

# Agenda for the Regular Meeting of the Marinwood CSD Board of Directors

## Tuesday – June 8, 2021 – 6:30 PM

**Internet Address:** <https://us02web.zoom.us/j/82314813460>

**Telephone Access:** 669) 900-6833 or 346) 248 7799 or 253) 215-8782

**Meeting ID:** 823 1481 3460

**ATTENTION:** This will be a virtual meeting of the Marinwood CSD Board of Directors pursuant to Executive Order N-29-20 issued by the Governor of the State of California. There will not be a public location for participating in this meeting. Any interested member of the public can participate telephonically or via internet by utilizing the web link or dial-in information printed on this agenda.

**Instructions on how to make a public comment during the meeting:** At points in the meeting when the meeting chair requests public comment, members of the public participating in the live meeting either via internet or telephone shall indicate their desire to speak. If participating via internet, please click the “raise hand” feature located within the Zoom application screen. If connected via telephone, please dial “\*9” (star, nine).

	Item Description:	Board Action
<b>A.</b>	<b>CALL TO ORDER &amp; ROLL CALL OF DIRECTORS</b>	
<b>B.</b>	<b>PUBLIC COMMENT ON CLOSED SESSION ITEMS</b>	
<b>C.</b>	<b>CLOSED SESSION</b> <i>Conference with Labor Negotiators Section 54957.6 Agency designated representatives: Eric Dreikosen. Represented Employees: Marinwood Professional Firefighters</i>	
<b>D.</b>	<b>OPEN SESSION: AGENDA</b> ( <i>Open Session will begin no earlier than 7:30PM</i> )	Adopt
<b>E.</b>	<b>CONSENT CALENDAR</b> a. Draft Minutes of Regular Meeting of May 11, 2021 (Remote Meeting) b. Draft Minutes of Special Meeting of May 24, 2021 (Remote Meeting) c. Bills Paid Nos. 5398 – 5483	Approve
<b>F.</b>	<b>PUBLIC COMMENT OPEN TIME FOR ITEMS NOT ON AGENDA</b> <i>Speakers are asked to limit comments to three minutes. Speakers may comment only on non-agenda items within the subject matter jurisdiction of the District. The Board may not take action on, consider or debate items not on the agenda except under narrow circumstances meeting statutory tests. Response to comments on non-agenda items will be limited to factual information or clarifying questions from staff or Board. The President may refer the matter to staff or to a future meeting agenda.</i>	
<b>G.</b>	<b>DISTRICT MATTERS</b>	
	1. Resolution No. 2021-05: Approving a Site Lease and a Lease Agreement; Making Certain Determinations Relating Thereto; and Authorizing Certain Others Actions in Connection Therewith	Approve
	2. Resolution No. 2021-06: Determining the 2021-2022 Appropriations Limit on Tax Proceeds	Approve
	3. Resolution No. 2021-07: Establishment of Banking Services with Bank of Marin	Approve
	4. Fiscal Year 2021-2022 Publicly Available Pay Schedules of All Positions	Approve
	5. District Manager Report	
<b>H.</b>	<b>FIRE DEPARTMENT MATTERS</b>	
	1. Draft Minutes of Fire Commission Meeting of June 1, 2021	Review
	2. Chief Officer Report and Activity Summary	Review
	3. Date of Next Fire Commission Meeting – August 3, 2021	
<b>I.</b>	<b>PARK AND RECREATION MATTERS</b>	
	1. Draft Minutes of Park & Recreation Commission Meeting of May 25, 2021	Review
	2. Recreation and Park Maintenance Activity Reports	Review
	3. Date of Next Park & Recreation Commission Meeting – June 22, 2021	
<b>J.</b>	<b>BOARD MEMBER ITEMS OF INTEREST - REQUESTS FOR FUTURE AGENDA ITEMS</b>	
<b>K.</b>	<b>ADJOURN</b>	
	<b>DATE OF NEXT REGULAR BOARD MEETING – July 13, 2021</b>	

Requests for disability-related modifications or accommodations, aids or services may be made to the district office no later than 72 hours prior to the meeting by contacting (415) 479-0775

# Marinwood Community Services District

Draft Minutes of Board of Directors Meeting  
Tuesday – May 11, 2021

**Time and Place:** 7:30PM via Teleconference

**Note:** *This meeting as well as prior meetings of the Board of Directors may be viewed in their entirety on the Marinwood YouTube channel here:* <https://www.youtube.com/channel/UC0dvM2PvtsEzE25eRAf4Jmg>

**Present:**

Board Members: President Bill Shea, Chris Case, Kathleen Kilkenny, Sivan Oyserman, and Lisa Ruggeri.

