinary expenses that may be incurred by the Escrow Agent at the request of Assignee or Lessee shall be the responsibility of Lessee.

18. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of California.

19. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

20. This Escrow Agreement may not be amended except by a written instrument executed by Assignee, Lessee and the Escrow Agent.

21. This Escrow Agreement may be executed in several counterparts, and each counterpart so executed shall be an original.

22. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

23. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown below or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date of receipt:

- (a) If to Assignee: Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, New York 11747
Attention: President

- (b) If to Lessee: Hesperia Recreation and Park District
16292 Lime Street
Hesperia, CA 92345
Attention: General Manager
- (c) If to Escrow Agent: TMI Trust Company
101 Summit Avenue, Suite 510
Fort Worth, TX 76102
Attention: Vice President

25. The parties hereto agree that the transaction described herein may be conducted and related documents (other than notices, which are governed by **Section 23**) may be received, sent or stored by electronic means. In the absence of actual knowledge to the contrary, copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

26. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Escrow Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

[Signature page follows.]

IN WITNESS WHEREOF, Assignee, Lessee and the Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

CAPITAL ONE PUBLIC FUNDING, LLC
Assignee

By: _____
Name: _____
Title: _____

HESPERIA RECREATION AND PARK DISTRICT
Lessee

By: _____
Name: _____
Title: _____

TMI TRUST COMPANY
Escrow Agent

By: _____
Name: _____
Title: _____

**EXHIBIT A
TO THE ESCROW AGREEMENT**

ESCROW FUND PROVISIONS

Name of Fund: Hesperia Recreation and Park District

Deposit to Escrow Fund: \$4,945,000

Items required to be delivered to Assignee prior to disbursements from Escrow Fund to pay costs of the Project Facilities pursuant to Section 6 of the Escrow Agreement:

[To Come.]

**EXHIBIT B
TO THE ESCROW AGREEMENT**

**FORM OF WRITTEN REQUEST FOR DISBURSEMENT FROM
ESCROW FUND**

Request No. _____

Date: _____

To: TMI Trust Company, as escrow agent
101 Summit Avenue, Suite 510
Fort Worth, TX 76102
Attention: Vice President

Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, New York 11747

Ladies and Gentlemen:

Pursuant to **Section 7** of the Escrow Agreement, dated August 15, 2023 (the “Escrow Agreement”), among Capital One Public Funding, LLC, as Assignee, Hesperia Recreation and Park District, as lessee (the “Lessee”), and TMI Trust Company, as Escrow Agent, Lessee hereby requests payment in accordance with this request and said **Section 7** and hereby states and certifies as follows:

(a) All terms in this request are used with the meanings used in the Escrow Agreement.

(b) The names of the persons, firms or corporations to whom the payments requested hereby are due, the amounts to be paid and the general classification and description of the costs for which each obligation requested to be paid hereby was incurred are as set forth on **Attachment I** hereto.

(c) The amounts requested either have been paid by Lessee, or are justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on **Attachment I** hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials, equipment or furnishings in the acquisition, construction, equipping and installation of the Project Facilities or represent certain costs of entering into the Lease.

(d) All such materials, equipment or furnishings have been delivered to, and are located on, the Land.

(e) No part thereof has been or is being made the basis for the withdrawal of any moneys in any previous or pending request under the Escrow Agreement.

(f) The amount remaining to be paid from the Escrow Fund will, after payment of the amounts requested, be sufficient to pay the costs of the Project Facilities in accordance with the Construction Contract and any related Plans and Specifications.

(g) This certificate contains no request for payment on account of any retained percentage which Lessee is on the date hereof entitled to retain.

(h) There has not been filed with or served upon Lessee any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts requested which has not been released or will not be released simultaneously with the payment of such obligation.

(i) Lien waivers for all services or materials furnished by subcontractors or suppliers related to the amounts requested are *attached hereto*.

(j) Invoices, statements, vouchers or bills for the amounts requested are *attached hereto*.

(k) Each of Lessee's representations contained in the Lease and the Site Lease is true, correct and not misleading as though made as of the date hereof.

(l) Lessee has provided to Assignee the items set forth in **Exhibit A** attached to the Escrow Agreement, in form and substance satisfactory to Assignee.

(m) No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default.

Dated: _____, 20____.

HESPERIA RECREATION AND PARK DISTRICT

By: _____
Name: _____
Title: _____

ATTACHMENT I
TO WRITTEN REQUEST FOR DISBURSEMENT
FROM ESCROW FUND
SCHEDULE OF PAYMENTS REQUESTED

Payee and Address

Amount

Description

**EXHIBIT C
TO ESCROW AGREEMENT
COMPLETION CERTIFICATE**

_____, 20__

To: TMI Trust Company, as escrow agent
101 Summit Avenue, Suite 510
Fort Worth, TX 76102
Attention: Vice President

Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, New York 11747

Re: Lease Agreement, dated as of August 1, 2023 (the "Lease"), between CSDA Finance Corporation, as lessor, and Hesperia Recreation and Park District, as lessee ("Lessee")

Ladies and Gentlemen:

In accordance with Section 5 of the Lease, the undersigned Authorized Officer of Lessee certifies as follows:

1. The construction, equipping and improvement of the Project Facilities, as such term is defined in the Lease, has been substantially completed;
2. All other facilities necessary in connection with the Project Facilities have been constructed, equipped and improved;
3. The constructing, equipping and improving of the Project Facilities and those other facilities have been accomplished in such a manner as to conform with all applicable zoning, planning, building, environmental and other similar governmental regulations;
4. Each of Lessee's representations contained in the Lease and the Site Lease is true, correct and not misleading as though made as of the date hereof;
5. No event exists that constitutes, or with the giving of notice of the passage of time or both would constitute, an Event of Default under the Lease.
6. Except as provided in subparagraph 7 below, all Project Costs then or theretofore due and payable have been paid; and
7. For the reasons stated below, the following amount will be retained in the Escrow Fund pursuant to Section 5(b)(v) of the Lease:
 - (a) Amount to be retained \$ _____;
 - (b) Reasons for retention: _____.

This Certificate is given without prejudice to any rights against third parties that exist at the date hereof or that may come into being subsequent to the date hereof.

Date: _____, 20____.

HESPERIA RECREATION AND PARK DISTRICT

By: _____
Authorized Officer

ACKNOWLEDGED:

CAPITAL ONE PUBLIC FUNDING, LLC, as Assignee

By: _____
Title: _____

**EXHIBIT D
TO ESCROW AGREEMENT
INCUMBENCY CERTIFICATE REGARDING AUTHORIZED OFFICERS
\$4,945,000
LEASE AGREEMENT
DATED AS OF AUGUST 1, 2023, BETWEEN
CSDA FINANCE CORPORATION, AS LESSOR
AND HESPERIA RECREATION AND PARK DISTRICT, AS LESSEE**

The undersigned officer of Hesperia Recreation and Park District (“Lessee”) hereby certifies that the persons listed below are each designated as an authorized representative of Lessee for the Escrow Agreement dated August 15, 2023 (the “Escrow Agreement”), among Lessee, Capital One Public Funding, LLC (“Assignee”) and TMI Trust Company, as escrow agent (the “Escrow Agent”), including but not limited to initiating and approving transactions under the Escrow Agreement and confirming such approvals through call-backs from Assignee relating thereto, all on behalf of Lessee. Each such person is the current holder of the office or title indicated, and the signature set forth opposite the name of each such authorized representative is the true and correct specimen of such person’s signature:

Name/Title/Telephone/Email

Specimen Signature

Kyle Woolley
Name

Signature

General Manager
Title

(760) 244-5488
Telephone #

kwoolley@hesperiaparks.com
Email Address

Name/Title/Telephone/Email

Specimen Signature

Name

Signature

Title

Telephone#

Email Address

Dated: August 15, 2023.

HESPERIA RECREATION AND PARK DISTRICT

By: _____

Title: _____

[To be signed by a different officer than listed above.]

**EXHIBIT E
TO ESCROW AGREEMENT
AUTHORIZED ASSIGNEE REPRESENTATIVES
FOR ESCROW AGREEMENT**

[To be provided.]

PLACEMENT AGENT AGREEMENT

July 1, 2023

Hesperia Recreation and Park District

16292 Lime Street
Hesperia, CA 92345

Attention: General Manager

The undersigned, Oppenheimer & Co. Inc. (the “Placement Agent”), offers to enter into the following agreement (this “Agreement”) with the Hesperia Recreation and Park District (the “Issuer”), which, upon acceptance by the Issuer, will be binding upon the Issuer and the Placement Agent.

The Issuer acknowledges and agrees that (i) the placement of the 2023 Lease Agreement (the “Obligations”) pursuant to this Placement Agent Agreement is an arm’s-length commercial transaction between the Issuer and the Placement Agent, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Placement Agent is not acting as a fiduciary of or a financial advisor to the Issuer, (iii) the Placement Agent has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to (a) the offering of the Obligations or the process leading thereto (whether or not the Placement Agent has advised or is currently advising the Issuer on other matters) or (b) any other obligation to the Issuer except the obligations expressly set forth in this Placement Agent Agreement, and (iv) the Issuer has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Obligations.

The Obligations shall be issued under and pursuant to the Lease Agreement, dated as of August 1, 2023 (the “Issuing Document”), by and between the Issuer and the CSDA Finance Corporation. In connection with the issuance of the Obligations, the Issuer is also entering into the Site Lease. The Lease Agreement and Site Lease are collectively referred to herein as the “Issuer Documents.”

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Placement Agent and the Issuer hereby agree as follows:

1. Appointment of Placement Agent; Placement of Obligations; Closing.

(a) The Issuer hereby appoints the Placement Agent to act, and the Placement Agent hereby agrees to act, as the exclusive placement agent for the Issuer in connection with the private sale and issuance of its Obligations, and the Placement Agent hereby accepts such appointment. As compensation for its services hereunder, the Placement Agent shall charge a fee not in excess of \$40,000. At the closing of any such sale, the Issuer shall pay or cause to be paid such fee to the Placement Agent by wire transfer or immediately available funds. The above fee does not include any services the Placement Agent may render in the future to the Issuer with respect to any offering or placement of municipal securities other than the Obligations.

(b) The Issuer understands that the Placement Agent will be acting as the agent of the Issuer in the offering and sale of the Obligations and agrees that, in connection therewith, the

Placement Agent will use its “best efforts” to place the Obligations. The Placement Agent agrees that, in furtherance of its obligations hereunder, it shall provide substantially accurate and complete information to potential purchasers of the Obligations to the extent that it is able.

(c) The Issuer expressly agrees that nothing in this Agreement evidences or creates any expressed or implied commitment by the Placement Agent to purchase or place any of the Obligations.

(d) On the closing date, the Issuer will cause to be delivered (a) a final approving opinion of Kutak Rock LLP, as Bond Counsel to the Issuer (“Bond Counsel”), dated the closing date, addressed to or with a reliance letter to the Placement Agent, in a form acceptable to the Placement Agent, to the effect that the Obligations constitute valid and legally binding obligations of the Issuer payable from any legally available funds as set forth in the Issuing Document and that the interest on the Obligations is exempt from federal and State of California income taxes under existing laws, regulations, rulings and judicial decisions, (b) one or more certificates in form and tenor satisfactory to the Placement Agent evidencing the proper execution and delivery of the Obligations and receipt of payment therefor, including statements of the Issuer, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened relating to the issuance, sale and delivery of the Obligations, (c) a letter or certificate of the Purchaser, addressed to the Placement Agent, in form and content acceptable to the Placement Agent.

2. Reliance. The Issuer recognizes that, in providing services under this Agreement, the Placement Agent will rely upon and assume the accuracy and completeness of the financial, accounting, tax and other information discussed with or reviewed by the Placement Agent for such purpose, and the Placement Agent does not assume responsibility for the accuracy and completeness thereof. The Placement Agent will have no obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of the Issuer or any other party or to advise or opine on related solvency issues. Nothing in this Agreement is intended to confer upon any other person (including creditors, employees or other constituencies of the Issuer) any rights or remedies hereunder or by reason hereof.

3. Termination. The Placement Agent’s authorization to carry out its duties hereunder may be terminated by the Issuer or the Placement Agent at any time with or without cause, effective upon receipt of written notice to that effect by the other party. Notwithstanding the foregoing, in the event the Issuer terminates this Agreement and within twelve (12) months after the Issuer sells the Obligations to an investor identified by the Placement Agent prior to such termination, the amounts payable under Section 1(a) shall be immediately due and payable to the Placement Agent by the Issuer.

4. Notices. Any notice or other communication to be given to any of the parties to this Agreement may be given by delivering the same in writing as follows: to the Issuer at 16292 Lime Street, Hesperia, CA 92345 Attention: Finance Department, and to the Placement Agent at 135 Main Street, Suite 1700, San Francisco, California 94105, Attention: Municipal Capital Markets Group.

5. Survival of Representations, Warranties and Agreements. This Agreement is made solely for the benefit of the Issuer and the Placement Agent, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Issuer contained in this Agreement shall remain operative and in full force and effect regardless of delivery of any payment for the Obligations.

6. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

7. Effectiveness. This Agreement shall become effective upon the execution of the acceptance hereof by duly authorized signatory of the Issuer, which acceptance hereof shall be indicated on the signature page hereof, and shall be valid and enforceable as of the time of such acceptance. This Agreement may be executed by facsimile transmission and in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Very truly yours,

OPPENHEIMER & CO. INC.

By: _____
Managing Director

HESPERIA RECREATION AND PARK DISTRICT

By: _____
Authorized Officer

AFTER RECORDATION PLEASE RETURN TO:

Kutak Rock LLP
5 Park Plaza, Suite 1500
Irvine, CA 92614-8595
Attention: Albert R. Reyes, 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.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE Agreement (this “Memorandum of Lease Agreement”), is entered into as of August 1, 2023, between the **CSDA FINANCE CORPORATION**, a non-profit public benefit corporation organized and existing under the laws of the State of California, as lessor (the “Corporation”), and the **HESPERIA RECREATION AND PARK DISTRICT**, a recreation and park district organized and existing under the laws of the State of California, as lessee (the “District”), who agree as follows:

Section 1. The Lease. The District leases from the Corporation, and the Corporation leases to the District, certain real property described in Section 2 hereof, and the improvements situated upon said real property, upon the terms and conditions, and for the term, more fully set forth in the Lease Agreement, dated as of August 1, 2023, between the Corporation, as lessor, and the District, as lessee (the “Lease Agreement”), all of the provisions of which are hereby incorporated into this Memorandum of Lease Agreement by reference.

