

**AUBURN AREA RECREATION AND PARK DISTRICT
MEETING OF THE BOARD OF DIRECTORS AGENDA**

6:00 PM

**THURSDAY, DECEMBER 17, 2020
CANYON VIEW COMMUNITY CENTER, FOOTHILLS ROOM
471 MAIDU DRIVE, AUBURN, CA 95603**

Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet are available for public inspection by contacting the District Administrator at kmuscott@auburnrec.com or by calling (530) 537-2186 (M-F).

The public may participate in the meeting in-person or through Zoom. The link for this meeting is <https://zoom.us/j/96848372176>. The public can use this link and/or call 1 669 900 6833 Webinar ID: 968 4837 2176 to participate.

People using the Zoom website will be able to see and hear the Board, and the Board will be able to hear the public. The Board will not receive any visual/video from the public. This is done to avoid inappropriate visual content at the meeting.

Questions and comments can be sent via email to the District Administrator no later than one hour before the meeting. These emails will be read aloud at the meeting and responded to accordingly. Emails can be sent during the meeting, and staff will work to ensure that all are read, however the best way to have your comment heard is through the Zoom meeting or the associated phone number.

If you are a person with a disability and need an accommodation to participate in the District's programs, services, activities and meetings, contact Kahl Muscott at (530) 537-2186 or kmuscott@auburnrec.com at least 48 hours in advance to request an auxiliary aid or accommodation.

1.0 CALL TO ORDER

(PLEDGE TO THE FLAG)

The Board of Directors of the Auburn Area Recreation and Park District welcomes you to its meetings. Regular meetings are scheduled at 6 p.m. the last Thursday of each month. The November and December Board meetings will be scheduled in consideration of recognized holidays. Your attendance and interest is encouraged and appreciated. Special accommodations may be made upon request to the District Administrator 72 hours in advance of the meeting.

Roll Call

Holbrook ____ Gray ____ Ainsleigh ____ Ferris ____ Lynch ____

2.0 INTRODUCTIONS, PRESENTATIONS AND ANNOUNCEMENTS

Presentation by District Administrator Kahl Muscott of a plaque to outgoing Chairman Scott Holbrook.

Presentation of service awards to Youth Services Site Director Casey Casl of 10 years, Customer Service/Marketing Manager Manouch Shirvanioun of 15 years, Administrative Services Manager Veona Galbraith of 20 years, and District Administrator Kahl Muscott of 20 years.

3.0 AGENDA REVIEW, CHANGES, AND APPROVAL

Motion by _____ Second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

4.0 PUBLIC COMMENT – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Board of Directors. If you have a public comment, please use the “Raise your hand” feature through Zoom. You will be un-muted after you are recognized by the Board Chairperson. People only calling in should press #9 to telephonically raise your hand. Please state your name, and address for the record (optional). There is a time limitation of three minutes.

5.0 CONSENT ITEMS – (roll call vote). All matters listed under the Consent Calendar are to be considered routine by the Board of Directors and will be enacted by one motion in the form listed. There will be no separate discussion of these items unless, before the Board votes on the motion to adopt, a member or members of the Board, staff or the public requests a specific item to be removed from the Consent Calendar for separate discussion and action.

_____ **5.1 Review and approval of Minutes of the Board of Directors from November 19, 2020 (Pages 6 – 12)**

Review and approval of Minutes of the Board of Directors from November 19, 2020

_____ **5.2 Review of Cash Requirements for November, 2020 (Standing Finance Committee) (Pages 13 – 15)**

This item was reviewed and approved by the Standing Finance Committee and forwarded to the Consent Calendar for review and approval.

_____ **5.3 Review of Financials for November, 2020 (Standing Finance Committee) (Pages 16 – 21)**

This item was reviewed and approved by the Standing Finance Committee and forwarded to the Consent Calendar for review and approval.

_____ **5.4 Resolution Number 2020-32 to Transfer Funds from the Unfunded Liability Reserves and the Equipment Reserves (Standing Finance Committee) (Pages 22 – 23)**

This item was reviewed and approved by the Standing Finance Committee and forwarded to the Consent Calendar for review and adoption.

Motion by _____ second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

6.0 ADMINISTRATOR'S AND DEPARTMENTAL REPORTS (Pages 24 – 40)

Please see board reports, vandalism reports, and project activity report under item 6.0.

_____ **7.0 UNFINISHED BUSINESS**

_____ **7.1 Resolution Number 2020-34 Approving a Debt Management Policy, Per Government Code Section 8855 (Program, Personnel, Policy, Fee & Legal Review Committee) (Pages 41 – 48)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors approve establishing a Debt Management Policy and adopt Resolution Number 2020-34 approving same?

Motion by _____ second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

_____ **7.2 Public Hearing – Resolution Number 2020-37 Re: Energy Savings Performance Contract: Approving a Site Lease and a Lease Agreement; making certain determinations relating thereto; and authorizing certain other actions in connection therewith (Pages 49 – 113)**

PUBLIC HEARING

OPEN PUBLIC HEARING

STAFF PRESENTATION

PUBLIC COMMENT

BOARD DISCUSSION/ACTION

CLOSE PUBLIC HEARING

Shall the Auburn Area Recreation and Park District (ARD) hold a Public Hearing and adopt Resolution Number 2020-37, approving a Site Lease and a Lease Agreement; making certain

determinations relating thereto; and authorizing certain other actions in connection therewith. This lease, lease agreement and related documents are part of the Energy Savings Performance Contract.

Motion by _____ second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

_____ **8.0 NEW BUSINESS**

_____ **8.1 Increase In Minimum Wage (Program, Personnel, Policy, Fee & Legal Review Committee) (Pages 114 – 115)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors change pay scales for certain job descriptions, based on upcoming mandate minimum wage increases as well as increases for job descriptions that succeed those needed to be raised by law?

Motion by _____ second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

_____ **8.2 Resolution Number 2020-35: Notice of Categorical (Exemption Recreation Park Ballfield Lighting Lamp Replacement Project (Acquisition & Development Committee) (Pages 116 – 117)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors adopt Resolution Number 2020-35: Notice of Categorical Exemption Recreation Park Ballfield Lighting Lamp Replacement Project?

Motion by _____ second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

_____ **8.3 Resolution Number 2020-36: ARD Solar Panel Installation Projects (Acquisition & Development Committee) (Pages 118 – 119)**

Shall the Auburn Area Recreation and Park District (ARD) adopt Resolution Number 2020-36: approving Notice of Categorial Exemption from CEQA for the ARD Solar Panel Installation Projects?

Motion by _____ second by _____ to _____

Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____ Lynch _____

Roll Call Vote

_____ **8.4 Election of ARD Chairperson and Vice-Chairperson (Pages 120 – 121)**

Shall the Auburn Area Recreation and Park District (ARD) elect a chairperson and vice chairperson for 2021?

_____ **9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS (Pages 122 – 125)**

1. CARPD Board Vacancy – see attachment.
2. Correspondence from Girl Scout Troop 1209 - see attachment.
3. County Mitigation Fund, current balance \$792,000.

_____ **10.0 BRIEF ANNOUNCEMENTS AND REPORTS FROM BOARD MEMBERS**

No action will be taken at this time on any item announced or reported by a Board Member. The Board or a member of the Board may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter so reported, or take action to direct staff to place a matter of business on a future agenda.

_____ **11.0 CORRESPONDENCE/COMMUNICATIONS AND INFORMATIONAL**

None.

_____ **12.0 PUBLIC COMMENT – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Board of Directors. If you have a public comment, please use the “Raise your hand” feature through Zoom. You will be unmuted after you are recognized by the Board Chairperson. People only calling in should press #9 to telephonically raise your hand. Please state your name, and address for the record (optional). There is a time limitation of three minutes.**

_____ 13.0 CLOSED SESSION

13.1 Public Employee Performance Evaluation (Gov Code 54954.5, subd. (e), 54947.)

Title: District Administrator

_____ 14.0 OPEN SESSION – REPORT/ACTION ON OR ABOUT CLOSED SESSION

ADJOURNMENT

AUBURN AREA RECREATION AND PARK DISTRICT
This agenda is hereby certified to have been posted as follows:

12-11-20
Date

10:20 Am.
Time

P. Larson
Clerk to the Board

SECTION: 5.0

ITEM: 5.1 REVIEW AND APPROVAL OF MINUTES OF THE BOARD OF DIRECTORS FROM NOVEMBER 19, 2020

INFORMATION: SEE ATTACHED MINUTES

STAFF RECOMMENDATION: BOARD OF DIRECTORS REVIEW & APPROVE MINUTES

FISCAL IMPACT: NONE

**Auburn Area Recreation and Park District
Minutes of the Meeting of the Board of Directors
Thursday, November 19, 2020, 6:00 p.m.**

Board Members

Present: Chairman Scott Holbrook
Director Jim Gray
Director Jim Ferris
Director Mike Lynch
Director H. Gordon Ainsleigh

Board Members

Absent: None.

Staff Present:

Kahl Muscott, District Administrator
Veona Galbraith, Administrative Services Manager
Jesse Williams, Facilities & Grounds Manager
Manouch Shirvanioun, Customer Service/Marketing Manager
Mark Brunner, Recreation/Youth Services Manager
Mike Scheele, Landscape Architect/Project Manager
Pat Larson, Recording Secretary

1.0 CALL TO ORDER

The Meeting of the Board of Directors was called to order at 6:05 p.m. by Chairman Holbrook.

2.0 INTRODUCTIONS, PRESENTATIONS AND ANNOUNCEMENTS

A presentation was given by Youth Services Coordinator Amy Oddo to Interim Site Director of Youth Services Caleb Porter as Employee of the Month for November, 2020.

3.0 AGENDA REVIEW, CHANGES AND APPROVAL

A motion was made by Director Lynch and seconded by Director Ferris to approve the agenda as written.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Late
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

4 – 0 Motion carries.

4.0 PUBLIC COMMENT

None.

5.0 CONSENT ITEMS

5.1 Review and Approval of Minutes of the Board of Directors Meeting from October 29, 2020

5.2 Review of Cash Requirements for October, 2020 (Standing Finance Committee)

A motion was made by Director Lynch and seconded by Director Ferris to approve the Consent Calendar as written.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Late
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

4 – 0 Motion carries.

Director Gray arrived at 6:10 p.m.

6.0 ADMINISTRATOR'S AND DEPARTMENTAL REPORTS

Board reports, fee waiver log, and project activity report were provided to the Board under separate cover.

7.0 UNFINISHED BUSINESS

7.1 Public Hearing – Resolution Number 2020-31 Approving an Energy Services Contract Between ARD and Centrica Business Solutions, Inc. Per California Government Code Sections 4217

The Public Hearing opened at 6:33 p.m.

Staff Presentation: District Administrator Kahl Muscott gave a staff presentation on the Centrica Energy Services Contract.

Public Comment – None.

Board Discussion/Action – the board discussed the Centrica Energy Services Contract.

Close Public Hearing – The Public Hearing was closed at 6:52 p.m.

A motion was made by Director Lynch and seconded by Director Gray to adopt Resolution Number 2020-31, approving an energy Service Contract with Centrica Business Solutions.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

5 – 0 Motion carries.

7.2 Financing for the Centrica Energy Savings Contract

A motion was made by Director Ainsleigh and seconded by Director Ferris to select RealLease as the financing broker for the Centrica Energy Savings Contract.

Roll Call Vote

Director Holbrook – No
Director Gray – No
Director Ainsleigh – Yes
Director Ferris – No
Director Lynch – No

1 yes vote

4 no votes - Motion did not carry.

A motion was made by Director Lynch and seconded by Director Gray to select Jeff Land as the financing broker for the Centrica Energy Savings Contract.

Director Holbrook – Yes
Director Gray – Yes
Director Ainsleigh – No
Director Ferris – Yes
Director Lynch – Yes

4 – 1 Motion carries.