Staff: District Manager Eric Dreikosen, Fire Chief Darin White, Recreation Director Luke Fretwell and Administrative Assistant Tiffany Combrink.

**A. Call to Order & Roll Call of Directors**

President Shea called the meeting to order at 7:31pm.

**B. Agenda**

No proposed changes to the agenda.

**C. Consent Calendar**

a. *Draft Minutes of Regular Meeting of April 13, 2021 (Remote Meeting)*

b. *Bills Paid Nos. 5333-5397*

Kilkenny to approve/Oyserman to second “consent calendar as presented.”

All in favor. Motion carried unanimously.

**D. Public Comment Open Time for Items Not on Agenda:**

Board of Directors received public comment regarding:

a. Legacy impacts of decisions made by the Board.

**E. District Matters:**

1. *Fiscal Year 2021-2022 Proposed District Operating Budget*

Oyserman to approve/Ruggeri to second “Fiscal Year 2021-2022 Proposed District Operating Budget as presented.”

All in favor. Motion carried unanimously.

2. *Park Maintenance Facility Project: Accept Bid from Lowest Qualified Bidder in Response to Notice Inviting Bids and Authorize Staff to Enter into Contract with Lowest Qualified Bidder.*”

Oyserman to approve/Shea to second “Park Maintenance Facility Project: Accept Base Bid from Lowest Qualified Bidder and to Authorize District Manager to Execute the Contract.”

All in favor. Motion carried unanimously.

Case to approve/Oyserman to second “Accept Add Alt 02: Break Room Cabinetry with Sink from Lowest Qualified Bidder and Authorize District Manager to include in the Contract”

All in favor. Motion carried unanimously.

Board directed staff to request potential financing proposals for a 10-year loan in the amounts of \$500,000, \$650,000 and \$800,000 to be reviewed and potentially approved at a subsequent meeting.

3. *Resolution 2021-04: Approving and Authorizing the District Manager to Execute an Agreement between the Marinwood Community Services District and the City of San Rafael for Wildfire Prevention Services Including Defensible Space Evaluations.*”

Oyserman to approve/Case to second “Resolution 2021-04: Approving and Authorizing the District Manager to Execute an Agreement between the Marinwood Community Services District and the City of San Rafael for Wildfire Prevention services Including Defensible Space Evaluations.”

All in favor. Motion carried unanimously.

4. *District Manager Report (verbal)*

Board of Directors received District Manager Report.

**F. Fire Department Matters:**

1. *Draft Minutes of Fire Commission Meeting of May 4, 2021*  
Board of Directors reviewed Draft Minutes of Fire Commission Meeting
2. *Chief Officer Report and Activity Summary*  
Board of Directors received Chief Officer Report
3. *Date of Next Fire Commission Meeting – June 1, 2021*

**G. Park and Recreation Matters:**

1. *Draft Minutes of Park & Recreation commission Meeting of April 27, 2021*  
Board of Directors reviewed Draft Minutes of Park & Recreation Meeting
2. *Recreation and Park Maintenance Activity Reports*  
Board received Recreation and Park Maintenance Activity Report
3. *Date of Next Park & Recreation Commission Meeting – May 25, 2021*

**H. Board Member Items of Interest – Requests for Future Agenda Items**

- Dreikosen informed the Board next meeting will include: Changing Bank for Payroll Account; Adoption of Public Pay Schedule for FY 21/22; Adoption of Appropriation Limit for FY 21/22.