Section 2. Leased Premises; Term. The Corporation leases, lets and demises unto the District and the District leases, hires and takes from the Corporation, that certain parcel of real property situated in San Bernardino County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the “Site”), and those certain improvements on the Site (the “Facility”). The Lease Agreement is for a term commencing on the date of recordation of this Memorandum of Lease Agreement and ending on August 15, 2043, or such earlier or later date on which the Lease Payments (as defined in the Lease Agreement) are paid in full or provision has been made for such payment in accordance with the Lease Agreement.

Section 3. Assignment of Lessor’s Rights Under Lease Agreement; No Merger of Title. The parties hereto acknowledge that pursuant to the Assignment Agreement, dated as of August 1, 2023, between the Corporation and Capital One Public Funding, LLC (the “Assignee”), recorded concurrently herewith, the Corporation has assigned, transferred and

delivered to the Assignee, all of its rights, title and interest in, to and under the Site Lease (as defined in the Lease Agreement) and the Lease Agreement.

Section 4. Provisions Binding on Successors and Assigns. Subject to the provisions of the Lease Agreement relating to assignment and subletting, the Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns, including the Assignee.

Section 5. Purpose of Memorandum. This Memorandum of Lease Agreement is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease Agreement.

Section 6. Execution. This Memorandum of Lease Agreement may be 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. State Law. This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Corporation has caused this Memorandum of Lease Agreement to be executed in its corporate name by its duly authorized officer; and the District has caused this Memorandum of Lease Agreement to be executed in its name by its duly authorized officer, as of the date first written above.

CSDA FINANCE CORPORATION

By: _____

Neil McCormick
Chief Executive Officer

HESPERIA RECREATION AND PARK DISTRICT

By: _____

Kyle Woolley
General Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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)

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 name(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.

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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)
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 name(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.

Place Notary Seal Above

Signature of Notary Public

EXHIBIT A
DESCRIPTION OF THE SITE

Address: [_____]

Legal Description

[LEGAL DESCRIPTION TO BE ADDED]

(End of Legal Description)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Memorandum of Lease, dated as of August 1, 2023, from the CSDA Finance Corporation as lessor, to the Hesperia Recreation and Park District (the “District”), as lessee, is hereby accepted by the undersigned officer on behalf of the District, pursuant to authority conferred by resolution of the District Board adopted on July 12, 2023, and the District consents to recordation thereof by its duly authorized officer.

Dated: August 15, 2023

**HESPERIA RECREATION AND PARK
DISTRICT**

By: _____
Kyle Woolley
General Manager

ORDINANCE 23-01

ORDINANCE OF THE BOARD OF DIRECTORS OF THE HESPERIA RECREATION AND PARK DISTRICT AMENDING SECTION 23 OF ORDINANCE NO. 2 ESTABLISHING RULES AND REGULATIONS GOVERNING USE OF PARKS, RECREATION AREAS AND FACILITIES TO PROVIDE THAT FEES AND FINES SHALL BE SET BY RESOLUTION

Section 1. The Board of Directors of the Hesperia Recreation and Park District ordains as follows:

Section 23 of Ordinance No. 2 is amended to read as follows:

Section 23. Violations - Penalty

A. The first violation of any rule or regulation set out here or otherwise adopted by the District is an infraction punishable by a fine set out in the resolution adopting the Hesperia Recreation and Park District's Administrative Fine Schedule, as that resolution may be modified from time to time.

B. Further violation of any rule, regulation or ordinance adopted is a misdemeanor punishable by a fine according to the attached Hesperia Recreation and Park District's Ordinance Number 2 Administrative Fine Schedule or as adopted by the resolution adopting the Hesperia Recreation and Park District's Administrative fine Schedule, as that resolution may be modified from time to time, or by imprisonment in the county jail for a period not to exceed one month or by both such fine and imprisonment.

C. In addition to any administrative or criminal citation, those violating these rules may be expelled from District facilities and repeat violators may be barred from reentry for a period of time.

Section 2. Effective Date of Revised Ordinance

This Ordinance shall take effect and be in force 30 days after the date of its adoption.

On its effective date, this Ordinance supersedes Section 23 of Ordinance No. 2. All other provisions of Ordinance No. 2 remain in full force and effect. This Ordinance does not affect the validity of actions taken under previous Ordinance No. 2.

Section 3. Posting

The Clerk shall post this Ordinance within 15 days of its adoption and shall certify the posting of this Ordinance as required by law.

PASSED, APPROVED AND ADOPTED this 9 day of August 2023, at the regular meeting of the Board of Directors by the following vote:

Board President
Hesperia Recreation and Park District

District Secretary
Hesperia Recreation and Park District

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
HESPERIA RECREATION AND PARK DISTRICT)

I, Karabeth Garcia, District Secretary of the Hesperia Recreation and Park District, County of San Bernardino, State of California do hereby certify that the foregoing Ordinance No. 23-01 was regularly adopted by the Board of Directors of said Hesperia Recreation and Park District at a regular meeting of said Board of Directors held on the 9th day of August 2023, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAINED:**

District Secretary
Hesperia Recreation and Park District

Hesperia Park and Recreation District							
FY 2023-2024 Budget Recap by Fund							
Fund	Beginning Fund Balance	Plus:Revenues/ Reimbursements	Less: Salaries and Benefits	Less: Other Operating	Less: Capital Projects	Transfers In (+) /Out(-)	Projected Ending Fund Balance
Fund: 100 - MDD - General Fund	\$4,668,041	\$3,595,804	\$1,483,994	\$1,169,650			\$5,610,201
Fund: 110 - MDB - Park Center	478,534	72,000	-	36,200			514,334
Fund: 120 - MDC - Corona Bldg.	187,999	85,000	-	42,150			230,849
Fund: 130 - MDK - Hercules	106,898	200,000	-	148,250			158,648
Fund: 180 - Foundation Payroll (NEW FUND)	-		1,385,268			1,385,268	0
Fund: 200 - MDE - AD#1	2,469,839	2,224,590	1,532,321	2,239,777			922,332
Fund: 300 - MDZ - Developer's Fees	9,241,000				2,400,000		6,841,000
Fund: 401 - MDF - AD#2 Zone A	-9,074	10,970		19,551	-	-2,425	-20,080
Fund: 402 - MDG - AD#2 Zone B	4,651	11,798		13,498	-	-2,216	734
Fund: 403 - MDH - AD#2 Zone C	-18,635	11,302		30,736	-	-2,722	-40,791
Fund: 404 - MDJ - AD#2 Zone D	77,996	16,339		12,640	-	-2,070	79,625
Fund: 405 - MDM - AD#2 Zone E	-280	1,218		2,059	-	-375	-1,496
Fund: 406 - MDI - AD#2 Zone F	-4,977	3,271		6,178	-	-1,125	-9,009
Fund: 407 - MDL - AD#2 Zone G	2,055	4,985		5,955	-	-974	111
Fund: 408 - MDN - AD#2 Zone H	14,480	13,116		12,848	-	-2,093	12,655
Fund: 409 - MDO - AD#2 Zone I	-13,784	615		823	-	-150	-14,142
Fund: 410 - MDQ - AD#2 Zone J	120,684	19,436		21,027	75,000	-3,553	40,540
Fund: 411 - MDT - AD#2 Zone K	58,647	44,303		49,235	26,000	-8,288	19,426
Fund: 412 - MDU - AD#2 Zone L	109,756	3,321		1,441	-	-262	111,374
Fund: 413 - MDX - AD#2 Zone M	48,127	44,110		50,131	50,000	-7,872	-15,765
Fund: 414 - MEB - AD#2 Zone N	30,258	25,729		22,089	25,000	-3,681	5,217
Fund: 415 - MEC - AD#2 Zone O	27,971	9,749		7,315	-	-1,278	29,128
Fund: 416 - MEE - AD#2 Zone P	75,116	10,643		1,441	-	-262	84,056
Fund: 417 - MEF - AD#2 Zone Q	46,781	13,498		11,360	-	-1,898	47,021
Fund: 418 - MEI - AD#2 Zone R	42,190	5,995		1,030	-	-2,372	44,783
Fund: 419 - MEK - AD#2 Zone S	36,958	14,237		16,800	-	-2,765	31,630
Fund: 420 - MFT - AD#2 Zone T	114,267	67,813		66,033	100,000	-10,229	5,818
Fund: 421 - MFU - AD#2 Zone U	28,082	4,632		4,015	-	-624	28,075
Fund: 422 - MFV - AD#2 Zone V	110,480	6,748		4,739	50,000	-821	61,668
Fund: 423 - MFW - AD#2 Zone W	429,704	235,273		233,263	200,000	-52,012	179,702
Fund: 424 - MFX - AD#2 Zone X	6,893	948		1,030	-	-187	6,624
Fund: 425 - MFY - AD#2 Zone Y	30,080	10,473		8,660	-	-1,402	30,491
Fund: 426 - MFZ - AD#2 Zone Z	58,024	10,154		4,459	-	-698	63,021
Fund: 431 - MHA - AD#2 Zone A1	35,077	15,926		14,995	-	-2,440	33,568
Fund: 432 - MHB - AD#2 Zone B1	30,542	6,714		4,972	-	-779	31,505
Fund: 433 - MHC - AD#2 Zone C1	35,789	7,657		6,849	-	-1,134	35,463
Fund: 434 - MHD - AD#2 Zone D1	11,294	7,966		7,405	-	-1,203	10,652
Fund: 435 - MHE - AD#2 Zone E1	50,099	10,054		6,623	-	-412	53,118
Fund: 436 - MHF - AD#2 Zone F1	5,624	138		-	-	-	5,762
Fund: 437 - MET - AD#2 Zone G1	43,367	5,896		3,710	-	-591	44,962
Fund: 438 - MEU - AD#2 Zone H1	16,484	1,546		1,609	-	-279	16,142
Fund: 439 - MEV - AD#2 Zone I1	1,260	28		-	-	-	1,288
Fund: 440 - MEW - AD#2 Zone J1	57,336	3,096		2,882	-	-525	57,025
Fund: 441 - MEX - AD#2 Zone K1	69,853	23,718		12,209	-	-1,919	79,444
Fund: 442 - MFN - AD#2 Zone L1	29,134	19,625		14,672	-	-2,372	31,715
Fund: 443 - MFO - AD#2 Zone M1	16,167	289		-	-	-	16,456
Fund: 444 - MFQ - AD#2 Zone N1	9,088	112		-	-	-	9,200
Fund: 445 - MFR - AD#2 Zone O1	1,153	28		-	-	-	1,181
Fund: 446 - MFS - AD#2 Zone P1	843,083	8,866		3,500	-	-637	847,812
Fund: 447 - MGC - AD#2 Zone Q1	619	74		-	-	-	693
Fund: 448 - MGD - AD#2 Zone R1	32,707	12,163		13,404	-	-2,166	29,300
Fund: 449 - MGE - AD#2 Zone S1	465	33		-	-	-	498
Fund: 450 - MGF - AD#2 Zone T1	388	13		-	-	-	401
Fund: 451 - MGG - AD#2 Zone U1	18,915	12,061		12,084	-	-1,966	16,926
Fund: 452 - MGH - AD#2 Zone V1	700	15		-	-	-	715

Fund: 453 - MGI - AD#2 Zone W1	1,056	17		-	-	-	1,073
Fund: 454 - MGJ - AD#2 Zone X1	622	14		-	-	-	636
Fund: 455 - MGK - AD#2 Zone Y1	52,890	1,092		3,892	-	-683	49,407
Fund: 461 - MGM - AD#2 Zone A2	28,681	6,037		4,748	-	-150	29,820
Fund: 462 - MGN - AD#2 Zone B2	-805	572		618	-	-113	-964
Fund: 800 - Foundation	2,680,686	1,453,550		1,199,500		-1,382,999	1,551,737
Total	22,651,036	8,375,370	4,401,583	5,558,055	2,926,000	-127,454	18,013,315

Hesperia Area Recreation District Foundation	Proposed FY23/24 Budget
General Administration	
Revenue	\$ 42,500.00
Services & Supplies	\$ (155,600.00)
Total	\$ (113,100.00)
Historical Preservation	
Revenue	\$ 200.00
Services & Supplies	\$ (6,850.00)
Total	\$ (6,650.00)
Foundation (Rick Novack Scholarships)	
Revenue	\$ 900.00
Services & Supplies	\$ (4,500.00)
Total	\$ (3,600.00)
Contract Classes	
Revenue	\$ 90,000.00
Services & Supplies	\$ (61,600.00)
Total	\$ 28,400.00
Facility Rentals	
Revenue	\$ 150,000.00
Services & Supplies	\$ (25,000.00)
Total	\$ 125,000.00
Special Events Total	
Revenue	\$ 145,350.00
Services & Supplies	\$ (392,050.00)
Total	\$ (246,700.00)
Hesperia Lake	
Revenue	\$ 595,000.00
Services & Supplies	\$ (436,000.00)
Total	\$ 159,000.00
Youth Sports	
Revenue	\$ 91,250.00

Services & Supplies	\$	(31,300.00)
Total	\$	59,950.00
Sport User Group		
Revenue	\$	31,000.00
Services & Supplies	\$	(12,000.00)
Total	\$	19,000.00
Adult Sports		
Revenue	\$	35,350.00
Services & Supplies	\$	(10,000.00)
Total	\$	25,350.00
Skating		
Revenue	\$	48,000.00
Services & Supplies	\$	(18,000.00)
Total	\$	30,000.00
ASAP		
Revenue	\$	150,000.00
Services & Supplies	\$	(10,000.00)
Total	\$	140,000.00
Kids Kamp		
Revenue	\$	41,000.00
Services & Supplies	\$	(32,600.00)
Total	\$	8,400.00
Aquatics		
Revenue	\$	33,000.00
Services & Supplies	\$	(4,000.00)
Total	\$	29,000.00
Overall Revenue	\$	1,453,550.00
Overall Services & Supplies	\$	(1,199,500.00)
Grand Total	\$	254,050.00