7.3 ARD Encroachment Policy – Fire Reduction Program (Program, Personnel, Policy, Fee & Legal Review Committee)

A motion was made by Director Lynch and seconded by Director Gray to approve the fire reduction program.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

5 - 0 Motion carries.

8.0 NEW BUSINESS

8.1 UAL CalPERS Pension Prefunding (Standing Finance Committee)

A motion was made by Director Ferris and seconded by Director Lynch to approve prefunding the UAL by remitting \$280,000 to CalPERS from ARD's Unfunded Liability Reserve (\$241,000) and the Equipment Reserves (\$39,000) to reduce the interest being incurred by CalPERS.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

5 - 0 Motion carries.

8.2 ARD's Medical Family Benefit Policy (Program, Personnel, Policy, Fee & Legal Review Committee)

A motion was made by Director Lynch and seconded by Director Gray to approve changes to the Personnel Policy for an annual 50/50 adjustment based on new premiums in District benefits for the CalPERS medical coverage for employees.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

5 - 0 Motion carries.

8.3 Amending 2020/2021 Project List and CIP (Acquisition & Development Committee)

A motion was made by Director Gray and seconded by Director Lynch to approve amending the existing 2020/2021 Project List and Capital Improvement Project List (CIP) to coincide with the FY 2020/2021 Budget Revision.

Roll Call Vote

Director Holbrook – Yes
Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Yes
Director Lynch – Yes

5 - 0 Motion carries.

9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS

1. Five-Year History of Volunteer and Work Release Hours – information was attached.
2. County Mitigation Fund, current balance \$792,000.

10.0 BRIEF ANNOUNCEMENTS AND REPORTS FROM BOARD MEMBERS

No action will be taken at this time on any item announced or reported by a Board Member. The Board or a member of the Board may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent Meeting concerning any matter so reported, or take action to direct staff to place a matter of business on a future agenda.

Director Lynch announced that today is the 48th wedding anniversary for him and his wife Patsy. Congratulations!

11.0 CORRESPONDENCE/COMMUNICATIONS AND INFORMATIONAL

None.

12.0 PUBLIC COMMENT

None.

13.0 CLOSED SESSION – Closed Session was cancelled.

ADJOURNMENT - As there was no further business, the meeting was adjourned at 7:25 p.m. by Chairman Holbrook.

Board Secretary

Date

SECTION: 5.0

**ITEM: 5.2 REVIEW AND APPROVAL OF CASH
REQUIREMENTS FOR NOVEMBER, 2020**

DESCRIPTION: ACCOUNTS PAYABLE

INFORMATION: SEE ATTACHED INFORMATION

**STAFF
RECOMMENDATION: THIS ITEM WAS REVIEWED BY THE STANDING
FINANCE COMMITTEE AND FORWARDED TO
THE BOARD OF DIRECTORS FOR REVIEW AND
APPROVAL**

FISCAL IMPACT: \$114,004.66

Auburn Rec & Park
 VENDOR CHECK REGISTER REPORT
 Payables Management

Ranges: From: To:
 Check Number First Last
 Vendor ID First Last
 Vendor Name First Last
 Check Date From: To:
 Checkbook ID COMM 1ST COMM 1ST

Sorted By: Check Number

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
20940	1099-216	Gerald Harris	11/6/2020	COMM 1ST	PMCHK00002696	
20941	1099-243	Phillip Dallas	11/6/2020	COMM 1ST	PMCHK00002696	\$156.00
20942	1099-295	Juli Land-Marx	11/6/2020	COMM 1ST	PMCHK00002696	\$195.00
20943	1099-313	Alison Lloyd	11/6/2020	COMM 1ST	PMCHK00002696	\$3,000.00
20944	1099-343	Faith Petersen	11/6/2020	COMM 1ST	PMCHK00002696	\$264.00
20945	A0014	AT&T	11/6/2020	COMM 1ST	PMCHK00002696	\$432.00
20946	A0027	Recology Auburn Placer	11/6/2020	COMM 1ST	PMCHK00002696	\$315.70
20947	A0170	AT&T Acct 088-034-5818-655	11/6/2020	COMM 1ST	PMCHK00002696	\$558.17
20948	B0069	Bidwell Water	11/6/2020	COMM 1ST	PMCHK00002696	\$90.95
20949	C0061	California Computer Services	11/6/2020	COMM 1ST	PMCHK00002696	\$77.00
20950	C0072	CIT Technology Fin. Serv., Inc	11/6/2020	COMM 1ST	PMCHK00002696	\$793.79
20951	C0111	Cal.net	11/6/2020	COMM 1ST	PMCHK00002696	\$470.75
20952	C0113	Cooks Portable Toilets & Septi	11/6/2020	COMM 1ST	PMCHK00002696	\$200.70
20953	C0120	Capture Technologies	11/6/2020	COMM 1ST	PMCHK00002696	\$132.45
20954	L0027	Pat Larson	11/6/2020	COMM 1ST	PMCHK00002696	\$1,124.99
20955	M0035	Meadow Vista Community Center	11/6/2020	COMM 1ST	PMCHK00002696	\$35.52
20956	M0098	Meadow Vista County Water Dist	11/6/2020	COMM 1ST	PMCHK00002696	\$1,000.00
20957	N0012	Nevada Irrigation District	11/6/2020	COMM 1ST	PMCHK00002696	\$3,426.88
20958	O0021	Amy Oddo	11/6/2020	COMM 1ST	PMCHK00002696	\$1,226.15
20959	P0005	Placer County Water Agency	11/6/2020	COMM 1ST	PMCHK00002696	\$53.38
20960	P0007	Pacific Gas & Electric Company	11/6/2020	COMM 1ST	PMCHK00002696	\$3,679.12
20961	P0023	PG&E	11/6/2020	COMM 1ST	PMCHK00002696	\$324.56
20962	Q0003	Quality Automotive	11/6/2020	COMM 1ST	PMCHK00002696	\$88.66
20963	R0057	Reserve Account	11/6/2020	COMM 1ST	PMCHK00002696	\$1,310.42
20964	S0009	Sierra Saw Sales And Service	11/6/2020	COMM 1ST	PMCHK00002696	\$1,000.00
20965	S1003	Sutter Medical Foundation	11/6/2020	COMM 1ST	PMCHK00002696	\$186.07
20966	T0071	TIAA Commercial Finance, Inc.	11/6/2020	COMM 1ST	PMCHK00002696	\$140.00
20967	T1000	Transamerica Life Insurance	11/6/2020	COMM 1ST	PMCHK00002696	\$107.34
20968	TEMPF	Lisa Frederiksen	11/6/2020	COMM 1ST	PMCHK00002696	\$480.00
20970	V0004	Valley Truck & Tractor Co.	11/6/2020	COMM 1ST	PMCHK00002696	\$165.00
20971	V0007	Verizon Wireless	11/6/2020	COMM 1ST	PMCHK00002696	\$1,257.21
20972	W0001	Walker's Office Supplies, Inc.	11/6/2020	COMM 1ST	PMCHK00002696	\$863.93
20973	W0010	Waxie Sanitary Supply	11/6/2020	COMM 1ST	PMCHK00002696	\$668.91
20974	W0044	Wave	11/6/2020	COMM 1ST	PMCHK00002696	\$326.25
20975	W0045	Williams, Jesse	11/6/2020	COMM 1ST	PMCHK00002696	\$274.70
20976	U0019	US Bank	11/6/2020	COMM 1ST	PMCHK00002696	\$139.15
20977	A0171	Atlas American LLC	11/13/2020	COMM 1ST	PMCHK00002697	\$5,375.48
20978	S1007	Stationary Engineers, Local 39	11/13/2020	COMM 1ST	PMCHK00002698	\$1,055.28
20979	U0033	United States Treasury	11/13/2020	COMM 1ST	PMCHK00002698	\$340.75
20980	1099-16	Skyhawks Sports	11/20/2020	COMM 1ST	PMCHK00002698	\$75.00
20981	1099-269	Deborah Lynn	11/20/2020	COMM 1ST	PMCHK00002699	\$1,551.80
20982	1099-271	Kelpro Security	11/20/2020	COMM 1ST	PMCHK00002699	\$195.00
20983	1099-277	Foothill Karate Do	11/20/2020	COMM 1ST	PMCHK00002699	\$2,289.00
20984	1099-291	Isaac Humber	11/20/2020	COMM 1ST	PMCHK00002699	\$68.25
20985	1099-363	Cheyenne Little	11/20/2020	COMM 1ST	PMCHK00002699	\$182.00
20986	A0001	Recology Auburn Placer	11/20/2020	COMM 1ST	PMCHK00002699	\$210.00
20987	A0027	Recology Auburn Placer	11/20/2020	COMM 1ST	PMCHK00002699	\$852.66
20988	A0051	Anderson's Sierra Pipe Co.	11/20/2020	COMM 1ST	PMCHK00002699	\$1,132.71
20989	A0134	Advanced Intregrated Pest Mana	11/20/2020	COMM 1ST	PMCHK00002699	\$41.93
20990	A1010	Advantage Marketing and Print	11/20/2020	COMM 1ST	PMCHK00002699	\$189.00
20991	B0020	BSN Sports, Inc.	11/20/2020	COMM 1ST	PMCHK00002699	\$2,086.49
20992	B0062	BareBones WorkWear	11/20/2020	COMM 1ST	PMCHK00002699	\$167.72
20993	C0061	California Computer Services	11/20/2020	COMM 1ST	PMCHK00002699	\$458.91
20994	C0113	Cooks Portable Toilets & Septi	11/20/2020	COMM 1ST	PMCHK00002699	\$1,167.13
20995	C0121	Cole Huber LLP	11/20/2020	COMM 1ST	PMCHK00002699	\$1,717.63
20996	C0124	Central Valley Engineering & A	11/20/2020	COMM 1ST	PMCHK00002699	\$144.00
0997	C0130	Cirrus Group LLC	11/20/2020	COMM 1ST	PMCHK00002699	\$3,800.00
0998	D0008	The Davey Tree Expert	11/20/2020	COMM 1ST	PMCHK00002699	\$1,160.20
0999	D0010	Diamond Pacific	11/20/2020	COMM 1ST	PMCHK00002699	\$9,990.00
1000	D0025	Dawson Oil Company	11/20/2020	COMM 1ST	PMCHK00002699	\$92.34
1001	D0066	De Lage Landen Financial Servi	11/20/2020	COMM 1ST	PMCHK00002699	\$3,068.43
1002	D0077	Dudek	11/20/2020	COMM 1ST	PMCHK00002699	\$332.48
1003	H0056	Humana Dental Ins. Co	11/20/2020	COMM 1ST	PMCHK00002699	\$24,799.64
1004	H0060	HercRentals Inc.	11/20/2020	COMM 1ST	PMCHK00002699	\$2,643.42
1005	L0033	Les Schwab	11/20/2020	COMM 1ST	PMCHK00002699	\$2,611.50
1006	L0100	Lifeguard First Aid & Safety,	11/20/2020	COMM 1ST	PMCHK00002699	\$37.83
1007	N0045	Near U CO2	11/20/2020	COMM 1ST	PMCHK00002699	\$321.26
					PMCHK00002699	\$150.90