Meeting adjourned at 10:59PM

Tiffany Combrink, Secretary

# Marinwood Community Services District

Draft Minutes of Special Board of Directors Meeting  
Monday May 24, 2021

**Time and Place:** 5:00PM via Teleconference.

*Note: This meeting as well as prior meetings of the Board of Directors may be viewed in their entirety on the Marinwood YouTube channel here: <https://www.youtube.com/channel/UC0dvM2PvtsEzE25eRAf4Jmg>*

**Present:**

Board Members: President Bill Shea, Chris Case, Kathleen Kilkenny, Sivan Oyserman, and Lisa Ruggeri.

Staff: District Manager Eric Dreikosen and Administrative Assistant Tiffany Combrink.

**1. Call to Order and Roll Call of Directors**

President Shea called the meeting to order at 5:00PM

**2. Financing Proposals for Park Maintenance Facility Project**

Kilkenny to approve/Oyserman to second "Accept Financing in the Amount of \$650,000.00, Paying the \$30,000.00 Issuance Fee at the Time of Closing and Authorize the District Manager to Submit Approval on Behalf of the District"

Meeting adjourned at 5:20pm

Tiffany Combrink, Secretary

**MARINWOOD COMMUNITY SERVICES DISTRICT  
REQUEST FOR PAYMENT OF CLAIMS**

Treasury Fund 8067

**Classes:**  
Street lights  
Fire  
Recreation  
Park

Approved by the Board of Directors on June 8, 2021

NO.	DATE	VENDOR	TOTAL CLAIM	PURPOSE	Class	GL Account	Job	AMOUNT
5398	5/6/2021	Marinwood CSD	80,678.12	Fire salaries	Fire	5110110	General	25,485.98
				Fire OT	Fire	5120110	General	14,756.61
				FLSA	Fire	5110319	General	1,142.27
				Acting Pay	Fire	5110310	General	291.78
				4850 pay	Fire	5110110	General	4,010.72
				Admin Asst	Fire	5110110	Admin	900.80
				Admin Mgr	Fire	5110110	Admin	2,310.40
				Admin Asst	Rec	5110110	Admin	900.80
				Admin Asst	Park	5110110	Admin	450.40
				Admin Mgr	Rec	5110110	Admin	1,155.20
				Admin Mgr	Park	5110110	Admin	1,155.20
				Rec Dir	Rec	5110110	General	2,571.52
				Rec Dir	Park	5110110	General	1,102.08
				Rec salary	Rec	5110110	General	7,276.80
				Park salary	Park	5110110	General	4,293.60
				Park hourly	Park	5110210	General	273.12
				Pool staff	Rec	5110210	Pool	5,467.65
				Swim Team	Rec	5110210	Swim Team	2,376.00
				Summer	Rec	5110210	Summer	140.25
				Preschool	Rec	5110210	Preschool	4,307.75
				Afterschool	Rec	5110210	Afterschool	1,333.50
				PR fees	Fire	5210230	General	201.27
				PR fees	Rec	5210230	General	125.28
				PR fees	Park	5210230	General	17.80
				SS + Medicare	Fire	5140140	General	3,409.22
				SS + Medicare	Rec	5140140	General	2,160.14
				SS + Medicare	Park	5140140	General	348.42
				EDU + SUI	Fire	5140145	General	10.59
				EDU + SUI	Rec	5140145	General	256.12
				EDU + SUI	Park	5140145	General	4.91
				Benefits withholding	Park	2120066	General	-777.60
				Benefits withholding	Rec	2120066	General	-1,218.61