Master Staffing Plan FY 2023-2024					
Job Classification	# of Position Authorized	Position % of FTE	Authorized FTE's	Budgeted FTE's	Salary Range
Department: Administration					
General Manager (Contract)	1.00	100.00%	1.00	1.00	\$162,000.00
Assistant General Manager	1.00	100.00%	1.00	1.00	\$105,477.57 - \$141,350.03
Finance Manager	1.00	100.00%	1.00	1.00	\$105,477.57 - \$141,350.03
Administrative Services Manager	1.00	100.00%	1.00	1.00	\$71,553.62 - \$95,888.70
Executive District Clerk	1.00	100.00%	1.00	1.00	\$71,553.62 - \$95,888.70
Senior Executive Assistant	0.00	0.00%	0.00	0.00	\$48,227.85 - \$64,629.93
Executive Assistant	2.00	100.00%	2.00	2.00	\$44,811.01 - \$60,051.04
Accountant	2.00	100.00%	2.00	2.00	\$61,845.77 - \$82,879.25
Account Technician	2.00	100.00%	2.00	2.00	\$44,811.01 - \$60,051.04
Administrative Assistant	0.00	0.00%	0.00	0.00	\$38,617.49 - \$51,751.13
Total Administration:	11.00		11.00	11.00	
Department: Public Safety					
Chief Ranger	1.00	100.00%	1.00	1.00	\$71,553.62 - \$95,888.70
Park Ranger	1.00	100.00%	1.00	1.00	\$61,845.77 - \$82,879.25
Total Public Safety:	2.00		2.00	2.00	
Department: Community Services					
Facilities Supervisor	1.00	100.00%	1.00	1.00	\$66,484.20 - \$89,095.19
Community Services Assistant III	3.00	100.00%	3.00	3.00	\$53,297.80 - \$71,424.15
Community Services Assistant II	3.00	100.00%	3.00	3.00	\$44,811.01 - \$60,051.04
Community Services Assistant I	6.00	100.00%	6.00	6.00	\$33,280.00 - \$44,598.38
Total Community Services:	13.00		13.00	13.00	
Department: Community Services Recreation					
Recreation Manager	1.00	100.00%	1.00	1.00	\$71,553.62 - \$95,888.70
Community Outreach Coordinator	1.00	100.00%	1.00	1.00	\$53,297.80 - \$71,424.15
Recreation Program Coordinator	1.00	100.00%	1.00	1.00	\$48,227.85 - \$64,629.93
Recreation Activities Coordinator	1.00	100.00%	1.00	1.00	\$48,227.85 - \$64,629.93
Senior Recreation Leader	0.00	100.00%	0.00	0.00	\$38,617.49 - \$51,751.13
Recreation Leader	0.00	100.00%	0.00	0.00	\$33,280.00 - \$44,598.38
Office Assistant	1.00	100.00%	1.00	1.00	\$33,280.00 - \$44,598.38
Total Community Services Recreation:	5.00		5.00	5.00	
Totals	31.00		31.00	31.00	

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT
(General Manager)**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 12th day of July 2023, at Hesperia, California by and between **HESPERIA RECREATION AND PARK DISTRICT**, a California Special District (hereafter referred to as the "District") and **KYLE WOOLLEY** an individual (hereafter referred to as "Employee") and is **effective as of July 1, 2023**.

RECITALS

WHEREAS, the District has employed Employee as its General Manager since July 5, 2022, and now wishes to extend and amend that Contract for an additional four (4) year term and updated compensation; and

WHEREAS, Employee will continue to serve at the pleasure of the Board of Directors of the District (hereinafter referred to as the "Board") and;

WHEREAS, Employee represents that he has the requisite skills and is otherwise qualified to serve as General Manager, and desires to accept employment as General Manager of the District; and;

WHEREAS, it is the desire of the District and Employee (hereafter referred to collectively as the "Parties") to memorialize the terms and conditions upon which the District has agreed to continue to employ Employee as its General Manager and upon which Employee has accepted such continued employment.

WHEREAS, the Parties wish to enter into this Agreement, setting forth the rights and obligations of the Parties and this Amended and Updated Agreement.

NOW THEREFORE, in consideration of the promises and mutual agreements set forth below, the Parties hereto, intending to be legally bound, agree as follow:

1. EMPLOYMENT

1.1 Position. The District hereby employs Employee as its General Manager and Employee hereby accepts employment with the District as its General Manager, on the terms and conditions set forth in this Agreement. Employee at all times shall serve at will.

1.2 Duties. In the position of General Manager, Employee shall be responsible for performing the duties and responsibilities customarily associated with the position of a General Manager including those set forth in the job description set forth in Exhibit

“A,” attached and incorporated, and such additional duties and responsibilities as may be reasonably assigned to him from time to time by the District. The Board shall have the power and sole discretion to determine any specific additional duties and responsibilities, which Employee must perform under District’s rules, regulations, and policies relating to employees. Employee further agrees to use his best efforts, skill, and abilities to promote the District’s interest, and to carry out the duties and responsibilities assigned to him in a trustworthy, businesslike, and loyal manner.

1.3 Place of Employment. Employee shall generally perform the services required by this Agreement at the District’s offices in Hesperia, California. Employee acknowledges and agrees that his duties and responsibilities will require that he travel from time to time on behalf of the District as may be required and requested by the District.

1.4 Exempt Position. The District and Employee understand that Employee is being hired in a position which is classified as an exempt professional, executive, or administrative position and that exempt Employee is thus not entitled to receive overtime compensation. Employee is being asked to assume managerial duties and professional responsibilities which require the exercise of discretion and independent judgement and thus is being paid a salary as an exempt employee. With the prior consent of the Board, Employee may participate in the 9-80 workweek.

1.5 Indemnification. To the extent provided by state law, the District shall defend and Employee against claims, demands, losses, damages, and liabilities, including professional fees and attorneys' fees that are incurred by Employee or awarded against Employee in a judgment or proceeding arising out of the services performed by Employee under this Agreement and in the course and scope of his employment.

2. BASE COMPENSATION AND BENEFITS

2.1 Base Salary. Base Salary. Employee shall receive a base salary equivalent to \$162,000/year in the position of General Manager.

2.2 Health & Welfare Benefits. Employee shall be entitled to participate in such group health insurance plan, and vision and dental insurance plans as the District currently maintains or may establish for the benefit of its employees, on the same terms and conditions as apply to such employees as those may be amended, modified, supplemented, or rescinded from time to time; similarly, the Employee may opt out of such coverage if he has alternative coverage as required by law. In the event the Employee request such coverage, the District will provide coverage for Employee and his dependents, spouse, or domestic partner (if applicable) at District's

expense.

2.3 Retirement. Employee shall be a Tier 2 member of the San Bernardino County Employees Retirement System (SBCERA) and shall pay his retirement contributions as required by SBCERA.

2.4 Life Insurance. The District shall provide life insurance for Employee payable to beneficiaries designated by Employee, with a value of Fifty Thousand Dollars (\$50,000). The District shall provide Employee with a copy of the insurance policy purchased to satisfy this contractual obligation, and the terms of the policy shall define the exact scope and nature of the benefit. Employee, at his discretion, may elect to increase the amount of said policy. Employee shall solely bear the cost of any such increase.

2.5 Vacation. Commencing on the Effective Date, Employee shall be credited with 80 hours of paid vacation to be used only with prior consent of the Board. Employee shall accrue on a prorated basis over the course of each year of his employment 10 days (80 hours) of vacation time allocated evenly each pay period. Employee may cash out up to 80 hours of vacation once a year, after the first year of employment. Should this contract be renewed, Employee will receive three weeks of vacation during the third and fourth years of the contract and four weeks of vacation during the fifth year and thereafter.

2.6 Holiday Pay. Employee will also receive 13 paid holidays per District policy.

2.7 Sick Time. Employee will accrue sick leave up to 96 hours per year, accrued in monthly amounts.

2.8 Cell Phone. The District shall supply Employee with a cell phone for business use. Employee also may utilize his personal cell phone for his work and shall be reimbursed \$150/month for such use of his phone.

2.9 Car Allowance. The District shall pay Employee a \$600 a month car allowance.

2.10 Expense Reimbursements. The District shall reimburse Employee for all reasonable District expenses he incurs in performing his services pursuant to this Agreement, according to applicable law and District policy. Mileage shall only be reimbursed for conferences beyond 100 miles from District headquarters.

2.11 Membership Expenses. The District will pay Employee's annual dues for membership in the National Recreation and Park Association, the California Parks and Recreation Society, and the California Special District Association.

2.12 Management Leave. Overtime compensation provisions do not apply to the Employee. Therefore, instead of overtime, Employee will receive 104 hours of Management Leave per calendar year. These hours must be used each calendar year or lost and may not be cashed out. Employee may request the use of Management Leave instead of vacation leave or sick leave, but Management Leave may not be combined with a Leave of Absence.

2.13 Reporting of Used Leaves. Employee shall provide the Board with a quarterly report of leave balances.

2.14 Deferred Compensation. Employee shall continue to participate in the management deferred compensation plan. The District shall contribute 3% on his behalf.

3. EMPLOYEE'S ADDITIONAL RESPONSIBILITIES

3.1 Full Business Time and Efforts. During Employee's employment, Employee shall devote his full business energies, interest, abilities, and productive time to the performance of this Agreement and shall not, without the District's prior written consent, render to others services of any kind for compensation, or engage in any other business activity that would interfere with the performance of his duties under this Agreement or conflict with his duties to the District. Employee's duties may involve expenditures of time in excess of the regularly established workday or in excess of a forty (40) hour workweek straight and may also include time outside normal office hours, including attendance at Board and other meetings.

3.2. Business Conduct and Ethics. During the term of his employment with the District, Employee will comply with the District's policies and guidelines pertaining to business conduct and ethics. Employee further agrees that in rendering services for the District he will at all times use his best efforts to comply with established District practices and with all applicable federal, state, and local laws and regulations.

4. PERFORMANCE EVALUATION

4.1 Quarterly Reports. The District will establish goals for Employee. Employee shall submit a quarterly progress report to the District as to those goals. Goals and objectives may be added or deleted at the discretion of the Board. Attainment of these objectives will be considered in Employee's evaluations.

4.2 Annual Reviews. The Board shall review and evaluate the performance of Employee annually for every year this Agreement is in effect. Following each performance evaluation, the Board shall provide Employee with a written evaluation and provide an opportunity for Employee to discuss his evaluation with the Board. Notwithstanding, the Board may evaluate the Employee at any time. At the sole discretion of the Board, Employee may be eligible for a merit increase that would be considered part of compensation.

5. TERM

5.1 Initial Term. Subject to the termination provisions below, this Agreement shall commence as of the Effective Date set forth in the opening section of this Agreement and shall remain in effect for a four (4) year period through June 30, 2027.

5.2 Renewal. Unless sooner terminated pursuant to Section 6, below, and unless notice of non-renewal is given by either the District to Employee or by Employee to the District, on or before the date which is ninety (90) calendar days prior to the expiration of the then-current term, then Employee's employment shall continue on an at-will basis, or a new contract may be negotiated at the pleasure of the Board.

6. TERMINATION

Should the District or Employee exercise their right not to renew the term of this Agreement pursuant to Paragraph 5.2, above, Employee's employment with the District shall terminate at the end of the then-current term. The District or Employee may terminate their employment relationship prior to the expiration of any then-current term as follows:

6.1 Termination by the District. The District shall have the right to terminate Employee's employment during the Initial Term or any subsequent renewal term immediately upon delivery of notice of termination for "Cause,"

as defined below. In addition, subject to the provisions of Section 6.4, below, the District shall have the right to terminate Employee's employment during the Initial Term or any subsequent renewal term immediately upon delivery of notice of termination without Cause.

6.2 Termination by Employee. Employee shall have the right to terminate his employment during the Initial Term or any subsequent renewal term upon prior written notice to the District.

6.3 Definitions. For purposes of this Paragraph 6, "Cause" shall have the following meanings:

6.3.1 Cause. "Cause" shall mean the occurrence of any of the following events:

Death. - Employee's death.

Disability - Employee's incurring any mental or physical impairment that precludes him from performing the essential duties and responsibilities of his position, even with reasonable accommodation of such impairment by the District.

Conviction - Employee's conviction of a felony, conviction of a misdemeanor material to the business of the District, or a guilty plea to or entry of no *lo contendere* plea to a felony or to a misdemeanor material to the operations of the District.

Material Misconduct - Employee's willful misconduct or negligence that is materially injurious to the District, financially or otherwise, including, but not limited to, unsatisfactory performance consisting of material deficiencies in the performance of his duties and responsibilities under this agreement when not corrected within 30 calendar days of written notice from the Board of such unsatisfactory performance, dishonesty, fraud, misrepresentation, self-- dealing, harassment of staff or other third parties, unlawful retaliation against staff, any other action or inaction by Employee that materially impedes or disrupts the operations of District, is detrimental to public safety, violates properly established rules or procedures, or has a substantial and adverse effect on District's interests, or off-duty conduct that materially injures the District's reputation or goodwill.

Breach - Employee's failure to cure a breach of any material term of

this Agreement or the District's material policies and procedures, as in effect from time to time, within thirty (30) calendar days of receiving notice thereof from the District.

6.4 Compensation in Event of Termination

6.4.1 Base Compensation Due. Except as provided under Paragraph 6.4.2, below, upon termination District shall have no further obligation to pay Employee any sums pursuant to this Agreement, other than to pay Employee (i) any earned but unpaid base salary due under Paragraph 2.1, above, for services rendered through the effective date of his termination, (ii) any accrued but unused vacation pay, and (iii) any vested benefits to which Employee is entitled in accordance with the then- current terms of each applicable benefit plan adopted by the District.

6.4.2 Termination without "Cause". Should the District terminate Employee's employment without Cause pursuant to Paragraph 6.1, above, then, in addition to the sum(s) payable under Paragraph 6.4.1, above, (i) during the first year of this Agreement, the District shall pay to Employee a sum equal to five (5) months of base salary, and (ii) the District shall pay COBRA benefits pursuant to Section 2.2. above for a period of three (3) months subject to employee's timely election of such COBRA benefits. The payment set forth in clause (i) shall be subject to deductions for requisite income tax withholdings and payroll tax deductions. The District's obligation to make this payment shall be subject to, and is expressly conditioned upon, Employee's signature and delivery within thirty (30) calendar days after his termination of a General Release Agreement in a form acceptable to the District, and the expiration without exercise of any revocation period specified in the General Release Agreement.

7. GENERAL PROVISIONS

7.1 Amendment and Binding Effect. This Agreement may not be amended except by an instrument in writing signed by both Parties.

7.2 Assignability. Employee's rights and obligations under this Agreement are personal in nature, and accordingly may not be assigned or delegated by him. The rights and obligations of the District under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the District.

7.3 Governing Law. The laws of the State of California shall govern all questions concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the Parties hereunder. The Parties agree that venue for any dispute arising out of this Agreement of Employee's employment shall be in Hesperia, California.