Auburn Rec & Park
 VENDOR CHECK REGISTER REPORT
 Payables Management

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
21008	N0048	Normac, Inc.	11/20/2020	COMM 1ST	PMCHK00002699	\$264.90
21009	P0007	Pacific Gas & Electric Company	11/20/2020	COMM 1ST	PMCHK00002699	\$12,621.71
21010	Q0003	Quality Automotive	11/20/2020	COMM 1ST	PMCHK00002699	\$1,628.25
21011	R0073	Riebes Auto Parts	11/20/2020	COMM 1ST	PMCHK00002699	\$19.28
21012	R0074	Rainout Line	11/20/2020	COMM 1ST	PMCHK00002699	\$399.00
21013	S0009	Sierra Saw Sales And Service	11/20/2020	COMM 1ST	PMCHK00002699	\$667.84
21014	S0050	Sierra Safety	11/20/2020	COMM 1ST	PMCHK00002699	\$57.43
21015	S0094	Manouch Shirvanioun	11/20/2020	COMM 1ST	PMCHK00002699	\$51.75
21016	S0145	SCP Pool Distributors LLC	11/20/2020	COMM 1ST	PMCHK00002699	\$163.00
21017	S0154	Mike Scheele	11/20/2020	COMM 1ST	PMCHK00002699	\$146.63
21018	T0031	Turf Star, Inc.	11/20/2020	COMM 1ST	PMCHK00002699	\$1,161.11
21019	TEMPW	Halley Winstead	11/20/2020	COMM 1ST	PMCHK00002699	\$60.00
21020	V0004	Valley Truck & Tractor Co.	11/20/2020	COMM 1ST	PMCHK00002699	\$437.78
21021	W0001	Walker's Office Supplies, Inc.	11/20/2020	COMM 1ST	PMCHK00002699	\$714.08
21022	W0010	Waxie Sanitary Supply	11/20/2020	COMM 1ST	PMCHK00002699	\$141.18
21023	W0044	Wave	11/20/2020	COMM 1ST	PMCHK00002699	\$1,189.01
21024	W0046	West Coast Sand & Gravel, Inc.	11/20/2020	COMM 1ST	PMCHK00002699	\$810.68
21025	TEMPG	Christy Green	11/20/2020	COMM 1ST	PMCHK00002700	\$205.00
21026	S1007	Stationary Engineers, Local 39	11/27/2020	COMM 1ST	PMCHK00002701	\$392.54

Total Checks: 86

Total Amount of Checks: \$114,004.66

SECTION: 5.0

ITEM: 5.3 REVIEW AND APPROVAL OF FINANCIALS FOR NOVEMBER, 2020

DESCRIPTION: ACCOUNTS PAYABLE

INFORMATION: SEE ATTACHED INFORMATION

**STAFF
RECOMMENDATION: THIS ITEM WAS REVIEWED BY THE STANDING FINANCE COMMITTEE AND FORWARDED TO THE BOARD OF DIRECTORS FOR REVIEW AND APPROVAL**

FISCAL IMPACT:

November's Financials

Revenues –

- **Rents and Concessions** are up \$9,000 above mid-year budget revision.
- **Grants & Donations** are up \$16,000 primarily due to Federal Credits for Sick Paid Employees (\$14,246).

Expenses –

- **Wages and Benefits Expense** are above budget by \$37,000. This comes from Youth Services. There have been many ups and downs, continual changes in this Department. The revenue side should adjust this in the coming months and show revenues up as well.

PROFIT & LOSS
20/21 Approved Budget

	Approved Budget FY 20-21	% Of Total	Mid-Yr Revision FY 20-21	2020 October ACTUALS	Last Yr October Actuals	2020 YTD ACTUALS	2020 YTD BUDGET	Last Yr YTD ACTUALS
Operating Revenues								
Program Revenue	559,332	12%	558,381	87,055	118,842	351,845	349,904	928,889
Facility Revenue	25,252	1%	15,708	3,677	12,324	21,441	12,075	138,053
Misc. Revenue	29,934	1%	64,681	3,111	5,566	34,550	34,227	29,823
Grants & Donations	133,815	3%	138,539	16,434	5,568	50,252	34,201	26,519
Interest Income	40,750	1%	38,790	3,331	4,882	20,436	22,117	49,751
Equipment Reserve Transfers	20,000	0%	124,287	-	-	-	-	-
Project Reserve Transfers	206,000	4%	239,300	-	-	-	-	-
Contingency Reserves	190,000	4%	55,000	-	-	-	-	-
Tax Revenue	3,435,481	73%	3,482,212	67,770	62,431	1,613,410	1,613,411	1,555,957
In Kind/Atwood	24,725	1%	26,468	-	-	11,369	11,369	9,626
City Mitigation Transfers	40,000	1%	40,000	-	-	-	-	-
County/City Mitigation Revenue	25,000	1%	62,000	-	33,000	-	-	19,000
Total Operating Revenue	4,730,289	100.00	4,845,366	181,378	242,613	2,103,303	2,077,304	2,790,618
Expenditures								
Program Expense	94,166	2%	88,938	8,129	22,462	45,752	43,961	187,876
Operating & Supplies	389,413	8%	381,530	32,469	27,907	192,826	192,930	218,116
Utilities Expense	222,389	5%	227,005	20,357	22,073	143,589	142,609	137,027
Professional Services	91,285	2%	77,329	9,706	2,830	43,174	40,553	42,130
Building & Grounds Maintenance	469,165	10%	473,219	17,303	31,075	185,954	185,971	233,619
Property Tax Admin.	99,318	2%	97,808	-	-	3,109	1,539	3,049
Wages	1,973,940	43%	1,952,781	233,433	183,443	1,108,745	1,075,621	1,315,045
Benefits & Payroll Costs	846,560	18%	807,071	75,781	64,461	511,780	507,831	509,943
Fixed Asset Expense	28,325	1%	146,387	-	2,405	50,256	50,256	146,380
Capital Improvement Projects	390,952	8%	473,349	6,015	314,643	49,333	49,335	583,535
Debt Services	2,076	0%	2,076	-	-	-	-	-
Total Expenditures	4,607,589	100.00	4,727,493	403,193	671,299	2,334,518	2,290,606	3,376,720
Net Revenue Over Expenditures	\$ 122,700	2.59	\$ 117,873	\$ (221,815)	(428,686)	(\$231,215)	(\$213,302)	(\$586,102)
Annual Contingency Reserve (1-2%)	\$ -		\$ -					\$ 450,000
Annual Equip Replacement Reserve	\$ 50,000		\$ 50,000					\$ 676,237
Future Capital Construction Reserve	\$ 5,000		\$ 5,000					\$ 945,573
ADA Reserve	\$ 45,800		\$ 45,800					\$ 30,032
CalPERS unfunded liability reserve	\$ -		\$ -					\$ 25,032
TOTAL RESERVE BALANCES								\$ 2,482,842
Net Position	\$ 21,900		\$ 17,073					\$ 183,200

Auburn Area Recreation and Park District

Balance Sheet

10/31/2020

	Current YTD
ASSETS	
<u>Current Assets</u>	
Imprest Fund (Petty Cash)	580.00
First Foundation - Friends 501(c)(3)	32,467.28
First Foundation Bank	106,550.69
Placer County Treasure-General	2,966,338.84
Placer County Treasurer - City Trust	206,495.14
Accounts Receivable	(2,195.04)
PCOE Receivables	26,741.28
Prepaid Liability Expense	20,212.50
Prepaid Workers Comp Insurance	57,782.94
Total Current Assets	3,414,973.63
<u>Fixed Assets</u>	
Fixed Assets: Land	1,970,546.12
Fixed Assets: Structures	12,938,861.54
Fixed Assets: Equipment	1,397,643.48
Fixed Assets: Computer Equipment & Software	116,625.14
Fixed Assets: Vehicles	265,282.64
Fixed Assets: Office Furniture & Rec Equipment	89,090.15
Construction In Progress	1,167,039.41
Less: Accumulated Depreciation	(10,387,491.53)
Total Fixed Assets	7,557,596.95
TOTAL ASSETS	\$10,972,570.58
LIABILITIES AND NET PROFIT	
<u>Current Liabilities</u>	
Prepaid Revenue	38.00
PGE Tru-up payable	4,087.78
Gift Certificates	168.00
Compensated Absenses	128,784.25
Sales Tax Payable	145.00
Miscellaneous Deductions	(70.00)
Total Current Liabilities	\$133,153.03
<u>Net Position</u>	
Investments in Fixed Assets	7,557,596.95
RFB: Reserved (City Mitigation)	206,495.14
GFB: Youth Assistance Fund	30,237.11
General Fund Balance	818,653.93
DFB: Annual Equip Replacement Reserv.	676,236.72
DFB: Annual Contingency Reserve	528,000.00
DFB: Reserved for Future Capital Construction	945,573.52
RFB: Arboretum Grant Fund	10,661.03
RFB: Reserved (Atwood)	(14,324.16)
RFB: Atwood III-Equip Repl Fund	8,003.66
DFB: Unfunded Liability - CalPERS	241,000.00
RFB- 501(c)(3) Fund	32,467.28
GFB: General Fund (ADA Reserve)	30,031.75
Net Profit (Loss)	(231,215.38)
Total Net Postion	\$10,839,417.55
TOTAL LIABILITY AND NET POSITION	\$10,972,570.58

Auburn Rec & Park

Profit & Loss - Summary
4/1/2020 To 10/31/2020

For All Segment1s

For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
OPERATING REVENUE					
Park & Recreation Services	87,054.82	351,844.94	349,904.09	1,940.85	100.56
Rents & Concessions	3,676.96	21,440.87	12,074.50	9,366.37	177.57
Miscellaneous Revenue	3,111.49	34,550.22	34,227.00	323.22	100.94
Grants & Donations	16,433.54	50,251.82	34,201.00	16,050.82	146.93
Interest Income	3,330.62	20,435.78	22,117.00	(1,681.22)	92.40
Taxes Revenue	67,770.10	1,624,778.85	1,624,779.65	(0.80)	100.00
TOTAL OPERATING REVENUE	\$181,377.53	\$2,103,302.48	\$2,077,303.24	\$25,999.24	101.25%
OTHER FINANCING SOURCES					
TOTAL OTHER FINANCING SOURCES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
TOTAL REVENUES	181,377.53	2,103,302.48	2,077,303.24	25,999.24	101.25
EXPENDITURES					
Program Expenses	8,129.47	45,751.84	43,961.00	1,790.84	104.07
Operations & Supplies Expense	32,469.32	192,826.21	192,930.03	(103.82)	99.95
Utilities Expense	20,357.40	143,589.00	142,609.15	979.85	100.69
Legal Expenses	0.00	1,197.02	1,200.00	(2.98)	99.75
Professional Services	9,705.80	41,976.84	39,352.95	2,623.89	106.67
Bldg & Grounds Maintenance	17,302.49	185,953.69	185,970.79	(17.10)	99.99
Property Tax Administration/LAFCO	0.00	3,108.67	1,539.00	1,569.67	201.99
Salaries Expense	233,433.26	1,108,745.14	1,075,620.63	33,124.51	103.08
Benefits & Payroll Costs	75,780.43	511,779.67	507,831.04	3,948.63	100.78
Fixed Asset Expense	0.00	50,256.42	50,256.00	0.42	100.00
Capital Improvement Projects	6,015.16	49,333.36	49,335.00	(1.64)	100.00

Auburn Rec & Park
 Profit & Loss - Summary
 4/1/2020 To 10/31/2020
 For All Segment1s
 For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
TOTAL EXPENDITURES	\$403,193.33	\$2,334,517.86	\$2,290,605.59	\$43,912.27	101.92%
NET REVENUE OVER EXPENDITURES	(\$221,815.80)	(\$231,215.38)	(\$213,302.35)	(\$17,913.03)	108.40%
ADJ. NET REVENUE OVER EXPENDITURES	(\$221,815.80)	(\$231,215.38)	(\$213,302.35)	(\$17,913.03)	108.40%

Item 5.4 Cover sheet –Resolution #2020-32 to transfer funds from the Unfunded Liability Reserves & the Equipment Reserves

Auburn Area Recreation and Park District Finance Committee, December 2020, Board of Directors Meeting December, 2020

The Issue

Shall the Auburn Area Recreation and Park District (ARD) transfer funds from the UAL CalPERS Reserve and the Equipment Reserves to pay down the future CalPERS liability?