				Benefits withholding	Fire	2120066	General	-5,561.85
5399	5/6/2021	Jerry Mehciz	2,419.20	Tennis	Rec	5210146	Tennis	2,419.20
5400	5/6/2021	National Academy of Athletic	3,569.60	Afterschool sports	Rec	5210146	Youth	3,569.60
5401	5/6/2021	Wills Kelly	408.64	firefighter boots	Fire	5220810	General	408.64
5402	5/7/2021	Marinwood CSD	12,557.08	Retire 05/07/2021	Park	5130510	General	1,094.79
					Rec	5130510	General	1,935.72
					Fire	5130510	General	9,526.57
5403	5/7/2021	Willscott	495.77	Mobile office	Park	5220310	General	495.77
5404	5/7/2021	Sprint	260.51	Cell phones	Fire	5210725	General	260.51
5405	5/7/2021	Marin County Sheriff's Office	705.00	Mobile data Apr-Jun 2021	Fire	5210725	General	705.00
5406	5/7/2021	Allstar Fire Equip	893.20	SCBA mask replacements	Fire	5220810	General	893.20
5407	5/7/2021	Jet Mulch	7,824.33	Playground fiber	Park	5220310	General	7,824.33
5408	5/7/2021	Got Gophers?	275.00	Pest control	Park	5211532	General	275.00
5409	5/7/2021	Marin Landscape Materials	2,490.73	Grounds maintenance	Park	5220310	General	2,490.73
5410	5/7/2021	Marin Prof Firefighters Local	882.00	Dues - May	Fire	5211330	General	882.00
5411	5/7/2021	Project A	40.00	Email hosting	Fire	5220110	General	20.00
					Rec	5220110	General	20.00
5412	5/7/2021	Pest Plus	259.00	Pest control	Rec	5220310	General	169.00
					Fire	5220310	General	90.00
5413	5/7/2021	Emergency Equipment Mgm	382.16	firefighter boots	Fire	5220810	General	382.16
5414	5/7/2021	Landesign	2,985.00	Landscape contractor	Park	5211125	General	2,985.00
5415	5/7/2021	Pet Waste Eliminator	259.80	Pet waste bags	Park	5220810	General	259.80
5416	5/7/2021	Comcast	126.39	Cable - May	Fire	5210725	General	126.39
5417	5/7/2021	PG&E	1,634.36	Streetlights - April	Streetlights	5210825	General	1,634.36
5418	5/7/2021	DC Electric	281.78	SL Maintenance	Streetlights	5210915	General	281.78
5419	5/7/2021	Hagel Services	1,362.19	Janitorial supply	Rec	5220827	Building	1,362.19
5420	5/10/2021	The First Signs of Fire	58.95	Reflective markers	Fire	5220810	General	58.95
5421	5/10/2021	Postal Palace	28.68	repair parts shipping	Fire	5210910	General	28.68
5422	5/10/2021	Curtis & Son	473.44	uniform	Fire	5220825	General	473.44
5423	5/10/2021	Able Tire & Brake	1,319.30	E658 tires	Fire	5210910	General	1,319.30
5424	5/10/2021	C.A.P.F.	265.50	LTD - May	Fire	5130120	General	265.50
5425	5/10/2021	Jerry Mehciz	2,822.40	Tennis	Rec	5210146	Tennis	2,822.40
5426	5/10/2021	Favor Kirkland	485.00	refund summer camp	Rec	4631920	Summer	485.00
5427	5/10/2021	Lori Sparrow	180.00	refund tennis	Rec	4631915	Tennis	180.00
5428	5/10/2021	Pedro Nauderer Da Silva	158.00	refund tennis	Rec	4631915	Tennis	158.00
5429	5/12/2021	Marin Municipal Water Distri	3,502.40	Water Mar/Apr	Fire	5210835	General	262.52
					Rec	5210835	General	634.32
					Park	5210835	General	2,605.56