7.4 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable to any extent, then the remainder of this Agreement or application of such term or provision to person or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of the Agreement shall be valid and be enforced to the fullest extent permitted by law.

7.5 Waiver. No waiver of any right hereunder shall be effective for any purpose unless in writing, signed by the party possessing such right, nor shall any such waiver be construed to be a waiver or any subsequent right, term, or provision of this Agreement.

7.6 Joint Preparation. This Agreement shall be construed as if both Parties jointly prepared it, and uncertainty or ambiguity shall not be interpreted against one party.

7.7 Notices. Any notice required or permitted to be given under this Agreement shall be deemed delivered either when personally delivered, or when mailed, registered or certified mail, postage pre-paid with return receipt requested, to the addresses set forth under the signature blocks below, or to such other address notice of which is hereafter provided.

7.8 Entire Agreement. This Agreement, together with the documents referenced herein, contain the entire agreement and understanding between the Parties concerning the matters discussed herein and supersede and replace all prior agreements and understandings, whether oral or written. Each party agrees that it or he has not relied upon any representation, warranty, or promise not otherwise contained in this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Copies may be used for all purposes instead of originals.

IN WITNESS WHEREOF, the Parties hereto have executed this Employment Agreement as of the date(s) set forth below.

DISTRICT

Hesperia Recreation and Park District
A California Special District

Date: _____

Kelly Gregg

By: Kelly Gregg, President

EMPLOYEE

Date: _____

Kyle Woolley

Its: _____

EXHIBIT A

HESPERIA RECREATION AND PARK DISTRICT GENERAL MANAGER

This job description is established by the Hesperia Recreation and Park District (District) to outline the basic requirements, duties, and general responsibilities of the position of General Manager. The General Manager is an at-will employee of the Board of Directors, which means the Board of Directors may terminate the employment relationship any time and for any or no reason, subject only to the requirements of Federal and State law. Similarly, the employee may terminate the employment relationship without notice at any time for any or no reason.

Position Summary

The General Manager is hired, supervised by, and acts under the direction of the Board of Directors. As the Chief Executive Officer (CEO) of the District, the General Manager is responsible for all aspects of the efficient and cost effective operation and administration of the District, including all District employees, volunteers, independent contractors, and consultants. The General Manager shall have the power and authority to organize, manage, and contractors all activities necessary or appropriate for the efficient operation and administration of the District, in accordance with the policies established by the District Board from time to time, in its sole discretion. The General Manager advises the District Board on all matters relating to the planning, development, administration, and operation of the District' departments. The General Manager performs a variety of complex executive work in planning, directing, and coordinating management of the District, including planning and implementing programming and recreational amenities: parks and facility operations, park administration, public relations, marketing, and special events. The General Manager works closely with the District Board to develop and implement capital improvements, programming goals, and annual budgets.

Listed essential functions are not intended to be all-inclusive or restrictive.

Essential Functions

- Consistently promote a positive, professional image of the District and provide excellent customer service at all times;
- Establish and maintain positive working relationships with the District Board, District employee: volunteers, and partnering agencies;
- Efficiently and effectively administer and conduct the ordinary and usual

business and affairs of the District in a reasonable, prudent, and professional manner;

- Exercise supervision and control over all District departments, programs, and activities, including the District's year-round recreation, park, and leisure programs, and the management and safe operation of the District's facilities.
- Maintain, review, develop and implement administrative procedures and standards for efficient, safe, and effective operation of the District's recreation programs and facilities. Enforce compliance with applicable laws, policies established by the Board of Directors, and industry best practices;
- Annually evaluate and update as necessary short and long-range plans for District growth, programming capital improvements, facility construction/renovation, staffing, and grant writing; implement the plans as appropriate;
- Prepare requests for proposals to provide improvements to the District's facilities; oversee construction projects and facility improvements;
- Make recommendations to the District Board regarding the establishment, consolidation, modification, or elimination of any department, program, or activity the General Manager believes is necessary or appropriate for the efficient and effective administration and operation of the District;
- Responsible for the efficient and effective administration, management, and supervision of the District workforce, including but not limited to hiring/appointment, promotion, demotion, layoffs, transfer discipline, and training;
- Ensure proper human resources functions, including benefits and record-keeping. Oversee human resource function of subordinate staff through management, including seasonal, temporary, and youth employees and volunteers;
- Coordinate and evaluate District employee benefit programs, and make recommendations to the Board on plan changes and updates;
- Promote District functions, programs, and activities to continually improve public knowledge understanding, confidence, and support. Oversee effective, comprehensive public information efforts using telephone, email, newspaper, website, mailings, and other media;
- Assure coordination of the District's programs with other community organizations such as the school district, City of Hesperia, and various community agencies. Represent the District's interests effectively and professionally in public meetings and in the community, and through verbal, paper, and electronic communications with governmental agencies and private entities, and the community.
- Attend all regular, special, committee, and ad hoc meetings of the Board of Directors in accordance to District policy and participate in discussions with the Board of Directors in an advisory capacity;
- Work hours must be flexible;

- Support functions of the Board of Directors by working with the Board Secretary/Clerk to prepare and post agendas, prepare meeting minutes and packets, ensuring legal compliance, and by meeting regularly with the Board President or any other requesting member of the Board of Directors;
- Plan, organize, direct, and control the financial activities of the District and the Hesperia Area Recreation District (HARD) Foundation, including the accounting, revenue collection, investment, purchasing, and payroll functions, and management of the approved budget (and any amendments). Serve as the District and Foundation's annual Budget Officer, ensuring a timely development and submission of a proposed budget each year in compliance with all statutory requirements and deadlines;
- Keep the Board of Directors advised of the financial condition and future needs of the District and the Foundation and make such recommendations as the General Manager determines are necessary or appropriate for sound financial management of the District and Foundation, including but not limited to periodically evaluating and recommending improvements to the District's administrative and financing, internal control systems and procedures, and ensuring annual audit compliance;
- Direct the preparation of financial reports as required by law; prepare financial reports and analysis requested by the Board of Directors;
- Maintain the District's historical records, including activities of the Board of Directors, budgets, audit, capital projects, legal issues, and employment records;
- Perform such other duties as may be assigned by the Board of Directors, in its sole discretion, from time to time.
- Plan, develop, and organize the District's programs.
- Read and interpret plans, blueprints, and specifications.
- Speak before civic groups, promote District activities, establish and maintain effective working relationships, and work as part of a team.
- Manage multiple projects simultaneously. Coordinate, prioritize, and work under time pressures.
- Prepare comprehensive and accurate reports both written and orally.
- Identify key issues in complex situations, evaluate options, and initiate strategies for resolution. Work effectively with sensitive and confidential information in a political environment.

Benefits

- District paid employee and dependent health, dental, and vision insurance in the same amount as other employees.
- Term life insurance coverage of \$50,000.
- Paid vacation of up to 25 days a year depending on tenure, plus an employee buy

back option.

- Paid sick leave as per policy.
- 13 paid holidays per year.
- Retirement with SBERA or another retirement system determined at the discretion of the Board.
- Voluntary Deferred Compensation Program available - 3% no maximum.
- District does not participate in the Social Security Program, except for the mandatory 1.45% Medicare Contribution.

Physical Conditions

The essential and marginal functions of this position require maintaining the physical condition necessary for bending stooping, reaching, walking, kneeling, squatting, and/or sitting or standing for prolonged periods of time. You will be required to carry, push, pull, and/or lift up to fifty five (55) pounds routinely. The use of hands to finger, handle or feel, objects, write, type, regularly use a telephone, operate office machinery, and handle money is required. Close and distance vision, speaking, hearing, and the ability to operate a motor vehicle is regularly required. A high level concentration and attention to detail for extended periods of time will be required to produce reports, correspondence and documents.

HRPD Board Approves Construction of New Dog Park and Splash Pad at Palm Street Park



Victor Valley News Group • June 16, 2023



41

HESPERIA, Calif. (VVNG.com) – The Hesperia Recreation & Park District Board is thrilled to announce its recent decision to give the green light for the development of an exciting new project at Palm Street Park in Hesperia.

In a unanimous vote, the Board has officially approved the construction of a state-of-the-art dog park and an exhilarating splash pad, enhancing recreational opportunities for residents and their furry companions.

The new additions to the Palm Street Park aim to provide an engaging and inclusive space for both two-legged and four-legged visitors to enjoy. The dog park will feature ample open

Equipped with modern amenities such as seating areas, water stations, and waste disposal facilities, this dog park will become a favorite destination for Hesperia's dog-loving community.

Additionally, the Park District's visionary plans include the installation of a vibrant splash pad, designed to offer refreshing water-based fun for visitors of all ages. With its colorful water features and interactive elements, the splash pad will provide a perfect respite during the warm summer months, fostering laughter and unforgettable memories for families and friends.

Related Articles



2 injured in a Friday morning crash on the southbound I-15 freeway in Victorville

© June 17, 2023



Traffic Stop in Apple Valley Leads to Discovery of Meth and a Loaded Firearm

© June 17, 2023

The Hesperia Recreation & Park District remains committed to continually enhancing the recreational landscape within the community. The addition of the dog park and splash pad at Palm Street Park aligns with the Board's dedication to promoting a healthy and active lifestyle while creating opportunities for residents to connect and enjoy the outdoors.

Board President Kelly Gregg expressed his excitement regarding the approval of this transformative project, stating, "We are delighted to bring these remarkable amenities to the Palm Street Park and the greater Hesperia community. The

our families to create lasting memories. We are committed to making Hesperia an even more enjoyable place to live, work, and play.”

The Hesperia Recreation & Park District encourages community members to stay tuned for further updates and announcements regarding the project’s progress.



Download the My VVNG App today [HERE](#) or Search “MY VVNG” in the Google Play Store or Apple App Store to join our new community platform.

To follow updates to this article and more, join our newsgroup on Facebook with over 165,000 members. Like our [Facebook page](#), and Follow us on [Instagram](#) and [Twitter](#).

(Scroll down to leave a comment.)

https://www.hddailynews.com/news/local/hesperia/new-dog-park-splash-pad-coming-to-hesperia-park/article_c08ba956-0ee7-11ee-9d14-9359b9ecd170.html

New dog park & splash pad coming to Hesperia Park

Digital Staff
Jun 19, 2023



Karabeth Garcia

HESPERIA -- The Hesperia Recreation & Park District Board has been informing the community about its recent decision to give the green light for the development of an exciting new project at Palm Street Park in Hesperia. In a unanimous vote, the Board has officially approved the construction of a state-of-the-art dog park and an exhilarating splash pad, enhancing recreational opportunities for residents and their furry companions.

Officials for the park say the new additions to the park aim to provide an engaging and inclusive space for both two-legged and four-legged visitors to enjoy. The dog park will feature ample open areas for dogs to run, play, and socialize, ensuring a safe and enjoyable environment for pet

owners and their loyal pets. Equipped with modern amenities such as seating areas, water stations, and waste disposal facilities, this dog park will become a favorite destination for Hesperia's dog-loving community.

Additionally, the Park District's visionary plans include the installation of a vibrant splash pad, designed to offer refreshing water-based fun for visitors of all ages. With its colorful water features and interactive elements, the splash pad will provide a perfect respite during the warm summer months, fostering laughter and unforgettable memories for families and friends.

The Hesperia Recreation & Park District remains committed to continually enhancing the recreational landscape within the community. The addition of the dog park and splash pad at Palm Street Park aligns with the Board's dedication to promoting a healthy and active lifestyle while creating opportunities for residents to connect and enjoy the outdoors.

Board President Kelly Gregg expressed his excitement regarding the approval of this transformative project, stating, "We are delighted to bring these remarkable amenities to the Palm Street Park and the greater Hesperia community. The new dog park and splash pad will further enrich our vibrant recreational offerings, providing a space for pets to play and our families to create lasting memories. We are committed to making Hesperia an even more enjoyable place to live, work, and play."

The Hesperia Recreation & Park District encourages community members to stay tuned for further updates and announcements regarding the project's progress.



(/)

View Earth Maps
▶ Earth View 3D
✕

- HOME (/) FISH REPORTS BOATS (/CHARTER_BOATS/INDEX.PHP)
- FISHING GUIDES (/LISTINGS/FISHING_GUIDES.PHP) FISHING SPOTS (/SPOTS/INDEX.PHP)
- LANDINGS (/LANDINGS/INDEX.PHP) FISH (/FISH_LIST.PHP) NETWORK (/NETWORK.PHP) ABOUT
- Q (/SEARCH.PHP)