Background

ARD Board of Directors authorized staff to use \$241,000 from Unfunded Liability Reserves and \$39,000 from the Equipment Reserves to pay down the UAL at CalPERS at the November 2020 Board meeting. The equipment reserve funds have been freed up due to HVAC replacement work now being covered by Centrica's Energy Services Contract.

This is the resolution to transfer \$241,000 from the Unfunded Liability Reserves and \$39,000 from the Equipment Reserves to the General Fund.

Recommendation:

- 1) The Standing Finance Committee recommends authorizing the transfer of \$280,000 from ARD's Unfunded Liability Reserve (\$241,000) and the Equipment Reserves (\$39,000), into the General Fund, so that it can be sent to CalPERS to lower the UAL.

Fiscal Impact

\$240,000 in potential savings over 20 years

Attachments

Resolution #2020-32

RESOLUTION NUMBER 2020 - 32

A RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS OF THE AUBURN AREA RECREATION AND PARK DISTRICT APPROVING THE TRANSFER OF FUNDS IN THE AMOUNT OF \$241,000.00 FROM THE UNFUNDED LIABILITY RESERVE FUND AND \$39,000 FROM THE EQUIPMENT RESERVE FUND TO THE GENERAL FUND

WHEREAS, in December of 2020, the Auburn Area Recreation & Park District Board of Directors agreed that \$241,000 from the Unfunded Liability Reserves (total in this reserve fund) and \$39,000 from the Equipment Reserves should be used to pay down the Unfunded Accrued Liability (UAL) at CalPERS, and;

WHEREAS, \$241,000 to be transferred from the Unfunded Liability Reserves into the General Fund, and;

WHEREAS, \$39,000 to be transferred from the Equipment Reserves into the General Fund, and;

THEREFORE, the Auburn Area Recreation and Park District Board of Directors does hereby resolve the following:

That the Auburn Area Recreation and Park District Board of Directors hereby transfers \$241,000.00 from the Unfunded Liability Reserves and \$39,000 from the Equipment Reserves to the General Fund.

APPROVED, PASSED, AND ADOPTED ON December 17, 2020 by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Scott R. Holbrook
Chairman of the Governing Board

ATTEST:

Clerk to the Governing Board

SECTION: 6.0

BOARD REPORTS, VANDALISM REPORTS, AND THE PROJECT ACTIVITY REPORT ARE ATTACHED.

Kahl Muscott
District Administrator
Report to the Board of Directors
December, 2020

- As of the writing of this report, the following is true about ARD facilities and amenities:

Currently OPEN, with appropriate restrictions (social distancing, members of the same household, etc.):

- General park areas and walking pathways
- Pickleball courts
- Tennis courts
- Disc golf
- Ashley Memorial Dog Park
- Basketball courts
- Skate Park
- All parking lots
- Ballfields
- Individual picnic tables
- Sierra Pool
- Buildings
- Playgrounds

After Placer County went back in to the Purple (Widespread) Tier, we were no longer be able to offer any of the indoor recreation classes that we have been offering, such as karate, tai chi, yoga, pilates and fencing. Those activities are allowed under the guidance for gyms/fitness centers, however the Purple Tier does not allow for any indoor activities in gyms/fitness centers.

With the most recent Stay at Home Order, several staff will be working remotely, whenever possible. The Customer Service Office, which was open for limited hours, will be closed. The Order will not affect Facilities and Grounds or our Youth Services (Discovery Club/Day Camp) departments.

- While ARD has not experienced any positive cases of COVID-19 with our employees or Child Care/Discovery Club participants, we have had several out either due to 1) showing symptoms or 2) having an exposure. Facilities and Grounds was down three full-time employees the first week of December due to symptoms (no positive tests).
- New CalOSHA rules have went in to place, necessitating the creation of a COVID Prevention Program (CPP). A DRAFT of ARD's CPP is done and available to the staff or public. Attorney Patti Eyres is reviewing the document for a final version.
- The new chipper is here and being used. It is a true beast!
- Staff removed three dead trees and planted three new trees at Railhead Park;
- Manouch, Mark and interns Elle and Austin did a fine job with the Santa Zoom calls. Santa leaned hard on his elf Dave Johnson to make a bunch of kids happy.
- Manouch and Mark did a remarkable job of getting area businesses to donate gifts to the Santa's Toy Chest promotion. The hunt for keys will begin December 21st (a schedule will be released day of).

Meetings and events attended or scheduled to attend

12/1: Rotary

12/1: Tim Mahoney re: ADA specialists (via CAPRI)

12/2: Conference call with Jeff Land, et al re: RFP responses for Energy Services financing

12/3: Admin Dept. COVID-19 Training

12/4: Conference call re: UAL financing

12/8: Rotary

12/9: A&D Committee

12/9: Policy Committee

12/9: Finance Committee

12/14: Andy Heath re: UAL financing

12/14: Airport Land Use Commission re: 24 Acre Master Plan

12/15: CSDA webinar re: new CalOSHA COVID regulations

12/15: Rotary

12/17: ARD Safety Committee

Veona Galbraith

Administrative Services Manager

Report to the Board of Directors

December, 2020

November's Financials

Revenues –

- Rents and Concessions are up \$9,000 above mid-year budget revision.
- Grants & Donations are up \$16,000 primarily due to Federal Credits for Sick Paid Employees (\$14,246).

Expenses –

- Wages and Benefits Expense are above budget by \$37,000. This comes from Youth Services. There have been many ups and downs, continual changes in this Department. The revenue side should adjust this in the coming months and show revenues up as well.

Appointments to Note for December:

- 2 zoom meetings with Ray Morgan, Inc. (checking ways to save on copying and IT services)
- Finance Kick-Off call with Jeffrey Land (new financing)
- CAPRI ADA follow up conversation to webinar
- District Lender Selection meeting for Centrica Project
- Govinvest Hands on Demo for UAL software
- COVID 19 Safety Meeting with staff
- Meeting with Andy Heath, City of Auburn; discussion on UAL
- Govinvest Proposal review
- Manager Safety Meeting

Jesse Williams
Facilities & Grounds Manager
Report to the Board of Directors
December, 2020

Canyon View Community Center:

- Started replacing emergency exit diagrams with new compliant ones.

Placer Hills Park

- Lifeguard First Aid and Safety serviced our eye wash station.

Recreation Park:

- The Service Manager at Valley Truck and Tractor donated \$900 worth of material to the District for some upgrades to one of our Traditional Utility Vehicles.
- Davey Tree Expert Company removed and pruned trees according to our Tree Maintenance Plan.
- Lifeguard First Aid and Safety serviced our eye wash station.
- Serviced the #28 truck.
- Serviced the Gearmore PTB560 Seeder/Spreader.
- Serviced the Toro Procore 864 Large Area Aerator.
- Started addressing items noted during a fire inspection conducted by the City of Auburn Fire Captain.

Regional Park:

- Serviced the #24 and #08 trucks.
- Serviced the 2014 John Deere HPX 4x4 and both TX 4x2 Traditional Utility Vehicles.
- Advanced IPM treated a yellow jacket nest in the ground on the Disc Golf Course.
- Refilled the sand volleyball courts.
- Started fixing all the partition doors in the locker rooms.
- Repaired the kitchen counter.

Shockley Woods Park:

- Davey Tree Expert Company removed and pruned trees that were overhanging into the resident's yard who lives at 509 Barooshian Ct.

Mike Scheele
Landscape Architect/Project Manager
Report to the Board of Directors
December, 2020

- **ARD Bike Park Project:** The small bike park signs have been fabricated and turned over to the Maintenance Division to be equipped with wood backboard reinforcement. Once this is completed the signs will be installed throughout the park onto steel posts embedded in concrete and equipped with vandal resistant brackets. Designs for the big, main bike park trail map and rules sign panels were finalized and staff found two local welding/steel fabrication shops (Angove Welding and Anchor Iron Works) that have agreed to provide quotes to fabricate the sign mounting backboard, clamps and posts.

Latest update on the soil to be donated for the phase 2 jump area is that the project where the material will be coming from started on 10/20. Staff is still awaiting pricing from Habitat Restoration Group regarding the bike park trail watering plan designs.

- 24 Acre Project & Prop. 68 Statewide Park Development and Community Revitalization Program (SPP) Grant Application: With the extension of the SPP grant deadline from December 14th, 2020 to March 12th, 2021 staff made the decision to keep the public input survey link live until December 11th. The survey link is featured on the ARD home web page and Facebook page and the Master Plan Outreach process was featured on the front page of the Auburn Journal 11/25 edition. Outreach and public input are typically only required within a one-mile radius of a project but with the exposure provided by the Journal article, citizens throughout the region were alerted to the process and have an opportunity to take the survey. Four residents requested hard-copies of the survey as they were without internet access and the on-line survey has received over 200 responses. CEQA process for the 24 Acres Site is underway and includes tasks such as; reviewing previous documentation and technical studies, biological resources survey and wetland delineation, arborist report, cultural resources records search and others. Staff has also met with a land surveyor out at the site to clarify what existing trails the District wants shown on a map that can be used as the basis for trail map signage and brochures. Staff is preparing a basic trail map & signage program showing trails in Regional Park and the 24 Acres Site that will be implemented in the near future independent from the improvements that will be made if the District gets the Prop 68 grant.
- Ashford Park Irrigation Filter Project: Project is scheduled to start Friday, December 11th and should only take 1-2 working days.
- Meadow Vista Park Main Asphalt Pathway Repairs: Staff has visibly sprayed/marked potential tripping hazards on site. Staff is also taking a photo and square footage inventory of the areas and is putting together a bid package to get quotes to do the repair work in spring 2021.
- Overlook Park Restroom ADA Upgrades: NO NEW ACTION. Project (except for accessible parking re-striping) will be done in-house when staffing levels allow.
- James Ballfield Outfield Turf Replacement Project: The District received \$22,000.00 towards this project from Placer County Park Dedication Fees at the November 19th County Parks Commission Meeting. Staff planning on getting bids in May and performing the turf replacement project in early July 2021.
- Recreation Ballfield Infield Renovation Project: The District received \$15,000.00 towards this project from Placer County Park Dedication Fees at the November 19th County Parks Commission Meeting. Staff planning on getting bids and doing the renovation project in spring 2021.
- Recreation Park Wheelchair Swing Project: The District received \$25,000.00 towards this project from Placer County Park Dedication Fees at the November 19th County Parks Commission Meeting. Staff has requested a price for a topo AutoCAD survey of the area and has started preparing design/construction documents for the project.
- Placer Hills Pool Parking Area Renovations: NO NEW ACTION. Postponed.

- Meadow Vista Park Parking Lot Re-Sealing/Striping Project: NO NEW ACTION. Postponed.
- Miscellaneous Items: Investigation and prelim pricing for a VFD (variable frequency drive) at Railhead Park irrigation pump, coordinating possibly two new Memorial Benches for placement at Overlook Park, infill planting design and renovated drip system renovation project at Ashford Park entry walk (project nearly complete), re-planting 3 trees and approximately 10 shrubs needing replacement at Railhead Park, updates of monthly Board reports/A&D Project Activity Reports etc.

Manouch Shirvanioun
Marketing & Customer Service
Report to the Board of Directors
December, 2020

With good weather, we continue to have youth groups using field through middle of December.

- Old Skool Baseball using James twice a week
- Stings Baseball using James field twice a week
- 49er United

During these past few weeks, I have been reaching out to individuals whom I have worked with on other community projects asking them to participate in our Santa's Toy Chest event by donating gift(s). The response has been great and welcoming.