NO.	DATE	VENDOR	TOTAL CLAIM	PURPOSE	Class	GL Account	Job	AMOUNT
5430	5/12/2021	AT&T	274.48	Phones - Apr	Fire	5210725	General	147.88
					Park	5210725	General	22.64
					Rec	5210725	General	103.96
5431	5/12/2021	SDRMA	211.65	Life Ins - June	Fire	5130120	General	92.85
					Park	5130120	General	49.99
					Rec	5130120	General	68.81
5432	5/12/2021	Marin County Hazardous Ma	1,700.00	Hazmat JPA - annual fee	Fire	5211610	General	1,700.00
5433	5/12/2021	PG&E	3,093.93	Gas - April	Rec	5210810	General	2,859.11
					Fire	5210810	General	234.82
5434	5/12/2021	County of Marin	1,506.25	Q3 County Counsel	Park	5210131	General	692.88
					Rec	5210131	General	451.88
					Fire	5210131	General	361.49
5435	5/12/2021	Liebert Cassidy Whitmore	152.00	Legal services	Fire	5210131	General	152.00
5436	5/13/2021	State of CA Dept of Justice	2,336.00	fingerprinting	Rec	5210128	General	2,336.00
5437	5/13/2021	Staples	770.28	office supplies	Rec	5220110	General	770.28
5438	5/13/2021	Alonya van Rooyen	672.00	art class for kids	Rec	5210146	Youth	672.00
5439	5/13/2021	Play Well Teknologies	1,332.80	Lego class	Rec	5210146	Youth	1,332.80
5440	5/13/2021	Robyn Bruton	112.69	preschool expenses	Rec	5220819	Preschool	112.69
5441	5/13/2021	AT&T	100.94	Internet	Park	5210725	General	100.94
5442	5/13/2021	County of Marin	172.13	gas - Mar	Park	5220610	General	172.13
5443	5/13/2021	SolEd Solar Holdings	2,193.49	Solar - Apr	Rec	5210810	General	1,594.00
					Fire	5210810	General	599.49
5444	5/13/2021	All Star Rents	103.34	Equipment rental	Park	5211220	General	103.34
5445	5/13/2021	Lincoln Aquatics	7,391.91	replace pool covers	Rec	5220916	Pool	7,391.91
5446	5/13/2021	Sprint	259.37	Cell phones	Fire	5210725	General	259.37
5447	5/13/2021	Landesign	2,985.00	Landscape contractor	Park	5211125	General	2,985.00
5448	5/13/2021	Marin Sanitary Service	2,164.96	Garbage - Apr	Park	5210815	General	1,515.47
					Rec	5210815	General	432.99
					Fire	5210815	General	216.50
5449	5/18/2021	US Bank Corp Pmt Svcs	11,397.86	Prof. Develop. - J Smith	Fire	5211315	General	200.00
				Zoom subscription	Fire	5211325	General	27.49
				Hose tool bag	Fire	5220210	General	81.75
				Supplies	Fire	5220810	General	551.90
				Uniform embroidery	Fire	5220825	General	54.50
				Job posting	Park	5210122	General	201.85
				Equip supplies/maint	Park	5210910	General	1,175.99
				Zoom subscription	Park	5211325	General	13.75
				Maint facility RFP legal notic	Park	5211520	General	247.62
				staff recruitment	Park	5220110	General	249.00
				Afterschool supplies	Rec	5220819	Afterschool	328.46
				Software, website hosting	Rec	5210122	General	637.98
				fingerprinting	Rec	5210128	General	280.00
				supplies, certs, AED trainer	Rec	5211315	General	1,441.99
				Staff training, zoom subscrip	Rec	5211325	General	72.17
				subscriptions, supplies	Rec	5220110	General	502.39
				Music subscription	Rec	5220819	General	14.99
				LG staff certs	Rec	5211315	Pool	520.00
				Pool equip/supplies	Rec	5220215	Pool	729.84
				Pool chems	Rec	5220710	Pool	86.56
				Pool supplies, training suppli	Rec	5220819	Pool	441.31
				Preschool supplies	Rec	5220819	Preschool	170.18
				supplies, ePact subscription:	Rec	5220819	Summer	3,234.08
				craft supplies	Rec	5220819	Youth	134.06
5450	5/20/2021	Marinwood CSD	75,553.59	Fire salaries	Fire	5110110	General	25,485.98
				Fire OT	Fire	5120110	General	13,800.63
				Acting Pay	Fire	5110310	General	193.92
				4850 pay	Fire	5110110	General	4,010.72
				Admin Asst	Fire	5110110	Admin	900.80
				Admin Mgr	Fire	5110110	Admin	2,310.40
				Admin Asst	Rec	5110110	Admin	900.80
				Admin Asst	Park	5110110	Admin	450.40
				Admin Mgr	Rec	5110110	Admin	1,155.20
				Admin Mgr	Park	5110110	Admin	1,155.20
				Rec Dir	Rec	5110110	General	2,571.52
				Rec Dir	Park	5110110	General	1,102.08
				Rec salary	Rec	5110110	General	7,276.80
				Rec hourly	Rec	5110210	General	85.00
				Park salary	Park	5110110	General	4,293.60
				Pool staff	Rec	5110210	Pool	4,204.52
				Swim Team	Rec	5110210	Swim Team	1,260.00
				Aquatics	Rec	5110210	Aquatics	60.00
				Summer	Rec	5110210	Summer	332.00
				Preschool	Rec	5110210	Preschool	4,215.25
				Afterschool	Rec	5110210	Afterschool	1,310.64
				PR fees	Fire	5210230	General	144.70