So Cal Fish Report

Hesperia Lake Fish Report for 6-21-2023

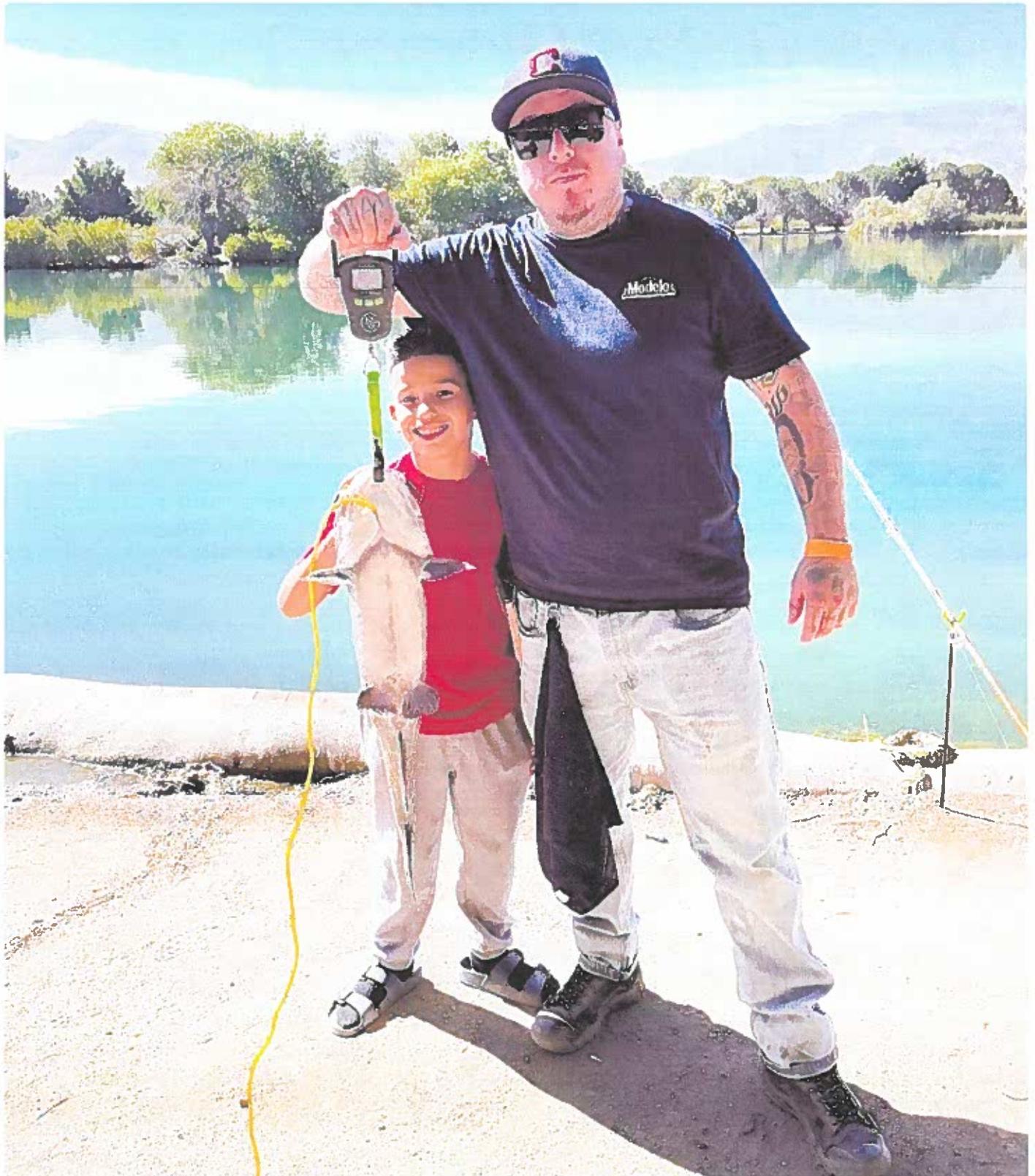
Latest Fishing Report

In this area. Click to see. Updated 30 minutes ago

Fishing Stage ○

Hesperia Lake Fishing Report

Hesperia Lake (/lakes/187/hesperia-lake.php) - Hesperia, CA (San Bernardino County)



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

View Earth Maps
▶ Earth View 3D
✕

👤 Steve Davaios and his son landed this huge 10.8LB catfish using garlic shrimp at the North Shore.

X

by Hesperia Lake Staff

6-21-2023

☎ 760-244-5951

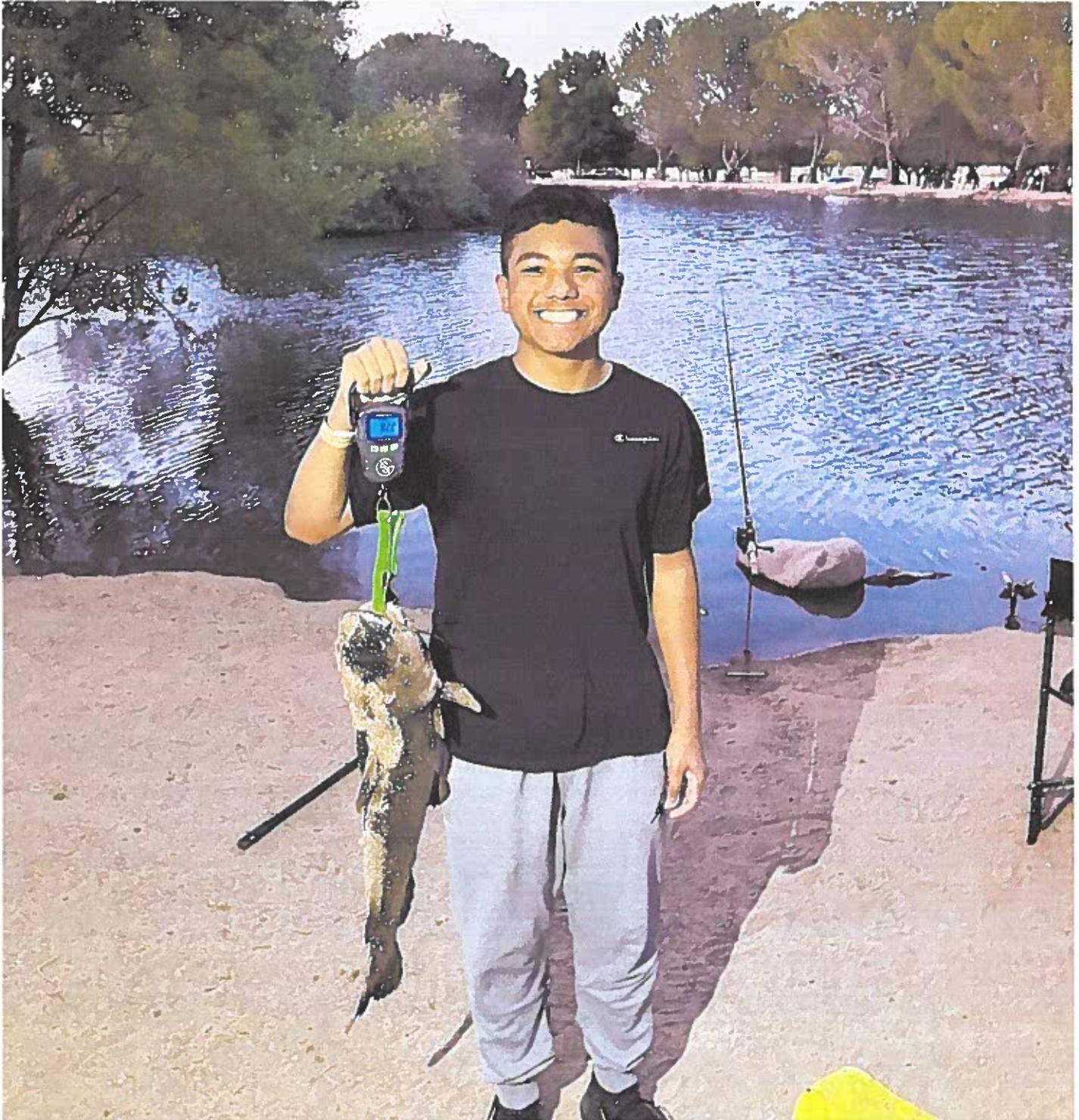
🌐 Website (<http://www.hesperiaparks.com/facilities/lakepark.php>)

- Date of Fishing Report: 6/20/23
- Best Bait: Mackerel, Shrimp, Nightcrawlers
- Dates Covered in This Fishing Report: 6/13/23 – 6/20/23
- Weather Conditions: Warm days (approx. 82-87°) and nice nights (approx. 54-63°). We've had many clear cool days, along with some windy days.



Lake Ming fishing guide (What you should know) (<https://www.socalfishreports.com/fish-reports/200922/hesperia-lake-fishing-report.php>)

- Water Temperature: 73°, Water Level: 100% normal, Clarity: Cloudy
- Last Stock: Catfish (1,500 LBS): Friday, 6/16/23
- Next Stock: Catfish (1,000 LBS): Friday, 6/23/23
- Hatchery: Pacific Aquafarms, Niland, CA (Catfish & Tilapia)
- Average Size: Most 2 – 3 pounds. Several caught were in the 5-7LB range.
- Top Spots of the Week: North Shore, Finger, Sandy Point



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

👤 Vincent Arroyo, from Hesperia, caught this 8.4LB catfish at the Inlet.



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)
👤 Chanpen's daughter reeled in these catfish using shrimp over at the Drain. Way to go!



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

👤 Dahon Symonette, from Big Bear, caught this nice 9.5LB catfish using shrimp.



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

👤 Juan Ramirez had a great day on the lake! He landed 3 catfish all weighing in at over 7LB with the biggest coming in at 8.4LB using the M&M Combo over on North Shore.



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

🐟 Erick and his granddaughter had a wonderful day at the lake pulling in these catfish using a combination of different baits over on North Shore



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)
Alan Taylor is back to the report this week, landing a 7.8LB catfish at the North Shore.



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

👤 Traye White, from Hesperia, reeled in a pair of catfish with them coming in at 8.8LB and 7.5LB over at the North Shore.



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

👤 Brian Frandson, from Hesperia, is back yet again this time with a pair of Catfish with the biggest coming in at 7.1LB using Shrimp over at the Finger.



Channel Catfish (<http://www.channelcatfish.org/daily-report/?date=2023-06-21>)

👤 Douglas Davis, from San Bernardino, limited out on catfish using mackerel at the North Shore. Nice day of fishing, Mr. Davis!

[← Previous Report \(/fish_reports/200690/hesperia-lake-fishing-report.php\)](/fish_reports/200690/hesperia-lake-fishing-report.php)



\$179/Month Unsold Rain

100% OFF

 **ezoic** (<https://www.ezoic.com/what-is-ezoic/>)

[report this ad](#)

[← Previous Report \(/fish_reports/200690/hesperia-lake-fishing-report.php\)](/fish_reports/200690/hesperia-lake-fishing-report.php)

More Reports

Hesperia Lake Fishing Report

[\(/fish_reports/200690/hesperia-lake-fishing-report.php\)](/fish_reports/200690/hesperia-lake-fishing-report.php) **Hesperia Lake**



(/fish_reports/200690/hesperia-lake-fishing-report.php)

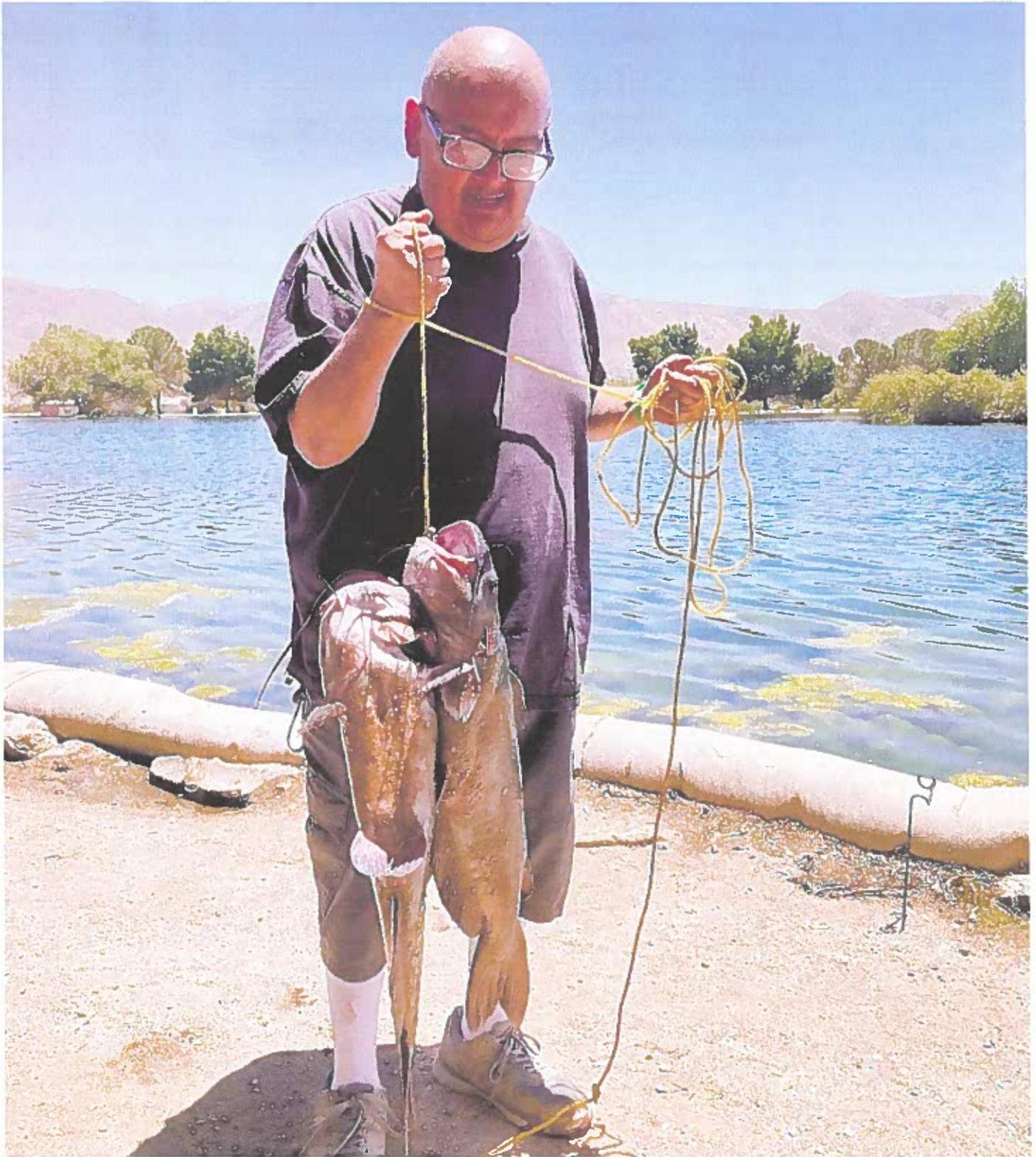
6-14-2023

Date of Fishing Report: 6/13/23 -Best Bait: Shrimp, Nightcrawlers, Chicken Liver -Dates Covered in This Fishing Report: 6/6/23 – 6/13/23.