Santa's Toy Chest will be full of fun family gifts 😊

Mark Brunner
Recreation/Youth Services Manager
Report to the Board of Directors
December, 2020

Discovery Club:

- Discovery Club is continuing to operate through the pandemic and serves students before and after school at Skyridge, Auburn Elementary and Newcastle. Canyon View Community Center is continuing to provide full-day Distance Learning support for over 60 families. We are not affected, at this point, by the Stay-at-Home Order issued on 12/10.
- Staff is looking into food grant programs and working with local farmers for nutritional support across all programs.
- The two back modular buildings at Recreation Park are being deep cleaned and "lightly" renovated. They will be refreshed and ready for Day Camp for Spring Break this year

Give Thanks Feast

- On November 22, the District hosted our first ever Give Thanks Feast presented by Carol's Market. This free event took place at Regional Park next to the Lakeside Room. We were able to serve 210 meals to families that live within our community.

Nov. 2020

NOVEMBER, 2020 VANDALISM REPORT

	VANDALISM	LABOR COSTS	MATERIAL COSTS
11/6/2020	Trash Can t taken at Ashford Pk replaced by one you can bolt down	\$38.00	\$26.22
11/13/2020	4 Stainless Steel TP Holders at Olook Pk replaed by ones you can bolt down	\$216.00	\$1,055.28
11/20/2020	2 Steel Safety Nets at Regional replaced	\$22.00	\$167.72

Total labor	\$276.00	Total material	\$1,249.22
Total for year	\$2,811.43	Total for year	\$10,419.90

10/30/2020

OCTOBER 2020 VANDALISM REPORT

VANDALISM

LABOR COSTS

MATERIAL COSTS

10/9/2020

Shade structure repair at the Skate Park

\$62.00

\$28.78

10/23/2020

Graffiti at Railhead Park

\$4.93

\$18.00

Total labor	\$66.93	Total material	\$46.78
Total for year	\$2,535.43	Total for year	\$9,170.68

9/30/2020

SEPTEMBER 2020 VANDALISM REPORT

9/11/2020

	VANDALISM	LABOR COSTS	MATERIAL COSTS
Broken basketball hoop at Christian Valley Park		\$26.00	\$583.82

Total labor	Total material
\$26.00	\$583.82
Total for year	Total for year
\$2,468.50	\$9,123.90

6/30/2020

JUNE 2020 Vandalism Report

6/8/2020 CVCC

VANDALISM
Stolen sign - repalced

LABOR COSTS
\$26.00

MATERIAL COSTS
\$24.61

6/8/2020 REGIONAL PARK
Restroom

Broken lights - replaced

\$13.00

\$106.90

6/8/2020 ASHFORD PARK

Door & Padlock - replaced
Destroyed

\$26.00

\$263.82

6/19/2020 REGIONAL
PLAYGROUND

Snap rings - replaced
Broken

\$26.00

\$3.19

6/19/2020 ASHFORD PARK

Toilet paper holders replaced
Stolen from men's &
women's restrooms

\$26.00

\$263.82

Total
labor

\$117.00

Total
material

\$662.34

6/1/2020

VANDALISM REPORT

THERE WAS NO VANDALISM FOR THE MONTH OF MAY 2020.

5/21/2020

VANDALISM REPORT

THERE WAS NO VANDALISM FROM THE MONTH OF APRIL 2020.

Account: 7-000-7764-000
 Date: 3/31/2020
 Count: 7-000-7764-000
 IO: 3/31/2020
 7-000-7764-000

Subtotal By: Period Segment
 Sorted By: Postng. Unit
 Include: Postng. Unit

Year	Prml No.	Chgr/Audit Trail	Description	Orig. Master Number	Orig. Master Name	Beginning Balance:	Debit	Credit
2020	194181	PMTRX000004177	Paint Liner, 3 piktollers	A0828422	Warmhouse Paint Incorporated	\$4,498.83	\$18.70	\$0.00
2020	194460	PMTRX000004178	Smoke Receptacle Wall mount	ULINE 3/17 JW	US Ink		\$250.06	\$0.00
Entries: 2							\$289.41	\$0.00
Account: 7-000-7764-000							\$289.41	\$0.00

March	Subtotals:	Net Change	Ending Balance
		\$289.41	\$4,768.24
		\$289.41	\$4,768.24
Totals:		Net Change:	Ending Balance:
		\$269.41	\$4,768.24
Grand Totals:		Beginning Balance:	Debit
		\$4,498.83	\$289.41
			Credit
			\$0.00

3/27 * Crafts. - Skelopak sand wall
 3/31 * Smashed tile on cigarette container - Bunk

Vandalism Report March 2020

2/21/2020

VANDALISM REPORT

THERE WAS NO VANDALISM FOR THE MONTH OF FEBRUARY, 2020.

1/24/2020

12/6/2019 Rec. Park Women's restroom

12/6/2019 Rec. Park Women's restroom

12/20/2019 Meadow Vista Park

VANDALISM REPORT

VANDALISM

	LABOR COSTS	MATERIAL COSTS
Stolen items - replaced	\$21.00	\$25.15
Broken toilet paper dispenser & sanitary box	\$43.00	\$12.10
Graffiti	\$17.00	\$8.14
Total Labor	\$79.00	\$45.39

Material

2020/2021 PROJECT ACTIVITY REPORT		UPDATED 12/02/20	
PROJECT	EST. COST	NOTES	EST. COMPLETED
RECREATION PARK			
James Ballfield-Outfield Bermudagrass Conversion Project (2019)	42,000.00	Staff has been able to get one preliminary quote for converting the outfield from Rye/Bluegrass to Hybrid Bermuda (\$22,080.00 for conversion & \$19,136.00 for 3 month grow-in+maintenance). It was determined however at the 5/28 Board meeting that due to Covid-19 budget and staff impacts this work will be postponed to next year.	SEPTEMBER 2021
PLACER HILLS POOL			
ASHFORD PARK			
	16,500.00	The existing Ashford Park irrigation system filter has been clogging repeatedly causing a significant drain of maintenance staff time. Staff researched replacements and went out to informal bid to replace the filter in July. Five pump/irrigation companies were invited to bid and one bid was received. BWD construction (contractor that installed the Regional Park Pump) was awarded the contract and the replacement filter has been put on order. With a 7-9 week lead time the work is expected to occur in December and should only take 2-3 days.	DECEMBER 2020
OVERLOOK PARK			
24 ACRE PROPERTY			
Statewide Park Development and Community Revitalization Program (SPP) Grant Round 4 (2018/2019)	190,000.00	With the extension of the SPP grant deadline from December 14th, 2020 to March 12th, 2021 staff made the decision to keep the public input survey link live until December 11th. The survey link is featured on the ARD home web page and Facebook page and the master plan outreach process was featured on the front page of the Auburn Journal 11/25 edition. Outreach and public input is typically only required within a one-mile radius of a project but with the exposure provided by the Journal article, citizens throughout the region were alerted to the process and have an opportunity to take the survey. Four residents requested hard-copies of the survey as they were without internet access and the on-line survey has received over 200 responses. CEQA process for the 24 Acres Site is underway and includes tasks such as; reviewing previous documentation and technical studies, biological resources survey and wetland delineation, arborist report, cultural resources records search and others. Staff has also met with Guiliani & Kulls surveyor out at the site to clarify what existing trails the District wants delineated on a map that can be used as the basis for trail map signage and brochures.	2020/2021

CVCC	Bike Park - Construction (2015/2016)	320,000.00	<p>The small bike park signs have been fabricated and turned over to the Maintenance Division to be equipped with wood backboard reinforcement. Once this is completed the signs will be installed throughout the park onto steel posts embedded in concrete and equipped with vandal resistant brackets. Designs for the big, main bike park trail map and rules sign panels were finalized and staff found two local welding/steel fabrication shops (Angove Welding and Anchor Iron Works) that have agreed to provide quotes to fabricate the sign mounting backboard, clamps and posts. Latest update on the soil to be donated for the phase 2 jump area is that the project where the material will be coming from started on 10/20. Staff is still awaiting pricing from Habitat Restoration Group regarding the bike park trail watering plan designs.</p>	ONGOING
	Maidu Drive Repair (2018/2019)	0.00	<p>No updates had been received on the road project from BOR since early February 2020 and the road condition is getting worse now that the bike park is open. On June 30th, the District received word from the Bureau of Recamation that they are submitting a funding request to repair Maidu Drive(!). It is called a FLTP (Federal Lands Transportation Program) request and the amount they are requesting is \$463,000.00. This request is in competition for funding by other federal projects. Staff was given an opportunity to review and comment on the application and will keep the Board apprised of any updates. The Districts previous offers of 50k, then 25k towards this work were rescinded last year and Staff reminded the Bureau of this.</p>	TBD
	MEADOW VISTA PARK		<p>Staff is taking inventory of the main asphalt path conditions at the park and putting together a bid package to get quotes and have repairs made next year.</p>	2021
	MULTI-PARK ITEMS			
	Carry over projects from 2018/2019 list in YELLOW			
	Fiscal Year Projects Total:	526,500.00		

Item 7.1 Cover sheet: Resolution #2020-34 Approving a Debt Management Policy, Per Government Code Section 8855

Auburn Area Recreation and Park District Policy Meeting December, 2020, Board of Directors Meeting December, 2020

The Issue:

Shall the Auburn Area Recreation and Park District (ARD) approve establishing a Debt Management Policy and adopt Resolution # 2020-34 approving same?

Background and Findings:

The Auburn Area Recreation and Park District entered into an Energy Service Contract with Centrica Business Solutions (Centrica) in November 2020. Pursuant to Government Code Section 8855, the District needs to establish a Debt Management Policy before entering into a financial debt obligation for a long-term debt.

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.

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 formed by 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.

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.

Recommendation:

The Policy Committee reviewed and recommended approval of the Debt Management Policy and adoption of Resolution #2020-34.

Fiscal Impact:

No fiscal Impact

Attachments

Resolution #2020-34
Debt Management Policy

RESOLUTION NO. 2020-34

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AUBURN AREA RECREATION AND PARK DISTRICT DEBT MANAGEMENT POLICY

WHEREAS, the Board of Directors (the "Board") of the Auburn Area 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 Auburn Area 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 Auburn Area Recreation and Park District Debt Management Policy to be effective on the date of approval.

Section 3. Authorization to Manage Debt Issuance Functions. The District Administrator, 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.

The foregoing resolution was adopted at a regular meeting of the Board of Directors of the Auburn Area Recreation and Park District held on the on the 17th day of December, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED

ATTESTED:

PRESIDENT

SECRETARY

Proposed ARD Debt Policy

To be added to the District Policy Manual

I. Budget

J. Debt Policy

1. 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.

a. 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.

b. 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.

2. 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:

- a. **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.

b. 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.

3. 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.

4. 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.

5. 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:

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

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

Item 7.2 Cover sheet: Public Hearing - Resolution #2020-37 Re: Energy Savings Performance Contract: Approving a Site Lease and a Lease Agreement; making certain determinations relating thereto; and authorizing certain other actions in connection therewith.

Auburn Area Recreation and Park District Board of Directors Meeting December 17, 2020

The Issue:

Shall the Auburn Area Recreation and Park District (ARD) hold a Public Hearing and adopt Resolution No. 2020-37, approving a Site Lease and a Lease Agreement; making certain determinations relating thereto; and authorizing certain other actions in connection therewith. This lease, lease agreement and related documents are part of the Energy Savings Performance contract.

Background and Findings:

ARD desires to proceed with energy efficiency projects with Centrica Business Solutions. The projects include solar, lighting, water efficiency/plumbing controls, and swimming pool measures. The estimated project amount is \$2,133,891.00

At the Board meeting of November 19th (the "Board Meeting") the Board approved the Centrica Business Solutions agreement and the Board gave ARD staff direction to proceed with CSDA Finance Corporation's proposal to use lease purchase financing to fund the energy projects. The CSDA Finance Corporation proposal was prepared by their financial consultant, Jeff Land, at the firm Brandis Tallman a Division Oppenheimer & Co Inc., ("Brandis Tallman.")

Following the Board Meeting, Brandis Tallman distributed an RFP to their pool of direct placement lenders. That process yielded 3 competitive bids from BBVA Compass Bank, First Foundation Bank and Sterling National Bank. On December 2nd, District staff consulted with Jeff Land and other interested parties to select Sterling National Bank as the winning lender. Sterling National Bank proposed a fixed tax-exempt interest rate of 2.12% for a 16-year financing term. This was 3 basis points lower than the bid from First Foundation Bank.

The interest rate will be locked until closing on January 7, 2021. Based on this pricing, and the total financing amount of \$2,194,000 which includes the project fund and costs of issuance, the average annual lease payments will be \$162,544 and the total lease payments over the entire life of the financing will be \$2,598,006.

Discussion

Per California State law, the District does not have the power to enter into a financial agreement that obligates it beyond the current fiscal year without a validation action or 2/3 approving vote of its electorate, unless it can satisfy one of the accepted and long-standing exceptions to the debt limit. The exception applicable here is known as the “lease exception” to the constitutional debt limit.

If the District’s long term payment obligation is structured as a lease and its payment obligation is strictly in exchange for its beneficial use and occupancy of the leased asset, the agreement can extend beyond the end of the fiscal year. However, if the District does not have beneficial use and occupancy of the leased asset, its payment obligation “abates” and such abatement of payments is not a default under the lease.

Therefore, in order to legally secure the real property lease financing with Sterling National Bank, the District will have to use an essential purpose asset for collateral. The selected asset for the financing is the District’s facilities at 123 Recreation Drive, (the “Property.”) Utilizing a real property lease financing in this way is a standard practice for public agencies to fund their capital improvements.

The principal documents for the financing are as follows:

District Board Resolution. The resolution approves the financing and authorizes the execution and delivery of the various legal documents by the District.

Site Lease. Under this document, the District will lease the Property to the CSDA Finance Corporation.

Lease Agreement. Under this document the CSDA Finance Corporation will lease the Property back to the District for a term of 16 years and the District will agree to make semi-annual lease payments including a principal component and an interest component. Under the lease, the District agrees to maintain and insure the Property for the term of the lease.

Memorandum of Lease Agreement. This document memorializes certain terms of the Lease Agreement and will be recorded with the County.

Letter from Sterling National Bank. The bank is requiring that we read and sign the letter describing their role in the transactions.

Derek Cole, ARD's Legal Counsel, has reviewed these documents, making only minor changes.

From Jeff Land, regarding the blank spots in the Lease Agreement:

"The interest rate is locked so that won't change before closing. I believe the only fee we are waiting on is the title insurance fee, at which time we can finalize the numbers. You'll notice the resolution has a not to exceed interest rate and financing amount. That means once it is approved we cannot go above the rate and the amount to be financed.

It is standard practice to leave those elements of the documents blank for board approval because they are approving documents as to form. The determination of what is to form is usually made by bond counsel in consultation with the District's legal counsel as well."

Recommendation:

Hold a Public Hearing, consider all findings, hear public comment and adopt Resolution No. 2020-37, approving a Site Lease and a Lease Agreement; making certain determinations relating thereto; and authorizing certain other actions in connection therewith.

Fiscal Impact:

As currently laid out, the cost for the improvements is \$2,133,890, however the fiscal impact is \$0 as the energy savings will pay for the improvements

Attachments

Resolution #2020-37 (Attachment "A")

Site Lease (Attachment "B")

Lease Agreement (Attachment "C")

Memorandum of Lease Agreement (Attachment "D")

Sterling National Bank letter re: role in transactions (Attachment "E")

RESOLUTION NO. 2020-37

RESOLUTION OF THE AUBURN AREA 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 Auburn Area 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 energy efficient improvements to real property of the District for the benefit of the District (the "Project"), the District will lease certain real property owned by the District consisting of the District's Recreation Park (the "Site") to CSDA Finance Corporation (the "Corporation") under a Site Lease, currently dated as of January 1, 2021, (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 January 1, 2021 (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, Sterling National Bank (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 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 (the "Lease Payments"), (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; and

WHEREAS, in compliance with SB 450, the Board obtained from the Bank 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 Auburn Area 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 District Administrator 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 (as defined in the Lease Agreement) due under the Lease Agreement shall not exceed \$2,210,000, the scheduled term of the financing does not exceed January 1, 2037 and the initial interest rate is not greater than 2.12% 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 District Administrator 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 Bank 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 2021 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 a purchase agreement or similar agreement with the Bank and a custodian agreement with a financial institution to be selected by 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 Secretary shall certify to its adoption.

PASSED, APPROVED, and ADOPTED at a regular meeting of the Board of Directors of the Auburn Area Recreation and Park District, this 17th day of December, 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

Scott Holbrook
Chairman of the Governing Board

Attest:

Clerk to the Governing Board

I hereby certify that the above Resolution No. 2020-37 was duly introduced, read and adopted by the District at a regular meeting held on December 17, 2020.

Clerk to the Governing Board

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from the Bank 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 (the "Lease Payments"), 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 2.12% 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 \$60,000.00.

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 \$2,133,891.00.

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 its 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 \$2,598,006.00.

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 January 1, 2021

between the

AUBURN AREA RECREATION AND PARK DISTRICT

and the

CSDA FINANCE CORPORATION

A

SITE LEASE

THIS SITE LEASE (the "Site Lease"), dated as of January 1, 2021, is between the AUBURN AREA RECREATION AND PARK DISTRICT, a recreation and park district organized and existing under and by virtue of 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 and by virtue of 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 Placer, 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, construction and installation of certain energy efficient improvements to 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 January 1, 2021, 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 Sterling National Bank including its successors and assigns (the "Assignee") pursuant to that certain Assignment Agreement, dated as of January 1, 2021, 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 January 1, 2037, unless such term is extended or sooner terminated as hereinafter provided. If, on January 1, 2037, 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 January 1, 2044. If, prior to January 1, 2044, 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 \$ _____. The District and the Corporation agree that by reason of the assignment of the Lease

B

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.

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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 above written.

**AUBURN AREA RECREATION AND
PARK DISTRICT**

By: _____
District Administrator

CSDA FINANCE CORPORATION

By: _____
Authorized Representative

B

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

B

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

B

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to in this Site Lease is situated in the County of Placer, State of California, and is described as follows:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Site Lease, dated as of January 1, 2021, from the Auburn Area 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 December 17, 2020, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: January __, 2021

CSDA FINANCE CORPORATION

By: _____
Authorized Representative

B

LEASE AGREEMENT

Dated as of January 1, 2021

between the

CSDA FINANCE CORPORATION

and the

AUBURN AREA RECREATION AND PARK DISTRICT

C

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EXHIBIT A DESCRIPTION OF THE SITE
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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of January 1, 2021, 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 AUBURN AREA RECREATION AND PARK DISTRICT, a recreation and park district organized and existing under and by virtue of the laws of the State of California, as lessee (the "District");

WITNESSETH:

WHEREAS, pursuant to that certain Site Lease, dated as of January 1, 2021 (the "Site Lease"), the District has leased that certain real property situated in the County of Placer, 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 the acquisition, construction and installation of certain energy efficient improvements to 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 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 Sterling National Bank including its successors and assigns (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of January 1, 2021, 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 \$ _____ 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, Sterling National Bank, 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 January 1, 2021, 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 January __, 2021.

“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 _____% plus the interest rate equal to the interest component of Lease Payments.

“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 Auburn Area 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, District Administrator, 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.

“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 April 1 in any calendar year and ending on March 31 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 the interest component of Lease Payments applicable to this Lease Agreement plus a rate sufficient such that the total interest to be paid on any Lease Payment date would, after such interest was reduced by the amount of any federal income tax and state personal income tax (including any interest or penalties) actually payable thereon, equals the amount of interest due with respect to this Lease Agreement.

“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 January 1, 2021, between the Corporation and the District, as amended and supplemented hereafter.

“Lease Payment Date” means semiannual payments on January 1 and July 1 in each year, commencing July 1, 2021, 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 Section 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 January 2 in each year and extending to and including the next succeeding January 1. The first Rental Period begins on the Closing Date and ends on January 1, 2022.

“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 January 1, 2021, 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 in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended 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, 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 March 31, 2020.

(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.* The value of the Property (insurance and/or assessed value) is not less than \$_____.

(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 March 31, 2020, 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 represents, warrants and covenants that: (i) the transaction contemplated herein and in the Assignment Agreement is an arm's length commercial transaction among the District, the Corporation and the Assignee and its affiliates, (ii) in connection with such transaction, the Assignee and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the District, (iii) the Assignee and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Assignee and its affiliates have 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 Assignment Agreement and the discussions, undertakings and procedures leading thereto (whether or not the Assignee, or any affiliate of the Assignee, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Assignee and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with their own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

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 \$ _____ shall be derived from amounts paid by the Assignee under the Assignment Agreement. On the Closing Date, the Assignee shall cause the amount of \$ _____ to be transferred to District to pay costs of the Project. In addition, a portion of the amounts paid by the Assignee under the Assignment Agreement shall be applied by the Assignee, at the request of the District, to pay financing costs of the transaction in the amount of \$ _____. Any financing costs in excess of \$ _____ shall be paid by the District.

C

**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 January 1, 2037, or the date on which all of the Lease Payments have been paid in full. If on January 1, 2037, 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 seven (7) 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 2.12% 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 thirty (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 Section 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 but not in whole under Section 9.1 or 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 Placer 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. (a) 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.

(b) 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.

(c) 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 Placer 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 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 January 1, 2037.

(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, subsection 4 of Section 1933 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 and other improvements 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 other improvements 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 District Administrator 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 twenty-four (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 Placer 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 (10) 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 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 use, presence, storage, disposal or 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 Corporation's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Assignee; provided that the Corporation's rights to indemnification and payment or reimbursement for any costs or expenses hereunder have been retained by the Corporation to the extent such rights accrue to the Corporation and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee. The

District hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Corporation, such reference shall be deemed to refer to the Assignee (including its assignees).

The Assignee may make additional assignments of its rights, title and interests herein; provided such assignment is to (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, or (ii) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and is in compliance with all applicable securities laws, but no such assignment will be effective as against the District unless and until the Assignee has filed with the District at least five (5) Business Days' prior written notice thereof and an executed copy of an investor's letter addressed to the District and the Corporation substantially in the form of the letter delivered by the Assignee on the Closing Date. 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 thirty (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 "arbitrage bonds" within the meaning of the Tax Code.

(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 Tax Code or the private loan financing test of Section 141(c) of the Tax 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 Tax Code.

(d) The District represents and covenants that it, together with its subordinate entities, has not and will not issue during the calendar year 2021 obligations (other than private activity bonds (except qualified 501(c)(3) bonds) as defined in Section 145 of the Tax Code) the interest on which is exempt from federal income tax under Section 103 of the Tax Code which, when aggregated with all obligations the interest on which is exempt from federal income tax under Section 103 of the Tax Code, will exceed an aggregate principal amount of \$10,000,000.