•Weather Conditions: Warm..... Read More (/fish_reports/200690/hesperia-lake-fishing-report.php)

Hesperia Lake Fishing Report

(/fish_reports/200316/hesperia-lake-fishing-report.php) **Hesperia Lake**

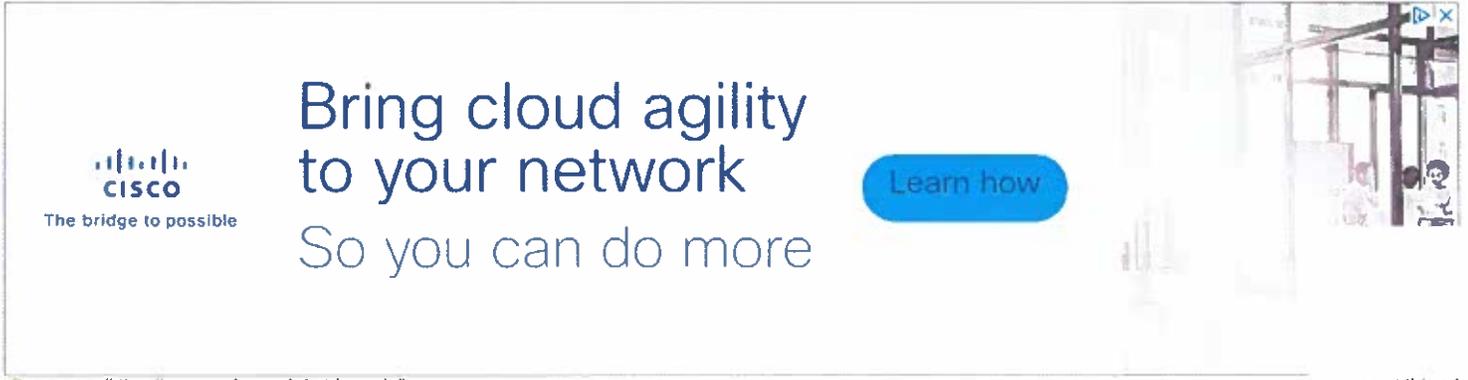


(/fish_reports/200316/hesperia-lake-fishing-report.php)

6-7-2023

•Date of Fishing Report: 6/6/23 Report Completed By: Anthony •Best Bait: Shrimp, Mackerel, Chicken Liver •Dates Covered in This Fishing Report:.....

Read More (/fish_reports/200316/hesperia-lake-fishing-report.php)



The advertisement features the Cisco logo on the left with the tagline "The bridge to possible". The main text reads "Bring cloud agility to your network" and "So you can do more". A blue button labeled "Learn how" is positioned to the right. The background shows a blurred office scene with people.

 **EZOIC** (<https://www.ezoic.com/what-is-ezoic/>)

[report this ad](#)

SoCalFishReports.com

www.SoCalFishReports.com © 2023. All Rights Reserved.
Website Hosting and Design provided by TECK.net (<http://www.teck.net>)

Monica

7 July 2023

Subject: [Kelly Gregg — Thank You for the Recommendation]

Mr. Gregg (Director Hesperia Recreation Park District),

This is a thank you letter; however, allow me to provide a little background. I was tasked with hosting a T-ball end-of-season party. Oddly, I felt both challenged and stressed. My foremost stressor was the fact that we have a pool that 12 children (under the age of 6 years old would-be swimming in). I had many thoughts but 1 (3-part thought) was predominant:

“Lifeguard, let me find a lifeguard.” ...“how do I find a lifeguard?” ...“I got it! Kelly can help!” so I reached out. Kelly made a few calls and came back with “Here you go Kristina R. 760-953-XXX. So, I gave her [Kristina] a call!

Kelly, thank you so much for the recommendation you gave to Lifeguard Kristina R. on my behalf. I wanted to give you a quick update and let you know how things *went*. Kristina was professional (and very well qualified; 12 years’ certified Lifeguard, EMT and recently completed her Registered Nursing Degree). Needless to say, we felt very comfortable. Kristina gathered the group, dictated the rules and removed that stressor from the situation.

It really got me thinking about how the District helps the residents of Hesperia. The parks are beautiful, the centers available for activities, the events and so much more! Amongst all the other happenings, Kelly took a little time to help a resident and I know that his word played a large part in helping connect me with Kristina and I have gratitude for that help, I won’t forget it.

District supporters,

Salvatore and Brandy Monica.

Hesperia, Ca 760-900-4888

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: June 16, 2023

PHONE: (760) 244-5488

FROM:  JUDY TRENHOLM, STAFF ASSISTANT
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: RECREATION UPDATE FOR MAY 2023

ASAP - AFTER SCHOOL ACTIVITIES PROGRAM

- o 260 Registered Participants (-14 from last month, -22 from previous year)

School Site	Open 2022/2023 Number of Sites	Average Weekly Paid per School for May 2023	2022/2023 Interest/Wait List
Carmel	0	-	13
Cottonwood	1	20	26
Cypress	2	40	21
Eucalyptus	0	-	1
Hollyvale	1	19	2
Joshua Circle	0	-	9
Juniper	0	-	5
Kingston	1	16	0
Krystal	1	18	28
Lime Street	0	-	4
Maple	0	-	3
Mesa Grande	0	-	5
Mesquite Tails	3	58	26
Mission Crest	3	53	4
Topaz	2	36	2
Total	14	260	149

- o Total Monthly Participation: 4,940

KIDS KAMP

- 129 Registered participants (+105 from previous year)
- 73 Total monthly participation (+49 from previous year)

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: June 16, 2023 **PHONE:** (760) 244-5488
FROM: JJ JUDY TRENHOLM, STAFF ASSISTANT
Hesperia Recreation and Park District
TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District
SUBJECT: AQUATICS UPDATE FOR MAY 2023

Lime Street Park Pool opened on Saturday, May 27, 2023.

Lime Street Park Pool - Open Swim, May 27th - May 31st

- 106 participants (no open swim offered last month, -73 from previous year)

Learn to Swim Program - May 30th and May 31st

- 57 participants (no lessons offered last month, -1 from previous year)

Intro to Swim Program - May 30th and May 31st

- 25 participants (no lessons offered last month, +11 from previous year)

Pool Rentals - May

- 2 rentals (no rentals offered last month, +2 from previous year)
- 110 participants (no rentals offered last month, +110 from previous year)

Youth Sports Agreement, Desert Aquatics Pool Use - Desert Aquatics partners with the District to utilize Lime Street Park Pool to condition and train swim team participants in the High Desert. Desert Aquatics uses the facility six times a week, Monday through Saturday, from approximately 7:45 - 11:45 a.m. and has, on average, 75 youth in the pool daily.

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: June 15, 2023

PHONE: (760) 244-5488

FROM: ~~SA~~ SARAH HAUSER, RECREATION MANAGER
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: HESPERIA LAKE REPORT FOR MAY 2023

HESPERIA LAKE

- Anglers - Total: 2,062 (-570 from previous month, +66 from last year)
 - Day: 972 (+1,028 from previous month, -509 from last year)
 - Night: 655 (No night fishing previous month, No night fishing last year)
 - Child Night: 64 (No night fishing previous month, No night fishing last year)
 - Child: 160 (-131 from previous month, -128 from last year)
 - Senior: 124 (-50 from previous month, +23 from last year)
 - Military discount: 83 (-73 from previous month, -43 from last year)
 - Passes redeemed: 4 (-7 from previous month, -5 from last year)
 - Punch cards sold: 1 (Same as previous month, +1 from last year)
- Fish caught - Total: 610 (-231 from previous month, +75 from last year)
 - Catfish: 574 (+138 from previous month, +90 from last year)
 - Trout: 0 (-334 from previous month, same as last year)
 - Tilapia: 36 (-35 from previous month, -15 from last year)
 - *First Catfish Stock of the season was April 14th, 2023
 - * First Tilapia Stock of the season was April 21st, 2023
- Group picnic rentals: 8 (+2 from previous month, -1 from last year)
- Picnic participants: 550 (+150 from previous month, -725 from last year)
- Campsites rented: 333 (+122 from previous month, +52 from last year)
- Campers: 486 (+40 from previous month, +34 from last year)
- Equestrian campsites rented: 0 (same as last month, -2 from last year)
- Equestrian campers: 0 (same as last month, -3 from last year)
- Group campsites: 3 (same as last month, -5 from last year)
- Group campers: 60 (same as last month, +8 from last year)
- Store transactions: 13,423 (-1,764 from previous month, +1,568 from last year)

HESPERIA WRANGLERS

- 05/13/2023 – Gymkhana: 50 participants and 100 spectators
- 05/20/23 St. Jude Ride for Cause: 50 Participants and 100 spectators

SH/ar

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: June 15, 2023

PHONE: (760) 244-5488

FROM:  SARAH HAUSER, RECREATION MANAGER
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: RECREATION UPDATE FOR MAY 2023

Listed below is a brief overview of recreation-related items.

YOUTH SPORTS

Girls Youth Volleyball – Spring Season

- Cancelled due to damage to the Rick Novack Gym floor caused by the winter storm.

ADULT SPORTS

Pickleball

- Tuesday & Thursday evenings, 6:00 - 9:00 p.m.: 266 participants (+33 from previous month)

Men's and Coed Spring Adult Softball

- Men's: 9 teams (-1 from Fall Season), 480 participants
- Coed: 5 teams (-1 from Fall Season), 288 participants

PROGRAMS

Epicentre

- Teen Center participants: 490 (+198 from previous month)

Power Play Center

- Open Skate participants: 450 (-57 from previous month)
- Power Play skate parties: 9 (-5 from previous month)
- Party Rental participants: 289 (-316 from previous month)

Rick Novack Community Center

- Open gym adult & youth volleyball participants: Closed
- Open gym youth basketball participants: Closed
- Open gym adult basketball participants: Closed
 - These activities were closed due to damage to the Rick Novack Gym floor caused by the winter storm.

Hesperia Community Park

- HD Drillers AG rented one field four times for baseball practice: 36 participants
- HD Drillers AY rented one field four times for baseball practice: 45 participants
- Valor Baseball Academy rented one field four times for baseball practice: 48 participants
- Pony League rented one field six times for baseball practice: 60 participants

Live Oak Park

- Rancho Challenge FC rented one field seven times for soccer practice: 350 participants

Hesperia Lake Park Soccer Field

- Elite Soccer rented one field two times for adult soccer games: 240 participants

HARRISON EXHIBIT CENTER

- Visitors: 14 (+8 from previous month)
- Facebook
 - Members: 189 (same as previous month)
 - Posts/Comments: 59 (-12 from previous month)
- Geocache visits: 33 (-8 from previous month)

ROCK'N OUR DISABILITIES

- Food Pantry/Distribution handed out to the community: 1,129 participants (+23 from the previous month)
- Karate: 37 participants (-85 from previous month)
- Dance Class: 55 participants (same as previous month)
- Soccer: 245 participants (-8 from previous month; runs April and May)
- Motion & Fitness: 11 participants (-40 from previous month)
- Yoga/Tai Energy & Motion: 20 participants (-6 from previous month)
- Saturday Camp: 83 participants (+52 from previous month)
- Soaring Eagles Club: 36 participants (-46 from previous month)
- Parent Support Group: 4 participants (+ 1 from previous month)

Special Events

- Field Trips/Movies: 137 participants

VOLUNTEER HOURS

- May: 48 hours
- Year to date: 1,048 hours

HD BMX

- Rider Count: 157 (-14 from previous month)

USER GROUPS

Youth Sports Partners

- AYSO Soccer, Spring Season: 868 participants (+251 from spring 2022 season)

- National Little League, Spring Season: 388 participants (-9 from spring 2022 season)
- American Little League, Spring Season: 420 participants (+30 participants from spring 2022 season)
- HYFL/Hesperia Trojans: Out of Season

Percy Bakker Center

- Barstow Nutrition: 812 participants (+59 from previous month)
- Pinochle: 20 participants (+7 from previous month)
- Pool: 233 participants (+14 from previous month)
- Desert Winds Quilters: 49 participants (-1 from previous month)
- Garden: 79 participants (+34 from previous month)
- Quilters Piece Corp: 88 participants (+1 from previous month)
- Seniors with Inquiring Minds: 138 participants (-19 from previous month)
- Greater High Desert Chamber of Commerce: 114 participants (-58 from previous month)
- Bingocize: 35 participants (new this month)

Meetings with User Groups, Co-sponsorship Groups, or Exclusive Groups

- None

CONTRACT CLASSES

- 27 active monthly contract classes serving 409 participants (+5 from previous month)
 - Volleyball lessons cancelled due to damage to the Rick Novack Gym floor caused by the winter storm

SPECIAL EVENTS

- None held

SPECIAL NOTES

- 05/11/2023: HRPD had a booth at Cottonwood Elementary's Family Academic Night. Staff engaged with approximately 25 families.
- 05/17/2023: HRPD had a booth at 3M Abrasive Systems Division's Health and Wellness Day for their staff. Staff engaged with approximately 80 employees.

/sh

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: June 16, 2023

PHONE: (760) 244-5488

FROM:  JUDY TRENHOLM, STAFF ASSISTANT
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: FACILITY RENTAL UPDATE FOR MAY 2023

Percy Bakker Community Center: 7 rentals (-1 from previous month, +2 from last year)
Total Participation: 1,015

Lime Street Community Center: 3 rental (-1 from previous month, -1 from last year)
Total Participation: 370

Rick Novack Community Center: 1 rentals (same as previous month, -3 from last year)
Total Participation: 60

John Swisher Community Center: 6 rentals (same as previous month, +2 from last year)
Total Participation: 630

Active Participant Numbers - FY 2022-2023													
	July 2022	August 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	YTD Average	YTD Totals
Aquatics													
Open Swim, Patrons	2,174	671	-	-	-	-	-	-	-	-	106	984	2,951
Swimming Lessons	308	33	-	-	-	-	-	-	-	-	82	141	423
Pool Party Rental Participants	210	205	-	-	-	-	-	-	-	-	110	175	525
Desert Aquatics	70	70	-	-	-	-	-	-	-	-	75	72	215
Programs													
ASAP	-	232	240	238	240	236	278	279	279	274	260	256	2,556
Kids Kamp	197	197	-	60	-	122	-	-	126	-	129	139	831
HD BMX													
Number of Participants	-	264	215	172	-	-	-	126	68	171	157	168	1,173
Full Memberships Purchased	-	13	23	12	-	-	-	-	-	-	-	16	48
One Day Free-Trial Membership	-	23	4	9	-	-	-	-	-	-	-	12	36
Hesperia Civic Plaza Park													
QR Fit Trail	6	-	-	-	-	-	-	-	-	-	-	6	6
Epicentre													
A2R Basketball Performance (5-6)	8	8	8	16	9	9	16	32	28	30	28	17	192
A2R Basketball Performance (7-9)	36	32	32	24	24	30	40	44	64	70	68	42	464
A2R Basketball Performance (10-12)	68	36	44	48	56	45	72	60	72	95	72	61	668
A2R Basketball Performance (13-17)	24	8	24	28	12	21	24	16	44	25	24	23	250
A2R Development Camp	-	-	-	-	-	-	-	-	-	-	7	7	7
Open Center	305	323	262	202	256	379	476	238	269	292	-	300	3,002
Hip-Hop	68	64	104	72	85	76	60	76	64	76	80	75	825
Parent & Me Ballet	84	76	80	80	100	80	60	68	60	120	80	81	888
Hesperia Art Center	-	80	-	-	-	-	-	-	-	-	-	80	80
Harrison Exhibit Hall													
Visitors	7	6	8	8	1	4	4	24	11	6	14	8	93
Geocache Visitors	-	-	-	-	-	-	6	17	41	41	33	28	138

Not in session/season indicated by -

Does not include "Passive" participants such as spectators, patrons enjoying the parks, etc.

Active Participant Numbers - FY 2022-2023

	July 2022	August 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	YTD Average	YTD Totals
Hesperia Lake Park													
Fishing	2,406	1,532	1,759	1,242	2,081	2,362	1,637	1,590	2,192	2,632	2,062	1,954	21,495
Picnic Participants	1,325	900	900	600	100	100	0	50	100	400	550	457	5,025
Number of Campers	610	263	534	256	243	102	103	129	344	446	486	320	3,516
Group Campers	66	23	41	16	44	48	0	0	24	60	60	35	382
EQ Campers	7	8	0	2	0	0	0	0	0	0	0	2	17
Percy Bakker Community Center													
Senior Nutrition	607	791	808	846	754	754	754	793	950	753	812	784	8,622
Pinochle	15	15	16	17	20	20	17	16	11	13	20	16	180
Fitness and Fun Monthly	64	90	99	72	80	72	108	80	126	96	80	88	967
Fitness and Fun (Walk-in)	72	53	57	75	68	58	116	82	94	58	77	74	810
Pool	226	270	259	259	223	223	240	231	262	219	233	240	2,645
Greater High Desert Chamber of Commerce	-	-	-	-	-	-	-	-	241	172	114	176	527
Garden Club	33	26	41	30	29	29	20	68	45	45	79	40	445
Quilters	126	160	138	141	259	323	140	164	173	137	137	173	1,898
Line Dancing	3	65	28	40	24	24	45	32	24	24	44	32	353
S.W.I.M./Senior With Inquiring Minds	160	166	201	146	116	116	148	168	224	157	138	158	1,740
Power Play Center													
Pickleball	90	155	196	122	118	192	231	180	280	233	266	188	2,063
Admission	698	413	568	288	471	570	927	593	927	507	450	583	6,412
Power Play Rental Attendance	155	51	367	164	489	545	712	659	567	605	289	418	4,603
Ukulele Lessons	16	12	16	8	0	-	7	4	0	0	4	7	67
Roller Skating Lessons, Beginning	60	28	40	8	24	16	36	56	28	12	12	29	320
Roller Skating Lessons, Intermediate	4	8	8	8	8	12	20	-	12	16	16	11	112
Lime Street Park Community Center													
Basic Dog Obedience	12	-	-	-	-	-	-	-	-	-	-	12	12
Child Self-Defense	84	144	105	21	64	-	32	64	120	96	128	86	858
Self-Defense	21	8	8	16	7	-	8	-	16	16	0	11	100

Not in session/season indicated by -

Does not include "Passive" participants such as spectators, patrons enjoying the parks, etc.

Active Participant Numbers - FY 2022-2023

	July 2022	August 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	YTD Average	YTD Totals
Rick Novack Community Center													
Teen/Adult Hip-Hop	15	25	12	-	20	12	0	0	-	-	-	12	84
A/Y Open Gym (VB)	132	114	128	107	109	76	119	76	-	-	-	108	861
Adult Open Gym (B)	15	26	18	9	20	9	120	14	-	-	-	29	231
Tap/Ballet	21	28	36	52	64	64	65	68	64	84	64	55	610
Belly Dance, Beginning	12	16	16	16	4	-	8	32	16	12	28	16	160
Belly Dance, Intermediate	-	8	20	12	4	-	8	12	-	8	12	11	84
Emerge Elite Basketball	17	-	-	-	-	-	-	-	-	-	-	17	17
Girls Volleyball	-	-	-	-	140	-	-	-	-	-	-	140	140
Jazz/Ballet	33	60	42	68	72	80	60	88	36	76	52	61	667
Karate, Beginning/Intermediate	153	176	176	160	191	196	192	204	180	152	128	173	1,908
Karate, Mini Tigers	116	158	84	80	144	128	96	112	128	100	116	115	1,262
Let's Dance!	32	44	48	40	-	-	36	28	16	20	12	31	276
Let's Dance! Private Lesson	0	0	1	-	-	-	0	0	0	0	7	1	8
Private Dance Lessons	-	-	-	-	-	-	0	8	8	8	-	6	24
Volleyball Training (1 day)	160	111	136	72	140	-	136	160	-	0	-	114	915
Volleyball Training (2 days)	152	171	160	160	180	-	160	160	-	0	-	143	1,143
Youth Open Gym (B)	20	9	23	11	34	27	16	27	-	-	-	21	167
Therapeutic Programs (ROD)													
Community Relief Supplies	1,305	1,207	1,095	1,183	914	707	803	727	1,076	1,106	1,129	1,023	11,252
Fun in the Sun at Lime Street Pool	292	-	-	-	-	-	-	-	-	-	-	292	292
Saturday Camp	80	100	112	88	75	87	124	43	54	31	83	80	877
Special Events	188	308	-	1,602	228	874	-	115	-	2,409	137	733	5,861
Sports	215	60	351	531	185	61	191	256	455	538	368	292	3,211
Hesperia Community Park													
Adult Softball Teams (Coed)	-	-	72	144	192	192	-	-	-	96	288	164	984
Adult Softball Teams (Mens)	-	-	96	240	288	288	-	-	-	385	480	296	1,777

Not in session/season indicated by -

Does not include "Passive" participants such as spectators, patrons enjoying the parks, etc.

Active Participant Numbers - FY 2022-2023													
	July 2022	August 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	YTD Average	YTD Totals
Timberlane Park													
Best Friends	-	140	152	136	180	144	140	160	126	152	105	144	1,435
Itty Bits	-	91	136	136	90	99	126	128	112	160	105	118	1,183
Kinder Kids M/W	-	84	105	176	180	160	147	192	154	200	161	156	1,559
Tiny Tots M/W	-	104	126	128	128	96	126	136	91	144	112	119	1,191
Tiny Tots T/Th	-	77	80	96	99	64	77	64	77	96	119	85	849
Facility Rental Guests													
Percy Bakker Community Center	1,510	1,230	550	1,010	850	1,510	1,170	580	430	940	1,015	981	10,795
Lime Street Park Community Center	445	4	270	730	600	470	420	530	740	450	370	457	5,029
Rick Novack Community Center	90	0	90	190	325	170	260	250	160	80	60	152	1,675
John Swisher Community Center	440	420	120	600	260	120	310	220	130	440	630	335	3,690
Field Rentals	258	582	618	662	362	348	634	648	699	1,047	779	603	6,637
Field/Facility User Participants													
HYFL/Hesperia Trojans	-	-	550	149	149	-	-	-	-	-	-	283	848
National Little League	397	397	255	255	255	-	-	-	388	388	388	340	2,723
American Little League	390	390	321	321	321	-	-	-	420	420	420	375	3,003
AYSO Soccer	617	617	759	759	759	-	-	-	868	868	868	764	6,115
Hesperia Wranglers	75	75	75	75	75	75	75	75	-	75	100	78	775
Special Events													
Movies in the Park	1,700	-	-	-	-	-	-	-	-	-	-	1,700	1,700
Bobcat's Summer Concert Series	-	1,800	-	-	-	-	-	-	-	-	-	1,800	1,800
Hesperia Days	-	-	20,000	-	-	-	-	-	-	-	-	20,000	20,000
Hesperia Days 5k	-	-	800	-	-	-	-	-	-	-	-	800	800
Hesperia Days Rodeo	-	-	3,000	-	-	-	-	-	-	-	-	3,000	3,000
Hot Rod Halloween	-	-	-	6,000	-	-	-	-	-	-	-	6,000	6,000
Veterans Day Ceremony	-	-	-	-	300	-	-	-	-	-	-	300	300
Christmas Tree Lighting Ceremony	-	-	-	-	-	4,000	-	-	-	-	-	4,000	4,000
HD Pirate Faire	-	-	-	-	-	-	-	-	1,000	-	-	1,000	1,000
Easter Egg Hunt	-	-	-	-	-	-	-	-	-	2,500	-	2,500	2,500
Inter-Tribal Spring Celebration	-	-	-	-	-	-	-	-	-	-	300	300	300
TOTAL ACTIVE PARTICIPANTS	19,305	14,354	37,866	15,344	13,642	12,625	11,956	11,052	14,314	18,382	15,518	15,363	199,958

Not in session/season indicated by -

Does not include "Passive" participants such as spectators, patrons enjoying the parks, etc.

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: JULY 5, 2023

PHONE: (760) 604-2234

FROM: ^{NWJ} MICHAEL VARNER, ADMIN OPERATIONS MANAGER
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: MAINTENANCE REPORT FOR JUNE 2023

Listed below is a brief overview of maintenance completed in the month of June 2023.

Hesperia Civic Plaza Park

- Replaced one 1 ½ irrigation valve
- Repaired irrigation 3" mainline
- Repaired irrigation drip system
- Replaced sixteen 6" sprinklers
- Replaced twenty-eight spray nozzles
- Replaced ¾' drip pressure regulator
- Planted, in pots, twenty-four new Star Jasmine plants
- Replaced twenty tree bubblers

Corona Center

- Cleanup of bushes, trees, and weeds
- Pressure-washed steps and walkways

Hercules Center

- Cleanup around all buildings

Hesperia Community Park

- Pressure-washed concrete and bleachers
- Replaced two 12" sprinklers heads
- Replaced two 6" sprinkler heads
- Replaced two Rainbird 5000 on south field
- Weed abatement Datura property
- Weed abatement HCP and Calhoun property

Hesperia Lake Park

- Irrigation repairs and checks
- Put in new plant material around waterfall
- Added irrigation to plants around waterfall
- Cleaned out fire pits and BBQs
- Cleaning of stream
- Trimmed shrubs at John Swisher
- Cleaned up the area of rear stream
- Removed large broken branch in day-use area

Lime Street Park and Community Center

- Setup for events
- Toilet in men's restroom repaired
- Painted over graffiti in all restrooms, snack bar, and poles
- Removed graffiti at the skate park area

Live Oak Park

- Performed maintenance
- Weed abatement
- Replaced four Rainbird Falcon sprinklers

Malibu Park

- Graffiti removed from picnic tables

Percy Bakker Community Center

- Replaced dripline and emitters

Park Center

- Weed abatement

Palm Street Park/Rick Novack Community Center

- Set up for events

Timberlane Park

- Irrigation repairs and checks
- Cleaned up around caretaker's house
- Removed graffiti

Contracted Maintenance

- Focus more on LMD clean up
- Focus more on trimming and edging
- Focus more on trimming of trees, per contracted height

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: JUNE 14, 2023 **PHONE:** (760)244-5488

FROM: SZ SERGIO ZEPEDA, PARK RANGER
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: MONTHLY RANGER REPORT, MAY 2023

Activity	Reporting Month Quantity	Previous Month Quantity
Calls for Service	5	7
Community Contacts	250 (approx.)	477
<i>After Hours Contacts</i>	60	183
<i>Juvenile Contacts</i>	15	25
Assist Local Agency	1	2
Administrative Citation	5	17
Special Event(s)	0	0

Monthly Ranger Hours	254
Park Ranger Training Officer Hours	8
<i>Total Program Hours</i>	262

Additional Information: -

05/3/2023, Timberlane Park, 19:10 - Park Rangers responded to the facility for an audible alarm. After conducting a check, it was determined to be a false alarm. Nothing further to report.

05/3/2023, Hesperia Community Park, 20:41 - Park Ranger made contact with two individuals smoking marijuana near the entrance. They were advised of park rules, were compliant, and left the area.

05/4/2023, Hesperia Lake Park, 18:30 - Park Ranger observed a vehicle driving recklessly in the dirt parking area. Ranger attempted a traffic-stop, but the vehicle fled at a high rate

of speed weaving in and out of oncoming traffic. Due to public safety concern, pursuing the fleeing vehicle was terminated. Supervisor was notified of the incident.

05/4/2023, Live Oak Park, 19:45 - Park Ranger observed an individual drinking an alcoholic beverage. Individual was compliant and left the area.

05/6/2023, Peach X Valencia, 20:34 - Park Ranger assisted San Bernardino County Sheriff's Hesperia Station with a traffic collision.

05/6/2023, Lime Street Park, 19:40 - Park Ranger observed new graffiti on the restroom doors. Maintenance was notified and it was removed.

05/10/2023, Lime Street Park/Program Center, 09:23 - Park ranger observed new graffiti on the program building wall. Maintenance was notified and it was removed.

05/12/2023, Hesperia Lake Park, 15:07 - Park Ranger observed a vehicle parked in a restricted area. Citation was issued.

05/12/2023, Hesperia Lake Park, 18:44 - Park Ranger observed an off-highway vehicle at Hesperia Lake Park. Citation was issued.

05/12/2023, Live Oak Park, 19:28 - Park Ranger observed a vehicle without a disabled plate or placard displayed. Citation was issued.

05/14/2023, West Valley Shooting Range, 18:00-22:00 - Ranger quarterly qualification.

05/19/2023, Hesperia Lake Park, 10:08 - Park Ranger issued a citation for an individual selling food goods without an admission/sale permit. Citation was issued.

05/19/2023, Hesperia Lake Park, 18:00 - Park Ranger observed a vehicle without a disabled plate or placard displayed. Citation was issued.

5/27/ 2023 Hesperia Lake Park, 15:00 - Park Ranger observed multiple off-highway vehicles driving on the property. Vehicles left at a high rate of speed and unable to follow due to the terrain.

5/27/2023, Arrowhead X Calpella, 22:30 - Park Ranger assisted the San Bernardino County Sheriffs on a rollover traffic collision involving a black Chevy SUV. The sole occupant was transported by medical personnel.

5/30/2023, Hesperia Community Park, 21:45 - Park Ranger located an unoccupied stolen vehicle in the parking lot. The Sheriff Department was advised and they retrieved the vehicle.

5/30/2023, Lime Street Park, 20:30 - Park Ranger assisted the Sheriff's Department on an area check at the park for a runaway juvenile. Checked given and surrounding areas but was unable to locate. Nothing further to report.

**HESPERIA RECREATION AND PARK DISTRICT
INTER-OFFICE MEMO**

DATE: May 15, 2023

PHONE: (760) 244-5488

FROM: ~~AW~~ AUDREY WILLIS, ADMINISTRATIVE ASSISTANT
Hesperia Recreation and Park District

TO: KYLE WOOLLEY, GENERAL MANAGER
Hesperia Recreation and Park District

SUBJECT: DISTRICT MARKETING UPDATE FOR MAY 2023

Listed below is a brief overview of marketing-related items.