Section 7.8. Financial Statements. Within two hundred seventy (270) days following the end of each Fiscal Year of the District 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. 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 thirty (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 sixty (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 Placer 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 Lease Payment Date on or after July 1, 2021, with thirty (30) days' written notice, any of the remaining Lease Payments in whole or in part, from any available source of funds at a prepayment price equal to the principal component of the Lease Payments to be redeemed, together with accrued interest to the date of prepayment, at the following prepayment prices (expressed as a percentage of the principal component of the Lease Payments to be redeemed):

Prepayment Dates <i>(Prepayment only permitted on Lease Payment Dates)</i>	Prepayment Price
July 1, 2021 through July 1, 2025	102%
January 1, 2026 through January 1, 2029	101
July 1, 2029 through the term of the Lease Agreement	100

Section 9.2. [Reserved]

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, 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 6.03 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: Auburn Area Recreation and Park District
471 Maidu Dr. #200
Auburn, CA 95603
Attention: District Administrator
Phone: (530) 885-8461

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

If to the Assignee: Sterling National Bank
500 Seventh Avenue, 3rd Floor
New York, NY 10018
Attention: Public Sector Finance
Phone: (212) 847-7158

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: _____
Authorized Representative

**AUBURN AREA RECREATION AND
PARK DISTRICT**

By: _____
District Administrator

C

EXHIBIT A
DESCRIPTION OF THE SITE

The land referred to in this Lease Agreement is situated in the County of Placer, State of California, and is described as follows:

EXHIBIT B
SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component ⁽¹⁾	Total Lease Payment
7/1/2021			
1/1/2022			
7/1/2022			
1/1/2023			
7/1/2023			
1/1/2024			
7/1/2024			
1/1/2025			
7/1/2025			
1/1/2026			
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7/1/2033			
1/1/2034			
7/1/2034			
1/1/2035			
7/1/2035			
1/1/2036			
7/1/2036			
1/1/2037			
Total	\$	\$	\$

⁽¹⁾ Applicable interest rate 2.12% per annum. Default Rate of ____% per annum if Lease Payment not made by the applicable Lease Payment Date.

AFTER RECORDATION 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 January 1, 2021, 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 AUBURN AREA RECREATION AND PARK DISTRICT, a recreation and park district organized and existing under and by virtue of 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 January 1, 2021, 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 Placer 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 January 1, 2037, 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 January 1, 2021, between the Corporation and Sterling National Bank (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.

D

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 above written.

CSDA FINANCE CORPORATION

By: _____
Authorized Representative

**AUBURN AREA RECREATION AND
PARK DISTRICT**

By: _____
District Administrator

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

D

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

D

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to in this Memorandum of Lease is situated in the County of Placer, State of California, and is described as follows:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Memorandum of Lease, dated as of January 1, 2021, from the CSDA Finance Corporation (the "Corporation") as lessor, to the Auburn Area 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 December 17, 2020, and the District consents to recordation thereof by its duly authorized officer.

Dated: January __, 2021

**AUBURN AREA RECREATION AND
PARK DISTRICT**

By: _____
District Administrator

D



December 9, 2020

Auburn Area Recreation and Park District
123 Recreation District
Auburn, California 95603
Attention: District Administrator

Re: Lease Agreement dated as of January 1, 2021, between CSDA Finance Corporation, as lessor, and Auburn Area Recreation and Park District, as lessee (the "Loan Obligation")

Ladies and Gentlemen:

Thank you for selecting Sterling National Bank ("SNB") as your lender. We are delivering this letter to describe our role in the transaction.

SNB has not acted and will not act as your agent or serve as your municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934). We have no fiduciary duty to you and intend only to enter into an arm's-length transaction involving extending credit to you through the purchase of the above-referenced Loan Obligation.

Any quote or indication of interest provided to you consists solely of the terms under which SNB may be willing to enter into a transaction with you for its own account.

Please acknowledge the foregoing by signing where indicated below and returning this letter via e-mail to our counsel, Gilmore & Bell, P.C. (e-mail: jjackson@gilmorebell.com). In addition, please identify below any registered municipal advisor, financial advisor or placement agent you are working with on this transaction.

Please let us know if you or your counsel would like to further discuss these matters. Thank you again for doing business with us. We look forward to working with you.

STERLING NATIONAL BANK

[X] Placement Agent BRANDIS TALLMAN LLC (Name of Firm)

[] Financial Advisor/ Registered Municipal Advisor: (Name of Firm)

[] No Placement Agent/Financial Advisor/Registered Municipal Advisor

Acknowledgement: AUBURN AREA RECREATION AND PARK DISTRICT

By:
Name:
Title:

Handwritten signature/initials

Item 8.1 Cover Sheet for Increase in Minimum Wage

Auburn Area Recreation and Park District Policy Committee Meeting Dec, 2020;
Board of Directors Meeting December 17, 2020

The Issue: Shall the Auburn Area Recreation and Park District change pay scales for certain job descriptions, based on upcoming mandated minimum wage increases as well as increases for job descriptions that succeed those needed to be raised by law?

Background: The minimum wage in California is set to increase to \$14.00 on January 1, 2021. The adjustments to ARD positions include job descriptions below minimum wage as well as job descriptions succeeding those job descriptions. An example of succeeding job descriptions are the Youth Services' Program Leader I, II, III, Youth Services Coordinator and Youth Services Manager.

ARD Policy on salary schedules:

2.20 Salary Schedule Ranges

The salary schedules and hourly wage schedules for District employees are established by the District Administrator and approved by the Board of Directors. Salary schedules and hourly wage schedules shall be reviewed periodically. Should the Board of Directors approve an increase in a salary or hourly wage schedule for a job description, all employees in the job description will receive a commensurate salary or wage increase.

Recommendation: The Policy Committee reviewed, made suggested changes and forwarded this item to the Board with a positive recommendation to approve the new rates as listed.

Staff recommends same.

Fiscal Impact: \$8,500 current 2020-21 fiscal year
\$42,200 for 2021-2022

Attachment: Spreadsheet of proposed Job Description changes

Item 8.2 Cover sheet – Resolution #2020-35: Notice of Categorical Exemption Recreation Park Ballfield Lighting Lamp Replacement Project

Auburn Area Recreation and Park District Acquisition and Development Meeting (A&D) December 9, 2020 & ARD Board of Directors Meeting December 17th, 2020.

The Issue: Shall the Auburn Area Recreation and Park District (ARD) adopt Resolution #2020-35, approving Notice of Categorical Exemption from CEQA for the Recreation Park Ballfield Lighting Lamp Replacement Project?

Background:

As part of District-wide energy efficiency projects, ARD will be replacing the existing metal halide lamps with more energy efficient LED lamps.

This project is Categorically Exempt from the California Environmental Quality Act (CEQA) under Section 15301 Existing Facilities Class 1

Recommendation:

Staff recommends the ARD Board of Directors adopt Resolution #2020-35, approving Notice of Categorical Exemption from CEQA for the Recreation Park Ballfield Lighting Lamp Replacement Project. The Resolution was recommended to be forwarded to the Board for approval by the A&D Committee at their 12/9/20 meeting.

Fiscal Impacts: There is a nominal filing fee with Placer County and the State Clearinghouse of approximately \$50.00 each.

Attachments:

- Notice of Categorical Exemption – Recreation Park Ballfield Lighting Lamp Replacement Project
- Resolution #2020-35

RESOLUTION NUMBER 2020-35

A RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS OF THE AUBURN AREA RECREATION AND PARK DISTRICT APPROVING A NOTICE OF CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE RECREATION PARK BALLFIELD LIGHTS LAMP REPLACEMENT PROJECT

WHEREAS, The Auburn Area Recreation and Park District (ARD) owns and maintains Recreation Park (123 Recreation Dr. Auburn, CA 95603), and

WHEREAS, James Baseball Field, Recreation Ballfield and Beggs Field are located within Recreation Park, and

WHEREAS, ARD has determined that energy efficiency will be increased by replacement of the existing metal halide lamps/bulbs at the three fields with LED (light emitting diode) lamps/bulbs, and

WHEREAS, the ballfield light lamps replacement project is Categorically Exempt from CEQA under Article 19, Section 15301 (Existing Facilities Class 1).

NOW, THEREFORE BE IT RESOLVED that the Auburn Area Recreation and Park District Board of Directors approves Notice of Exemption from CEQA for the Recreation Park Ballfield Lights Lamp Replacement Project.

APPROVED, PASSED, AND ADOPTED ON December 17th, 2020 by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Scott Holbrook
Chairman of the Governing Board

ATTEST:

Clerk to the Governing Board

Item 8.3 Cover sheet – Resolution #2020-36: ARD Solar Panel Installation Projects

Auburn Area Recreation and Park District Acquisition and Development Meeting (A&D) December 9, 2020 & ARD Board of Directors Meeting December 17th, 2020.

The Issue: Shall the Auburn Area Recreation and Park District (ARD) adopt Resolution #2020-36, approving Notice of Categorical Exemption from CEQA for the ARD Solar Panel Installation Projects?

Background:

As part of District-wide energy efficiency projects, ARD will be installing carports with solar panels on the roofs at four park sites. Park sites are: Recreation Park, Regional Park, Placer Hills Park and Canyon View Community Center.

These projects are Categorically Exempt from the California Environmental Quality Act (CEQA) under Section 15301 Existing Facilities Class 1

Recommendation:

Staff recommends the ARD Board of Directors adopt Resolution #2020-36, approving Notice of Categorical Exemption from CEQA for the ARD Solar Panel Installation Projects. The Resolution was recommended to be forwarded to the Board for approval by the A&D Committee at their 12/9/20 meeting.

Fiscal Impacts: There is a nominal filing fee with Placer County and the State Clearinghouse of approximately \$50.00 each.

Attachments:

- Notice of Categorical Exemption – ARD Solar Panel Installation Projects
- Resolution #2020-36

RESOLUTION NUMBER 2020-36

A RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS OF THE AUBURN AREA RECREATION AND PARK DISTRICT APPROVING A NOTICE OF CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE ARD SOLAR PANEL INSTALLATION PROJECTS

WHEREAS, The Auburn Area Recreation and Park District (ARD) owns and maintains Recreation Park (123 Recreation Dr. Auburn, CA 95603), Regional Park (3770 Richardson Dr. Auburn Ca. 95602), Placer Hills Park (1130 Meadow Lane, Meadow Vista Ca. 95722), and is a Managing Partner with the US Bureau of Reclamation at the Canyon View Community Center, and

WHEREAS, Park area (Placer Hills Park only) and parking lots at these sites have been chosen as the best locations for the new solar panels and accompanying car ports where applicable, and

WHEREAS, ARD has determined that energy efficiency will be increased and energy costs will be reduced by the installation of these solar panels, and

WHEREAS, the ARD Solar Panel Installation Projects are Categorically Exempt from CEQA under Article 19, Section 15301 (Existing Facilities Class 1).

NOW, THEREFORE BE IT RESOLVED that the Auburn Area Recreation and Park District Board of Directors approves Notice of Exemption from CEQA for the ARD Solar Panel Installation Projects.

APPROVED, PASSED, AND ADOPTED ON December 17th, 2020 by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

Scott Holbrook
Chairman of the Governing Board

ATTEST:

Clerk to the Governing Board

Item 8.4 Cover sheet – Election of ARD Chairperson and Vice Chairperson

Auburn Area Recreation and Park District Board of Directors Meeting December 17, 2020

The Issue

Shall the Auburn Area Recreation and Park District (ARD) elect a chairperson and vice chairperson for 2021?

Background

The ARD Board Procedures and Responsibility Manual, Section III states the following:

ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON

The Chairperson and Vice-Chairperson shall be elected at the last scheduled Board of Directors meeting of each year. The election shall take place at the conclusion of all business items and will use the following procedures with the Chairperson being nominated and elected first, followed by the nomination and election of the Vice Chairperson:

Each Board Member has the right to nominate another Board Member. No second is required for a nomination.

Elections proceed by voting on nominees in the order in which they were nominated. Member first vote on the election of the first nominee. If that person does not receive a minimum of three (3) votes, then a vote is taken on the second Board Member nominated, and so on, until a Board Member receives three votes. If a nominee is elected, a vote is not taken on the remaining nominees since the position is filled. If no one is elected, nominations and voting are reopened, following the same procedures, until the position is filled.

The new Chairperson shall make appointments to each Standing Committee after the elections. The appointments shall be made no later than December 31st of each year.