Website – The District’s website was visited 23,035 times (+165 from previous month, +426 from last year) during the month with a total of 14,332 unique people (-320 from previous month). A total of 19,140 website visits were conducted on mobile devices or tablets (-48 from previous month), which equates to 83% (-1% from last month) of our website traffic being conducted on mobile devices.

We can also track which city our website visitors are coming from:

1. Los Angeles	3,422 visits	6. San Jose	831 visits
2. Hesperia	2,046 visits	7. Apple Valley	489 visits
3. Victorville	1,392 visits	8. Phelan	156 visits
4. San Diego	863 visits	9. San Bernardino	143 visits
5. Location Unknown*	921 visits	10. Las Vegas	142 visits

*Location data was not captured due to visitors using a browser that doesn’t allow for analytics to determine its IP address.

The top five (5) webpages visited on the website were:

1. Homepage	6,937 pageviews (16%)
2. Hesperia Lake Park	6,531 pageviews (15%)
3. HUSD Student Calendar	4,189 pageviews (10%)
4. Aquatics	2,701 pageviews (6.1%)
5. Youth & Adult Sports	2,502 pageviews (6%)

RecMail/Constant Contact – Staff continues to send out flyers/announcements via RecMail. Our number of RecMail registrants consists of 4,737 people (+32 from previous month).

News Releases – Staff continues to send out news releases to promote District programs and events. News Releases are available to view online at any time at <https://www.hesperiaparks.com/press-releases>.

Facebook – Staff continues to monitor the District’s Facebook account, posting flyers and information.

- @HesperiaParks, the District’s page, had 11,081 “followers” (+114 from previous month) from the top cities of Hesperia, Victorville, Apple Valley, Adelanto, and Oak Hills. 78.4% of our Facebook fans are female and 45% are in the 25-44 age range.
- @HesperiaLakePark, Hesperia Lake Park’s page, had 14,290 “followers” (+95 from previous month) from the top cities of Hesperia, Victorville, Apple Valley, Los Angeles, and San Bernardino. 52.6% are female and 27% are in the 25-44 age range.

Instagram – The following numbers were captured at the end of the month:

- @HesperiaParks Instagram page had a total of 2,926 followers (+111 from previous month) from the top cities of Hesperia, Victorville, Apple Valley, Oak Hills, and Adelanto. 68.4% of the followers were female and 74.5% were in the 25-44 age range.
- @TheRealHesperiaLakePark Instagram page had a total of 5,052 followers (+135 from previous month) from the top cities of Hesperia, Victorville, Apple Valley, Los Angeles, and San Bernardino. 71.5% of the followers were male and 70% were in the 25-44 age range.



HESPERIAPARKS.com

**REGULAR JOINT MEETING OF THE
HESPERIA RECREATION AND PARK DISTRICT
AND THE
HESPERIA AREA RECREATION DISTRICT FOUNDATION BOARD MEMBERS
Thursday, June 22, 2023 - 6:00 p.m.
Lime Street Park Community Center
16292 Lime Street, Hesperia, CA 92345**

MINUTES

CALL TO ORDER

Meeting was called to order at 6:00 p.m. by Chair Member Blocker.

ROLL CALL

Committee: Gonzalez, Roberts
Foundation: Daugherty, Blocker, Hill
District Staff: Woolley, Garcia, Chavez
Other: None

FLAG SALUTE

Member Daugherty led the flag salute.

MESSAGE TO THE PUBLIC/PUBLIC COMMENT

None.

COMMUNICATIONS

- Card from Oak Hills High School thanking the Foundation Board and staff for the Rick Novack High School Scholarship.

DISCUSSION/ACTION ITEMS

a. Approval of May 25, 2023, Meeting Minutes

1. Motion made by Member Hill to approve the minutes, seconded by Member Daugherty. The motion passed by the following vote:

AYES: Blocker, Hill, Daugherty
NOES: None
ABSENT: Drylie, Gingerich
ABSTAIN: None

b. Foundation Budget Update

1. Mr. Woolley presented the Fiscal Year 20232024 HARD Foundation Budget.
2. Staff is excited for the ability to run streamlined reports. Chair Member Blocker commented that he likes how simplified it is.

c. HARD Foundation Mission and Vision Statements

1. The Board and Committee discussed revisiting the Mission Statement, and creating a Vision Statement. Each member is to submit ideas to determine updated statements at the July meeting.

d. Event Ad Hoc Committee Update

1. Chair Member Blocker highlighted the following: Fish and Wildlife event at Prado Park; Hesperia Days Rodeo vendors, stage, sponsors and parking.
2. The Board and Committee discussed the following: Fall Festival; Power Play Center events; Hesperia Days; and National Night Out.

e. Preservation Committee Update

1. Vice Chair Member Drylie submitted a report in advance that included the following: Installation of cabinets; Hedge trimming; and the Local museum tri-fold.

DISTRICT FOUNDATION COMMITTEE

a. District Board Report

1. Director Gonzalez reported on: Public speakers at the District Board meeting; Public Hearings; Vehicle citations; Splash pad equipment; Skate park and dog park at Timberlane; Ranger presence at meetings; Energy project; After School Activities Program; and the Rick Novack Community Center Gym.

b. Comments

1. Chair Member Blocker inquired about the Val Shearer Arena fees.

STAFF REPORTS

a. Programs/Events/Activities Handouts

1. Mr. Woolley highlighted the budget progress and District reorganization.

b. Comments

1. Member Hill inquired about the building next to the museum.

FOUNDATION CHAIR'S COMMENTS

- a. Chair Member Blocker thanked staff, the Committee, and Board. He put up a Hesperia Days Rodeo banner at Hesperia Lake Park and will hang one at Lime Street Park.

FOUNDATION MEMBERS' COMMENTS

- a. Member Hill suggested horseshoe and cornhole games and/or a tournament, which could benefit seniors with less lower body mobility.
- b. Member Daugherty commented that she has possible contacts with big bands, and inquired about a professional stadium in Hesperia.
- c. Member Hill highlighted that she joined S.W.I.M., Seniors With Inquiring Minds, and is enjoying the variety of activities.

ADJOURNMENT - Meeting was adjourned at 7:46 p.m.

**HESPERIA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS
SAFETY, SECURITY, AND MAINTENANCE COMMITTEE MEETING
Thursday, June 15, 2023 - 3:30 p.m.
Hesperia Lake Park - John Swisher Community Center
7500 Arrowhead Lake Rd., Hesperia, CA 92345**

MINUTES

Call to Order

Meeting was called to order at 3:30 p.m. by Vice President Roberts.

A. Attendance

Board Committee Members: Roberts, Aguilar

District Staff: Woolley, Varner, Garcia, Chavez, Hauser, Rodriguez

Guests: None

Flag Salute

Flag salute led by Vice President Roberts.

Message to the Public/Public Comment

None.

Discussion/Action Items

B. Park Ranger Report

- Chief Park Ranger Chavez reported on the following: Sheriff's network system; Data Ticket; Off Highway Vehicle enforcement for Independence Day; and Hesperia Lake Park patrol and parking.

C. Maintenance Report

- Mr. Varner reported on the following: Weed abatement; District vehicles; Palm Street Park and Timberlane Park soil samples; HVAC maintenance; Hesperia Lake Park parking; and Hercules Center roof.

D. Rick Novack Community Center Gym Floor Update

- Mr. Woolley reported that the District is still working with the insurance process.

E. Tree Replacement Program

- Mr. Woolley updated the Committee on the progress of replacing trees throughout the District.

F. Maintenance Check-off Lists

- This item had already been addressed.

G. Staff and Park Ranger Vehicle Update

- Chief Park Ranger Chavez reported that he is working with the lease company and grant writers on vehicle acquisition.
- Mr. Varner commented that the District received one vehicle and two more are in production.

H. Hesperia Lake Park Soccer Field Lights

- Mr. Woolley expressed that we are getting quotes on lighting.

I. Hesperia Lake Park Walk-Through

- The Committee discussed the following topics: John Swisher Community Center store room, carpet, benches, outdoor paint, fence, photo opportunity, landscaping, and tree trimming; Equestrian building; Tree canopy; Stream and pond maintenance; Possible walking/biking trail; Disc Golf; Corn hole; Michelada cups; Lake Store courtyard; Conex near the waterfall; Electric vehicle maintenance; Boat; Playground chip replacement; Hesperia Days; Uber/Lyft pickup zones; Campground painting, restrooms, shower, and mural; Benches on lake perimeter; Pelican control, and the maintenance yard.

Adjournment - Meeting was adjourned at 5:17 p.m.

**HESPERIA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS
EVENT AD HOC COMMITTEE MEETING
Monday, June 8, 2023 - 5:30 p.m.
Lime Street Park
16292 Lime Street, Hesperia, CA 92345**

MINUTES

Call to Order

Meeting was called to order at 5:32 p.m. by Director Irish.

A. Attendance

Board Committee Members: Irish, Aguilar, Blocker
District Staff: Woolley, Willis, Hauser, Chavez, Cole
Guests: None

Message to the Public/Public Comment

None.

Discussion/Action Items

B. Special Events Update

- Staff highlighted on the following: Movies in the Park; and Hesperia Days.

C. Hesperia Days Rodeo

- Chair Member Blocker highlighted: Grandstands; Sponsorships; Fencing; Parking; Dance; and Ticket sales.

Adjournment - Meeting was adjourned at 6:23 p.m.

July 2023

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						<i>1</i> Dusk Movies in the Park - Top Gun: Maverick <i>Hesperia Civic Plaza Park</i>
<i>2</i>	<i>3</i>	<i>4</i> Independence Day <i>District Offices Closed</i> 	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i> Dusk Movies in the Park - Minions: Rise of Gru <i>Hesperia Civic Plaza Park</i>
<i>9</i>	<i>10</i> 5:30 pm Event Ad Hoc	<i>11</i>	<i>12</i> 6:00 pm District Board Meeting	<i>13</i>	<i>14</i>	<i>15</i> Dusk Movies in the Park - Elf <i>Hesperia Civic Plaza Park</i>
<i>16</i>	<i>17</i> 6:00 pm ASBCSD <i>Percy Bakker Community Center, Hesperia</i>	<i>18</i>	<i>19</i>	<i>20</i> 3:30 pm Safety, Security, & Maintenance Meeting	<i>21</i> 3:30 pm Historical Preservation Committee Meeting	<i>22</i> Dusk Movies in the Park - Puss in Boots: The Last Wish <i>Hesperia Civic Plaza Park</i>
<i>23/30</i>	<i>24/31</i> 	<i>25</i>	<i>26</i>	<i>27</i> 6:00 pm Foundation Meeting	<i>28</i>	<i>29</i> Dusk Movies in the Park - Black Panther: Wakanda Forever <i>Hesperia Civic Plaza Park</i>

August 2023

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 5:00 pm National Night Out <i>Hesperia Civic Plaza Park</i>	2	3	4 5:30 pm Bobcat's Summer Concert Series - Skynard & Frynds <i>Hesperia Civic Plaza Park</i>	5
6	7	8	9 6:00 pm District Board Meeting	10	11 5:30 pm Bobcat's Summer Concert Series - Blue Henrys <i>Hesperia Civic Plaza Park</i>	12
13	14	15	16 3:30 pm Tri-Agency Committee Meeting	17 3:30 pm Safety, Security, & Maintenance Meeting	18 3:30 pm Historical Preservation Committee 5:30 pm Bobcat's Summer Concert Series - B. oK Band <i>Hesperia Civic Plaza Park</i>	19 
20	21 6:00 pm ASBCSD	22	23	24 6:00 pm Foundation Meeting	25 5:30 pm Bobcat's Summer Concert Series - Southern Spirit <i>Hesperia Civic</i>	26
27	28 CSDA Annual Conference <i>Monterey</i>	29 CSDA Annual Conference <i>Monterey</i>	30 CSDA Annual Conference <i>Monterey</i>	31 CSDA Annual Conference <i>Monterey</i>		

September 2023

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4 Labor Day <i>District Offices Closed</i>	5	6	7	8	9
10	11 Patriot Day  Patriot Day WE WILL NEVER FORGET	12	13 6:00 pm District Board Meeting	14	15 3:30 pm Historical Preservation Committee Meeting	16 Hesperia Days ★ 5K/Parade ★ <i>Main Street</i> Festivities/Fireworks/ Hesperia Days Rodeo <i>Hesperia Lake Park</i>
17 Hesperia Days Rodeo 4:00 pm <i>Hesperia Lake Park</i> 	18 6:00 pm ASBCSD	19	20	21 3:30 pm Safety, Security, & Maintenance Meeting	22	23
24/30	25/31	26	27	28 6:00 pm Foundation Meeting	29	



Hesperia Recreation & Park District
will be hosting the July 17, 2023 Membership Meeting at:

Percy Bakker Community Center
9333 'E' Avenue.
Hesperia, CA 92345

6:00p.m. – Registration & Social Hour
6:30p.m. – Call to Order

Buffet Menu

Entrées Include: Pulled Pork, Smoked Turkey, or Chicken
Cheesy garlic mashed potatoes, mixed veggies, salad, rolls, and dessert bar
Lemonade, Iced Tea, Coffee, Water, and a no-host bar

Cost: \$40.00 per person

Topic:

'Emotional Intelligence': Today's Soft Skill for Success

Presented by Speaker Lynne Lees, Communications Manager, The KYA Group

RSVP by Monday, July 10, 2023 to:
Kara Garcia at kgarcia@hesperiaparks.com

District/Associate Attendee

- ✓ Payment Due – July 31, 2023
- ✓ Make checks payable to: ASBCSD
- ✓ Mail payments to ASBCSD, Attention: Natalie Barnard, 11081 Muirfield Drive, Rancho Cucamonga, CA 91730
- ✓ Include the name(s) of your attendee(s) with your payment.
- ✓ You will be billed for the dinner if your cancellation is not received by the deadline.
- ✓ A \$2.00 surcharge will be applied if payment is not received within 30 days of the *meeting*.

asbcsd.specialdistrict.org

ASBCSD **11081 Muirfield Dr.** **Rancho Cucamonga, CA 91730** **562-433-9448**
President - T. Milford Harrison, Vice-President – Kelly J. Gregg, Secretary/Treasurer – Randall J. Reed,
Director – Ronald L. Coats, Director – Rebecca Kujawa, Director – Melody McDonald, Director – Bob Stadum