CA PRC 5784.7 states the following with regard to election of officers:

- (a) Within 45 days after their first election and after each general district election or unopposed election, or at the beginning of each new term for members of an appointed board, the board of directors shall meet and elect its officers.
- (b) The officers of a board of directors are a chair and vice chair. A board of directors may create additional officers and elect members to those positions, provided that no member of a board of directors shall hold more than one office.

Recommendation for the Board of Directors

Elect a chairperson and vice chairperson following the procedures outlined above.

Fiscal Impact

N/A

Attachments

None

SECTION: 9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS

1. CARPD Board Vacancy – see attachment.
2. Correspondence from Girl Scout Troop 1209 – see attachment
3. County Mitigation Fund, current balance \$487,738 – no attachment.



November 25, 2020

TO: CARPD Member Districts
FROM: Matthew Duarte, Executive Director
SUBJECT: CARPD Board Vacancy

Hello CARPD Members! **CARPD is currently soliciting any qualified candidates interested in serving on the CARPD Board of Directors.** Candidates must be individuals affiliated as a Board Member for active CARPD members in good standing. The term of the position will run through at least May 2022.

The CARPD Board of Directors is the governing body responsible for all policy decisions related to support, education, member services, outreach, and advocacy to recreation and park districts throughout California. The Board of Directors generally meets 4-5 times per year at the CAPRI/CARPD Office in Roseville and at the Annual CARPD conference. The last several meetings, of course, have been conducted via Zoom.

If your District has a Board Member interested in serving, please submit have the candidate submit a letter no longer than one (1) page that outlines their interest and qualifications to serve on the Board. Submissions must be received by **December 31, 2020**. Submit your letter to:

Via Mail:
CARPD
1075 Creekside Ridge Drive
Suite 240
Roseville, CA 95678

or

Via Email:
mduarte@capri-jpa.org

If you have any questions regarding the position or CARPD, please feel free to contact me at (916) 722-5550.

Sincerely,

Matthew Duarte
Executive Director

1075 Creekside Ridge Drive, Suite 240 • Roseville, CA 95678 • Phone: (916) 722-5550 • Fax: (916) 722-5715

ARD STAFF & Mr. Muscott,

Thank you so much for housing one of our Lending Libraries. Our troop has completed 3 lending libraries. One is in Depot Bay Coffee shop. The second is in a community at Bell Road. The last one is next to the children's playground at the ARD Park of Richardson Drive.

We couldn't have done this without your support. Troop 1209

Thank you ♥

Girl Scouts:

Olivia Santiago

Cecilia Herrera

Maurine

Sydney C.P



Olivia Santiago Sea theme @
Auburn Regional Park



Cecilia Herrera Country theme @
Depoe Bay Coffee Roasters Co.



Sydney Carter-Pecka Flower theme @
Corner of Bell Rd. and Hubbard Rd.



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Auburn Recreation District administrator enjoys providing opportunities through recreation

ARD administrator Kahl Muscott enjoys providing people with opportunities

Stacey Adams Auburn Journal Nov 21, 2020 12:00 PM

◀ While most people only think about recreation in their free time, Kahl Muscott turned his interest into a career. ▶

Although Muscott has been involved in recreation his entire life, it's not where he began his path. Muscott said he set out to study business in college but discovered it wasn't a great fit. Muscott was working at a recreation center in Colorado when his boss recommended recreation. He went on to study recreation administration at the University of Northern Colorado.

"I've always kind of done recreation so I was like OK, let's do that," Muscott said. "It made sense."

Muscott said what he loves most about recreation is being around people at their best, in addition to the fun of it.

"It's people at their best," he said. "When you're out recreating, you're generally at your best. You're doing something that's improving your life somehow whether it's physically, spiritually or education."

Muscott has worked for the Auburn Area Recreation and Parks District for 20 years and has served as the district administrator since 2006. Muscott said the support he received when stepping into his role included the ARD board providing him with a mentor, the county reaching out to help, retired Auburn City Manager Bob

Auburn Recreation District administrator enjoys providing opportunities through recreatio...

Richardson lending the city finance director on an interim basis and community members helping with hiring interviews.

"That was awesome just having that support from day one," he said.

That support continues today, Muscott said, and any success he has had is directly related to the people with whom he works. Muscott also said being able to work with fantastic community volunteers and creative ARD staff is one thing he most enjoys about his work.

His second-favorite thing is providing "the opportunity we give people to improve themselves, whether it's walking around the pathway here (at Recreation Park), participating in a program, going to an event."

Despite there being "no rhythm to this year" due to the pandemic, Muscott said ARD continues to look for ways to provide those opportunities to the community. Two such events include Zoom with Santa, for kids to have a five-minute call with St. Nick on Dec. 10-11, and Santa's Toy Chest, where families will search for the key that unlocks the chest on Dec. 21-23. According to Muscott, ARD also plans to have additional events next year and encourages the community to check the ARD website or Facebook page for updates.

"This is the community's park district; come and enjoy it," Muscott said. "We just get the pleasure of working here." >

Recreation is also a part of Muscott's life in an unofficial capacity. Outside of his ARD duties, Muscott is heavily involved with the Auburn Rotary Club, swimming with his family and enjoying fly fishing.

ARD, Carol's Market feed 215 a pre-Thanksgiving meal

AUBURN REC PRESENTS

★ FREE ★

GIVE THANKS
FEAST
at Regional Park

INFO: AUBURNREC.CO

SUNDAY

NOV 22



Above: Kahl Muscott, administrator for the Auburn Area Recreation and Parks District, displays the meal served at the Give Thanks Feast. Right: Volunteers, from left, Karlee Agostini, Lisa Montes, Austin Hall and Stephanie McReynolds dish up meals.

COURTESY SCOTT HOLBROOK

JOURNAL STAFF

The Auburn Area Recreation and Parks District and Carol's Market of Newcastle fed 215 people Sunday at Regional Park.

Mark Brunner, ARD recreation services manager, was a server for the event and said he was humbled by the "touching" stories he heard.

"Everyone was so appreciative of what we were doing," he said.

The meals included turkey, mashed potatoes, stuffing and other fixings. Trail Treats donated cookies, and Morning Glory Mandarins donated — what else? — mandarins to the pre-Thanksgiving feast.

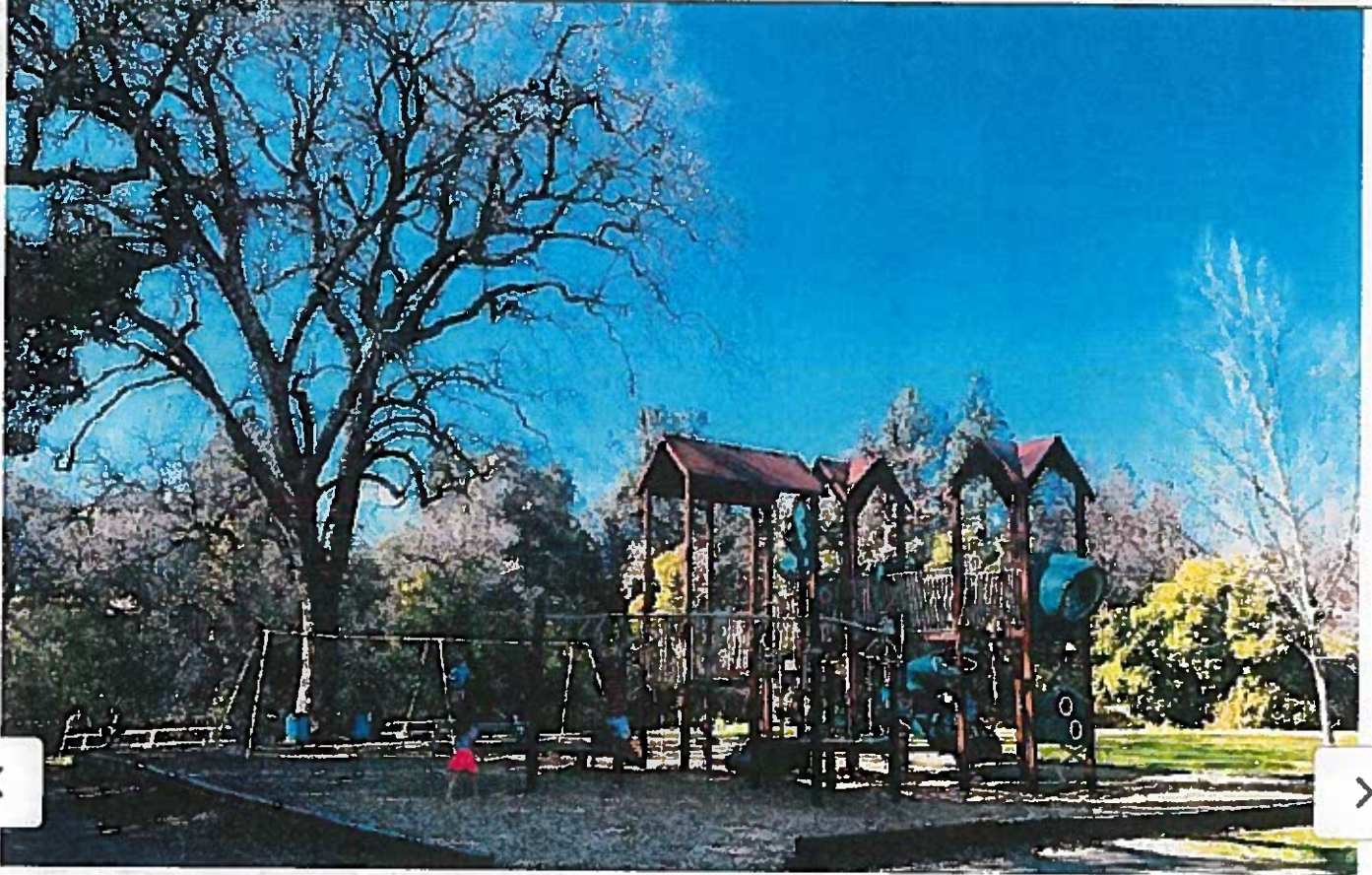
Brunner was a fan of the green bean casserole, describing it as "delightful."

Said Tracy Ballard of Carol's Market, who donated the meals, "I'm really happy. That's what community is all about."

Auburn Team

Gold Country Media

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The Auburn Area Recreation and Parks District is currently seeking public input on the final features of an undeveloped 24-acre site they hope to make into a new park.

Auburn Recreation District seeks public input on future park



Traci Newell Auburn Journal Nov 24, 2020 1:00 PM

Ahead of grant funding applications, officials of the Auburn Area Recreation and Parks District are seeking public input on their Regional Park Expansion project.

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The property, an oak woodland and wetland, has trails neighbors use but was purchased by ARD to eventually become a park. Multiple community meetings were conducted in 2016-17 to establish a concept for the space. In May 2019, the community provided new ideas for the park.

Now, ARD wants to hear from the public on its options for the space, including whether to include a splash pad/water area, outdoor shower at the restrooms, smaller play structure, large central plaza and/or a native plant display.

"We are applying for Prop. 68 state funding," ARD Administrator Kahl Muscott said. "And as we get ready to apply for that, we are refining our 24-acre site master plan."

Muscott estimates the project may cost \$2.3 million. In addition to Proposition 68 bond funds, if awarded, ARD has set aside Placer County park mitigation funds and previous real estate profits to help finance the park.

The park, once finished, will feature a natural setting with trails, a central plaza area, grass area, dog park, bocce ball courts and benches.

Alternative A features a splash pad/water spray area, an outdoor shower at the restrooms, a smaller play structure and a larger central plaza. Alternative B does not include a splash pad or outdoor shower but features a larger play structure area, smaller plaza and a native plant display garden.

The ARD website provides architectural plans for these two alternatives and a survey for residents to provide rankings on selected items so ARD officials can grasp what is most important to include on this new property.

"We are asking the public's help on these last few decisions," Muscott said.

For more information, or to provide input, visit auburnrec.com.