NO.	DATE	VENDOR	TOTAL CLAIM	PURPOSE	Class	GL Account	Job	AMOUNT
				PR fees	Rec	5210230	General	87.28
				PR fees	Park	5210230	General	12.52
				SS + Medicare	Fire	5140140	General	3,241.20
				SS + Medicare	Rec	5140140	General	1,995.08
				SS + Medicare	Park	5140140	General	327.54
				EDU + SUI	Fire	5140145	General	10.59
				EDU + SUI	Rec	5140145	General	217.28
				Benefits withholding	Park	2120066	General	-777.60
				Benefits withholding	Rec	2120066	General	-1,218.61
				Benefits withholding	Fire	2120066	General	-5,561.85
5451	5/20/2021	Marinwood CSD	12,288.97	Retire 05/21/2021	Park	5130510	General	1,094.79
					Rec	5130510	General	1,935.72
					Fire	5130510	General	9,258.46
5452	5/20/2021	Marinwood CSD	48,790.42	Health Ins June	Park	5130120	General	11,365.59
					Rec	5130120	General	8,559.14
					Fire	5130120	General	28,865.69
5453	5/20/2021	Alexis Weiss	67.00	reimburse fingerprinting	Rec	5220819	Summer	67.00
5454	5/20/2021	Carolyn Sullivan	50.00	reimburse expenses	Rec	5220819	General	50.00
5455	5/20/2021	CalPERS	8,333.00	CERBT May 2021	Park	5130130	General	3,416.00
					Rec	5130130	General	667.00
					Fire	5130130	General	4,250.00
5456	5/20/2021	National Academy of Athletic	1,825.60	Afterschool sports	Rec	5210146	Youth	1,825.60
5457	5/20/2021	Duncan MacSwain	520.80	Photography class	Rec	5210146	Adult	520.80
5458	5/20/2021	Vision Services Plan	410.76	Vision - June	Fire	5130120	General	237.33
					Park	5130120	General	73.04
					Rec	5130120	General	100.39
5459	5/20/2021	Delta Dental Plan of CA	2,165.60	Dental - June	Fire	5130120	General	1,337.80
					Park	5130120	General	339.78
					Rec	5130120	General	488.02
5460	5/24/2021	Mill Valley Refuse Service	460.36	Porta Potty	Park	5211220	General	460.36
5461	5/24/2021	DC Electric	281.78	SL Maintenance	Streetlights	5210915	General	281.78
5462	5/24/2021	Pitney Bowes	87.40	postage ink	Rec	5220110	General	87.40
5463	5/24/2021	Curtis & Son	190.91	camelbak reservoir/flashlight	Fire	5220810	General	190.91
5464	5/24/2021	Quill	147.79	cleaning supplies	Fire	5220810	General	147.79
5465	5/24/2021	Emily Radstrom	918.00	refund summer camp	Rec	4631920	Summer	918.00
5466	5/24/2021	Rob Provines	735.00	refund summer camp	Rec	4631920	Summer	735.00
5467	5/26/2021	TIAA Commercial Finance	559.89	copier lease	Park	5220130	General	55.99
					Rec	5220130	General	363.93
					Fire	5220130	General	139.97
5468	5/26/2021	AFLAC	26.50	Disability Ins May	Park	5130120	General	26.50
5469	5/26/2021	Airgas	996.40	Pool chems	Rec	5220710	Pool	996.40
5470	5/26/2021	Marin Ace	231.26	supplies	Fire	5220810	General	164.74
					Rec	5220215	Pool	66.52
5471	5/26/2021	Leslie's Pool Supply	134.73	Pool chems	Rec	5220710	Pool	134.73
5472	5/26/2021	City of San Rafael - MWPA	12,435.32	2020 D-space home evals	Fire	5820100	General	12,435.32
5473	5/26/2021	City of San Rafael - MWPA	10,804.30	Creekside Veg mgmt	Fire	5820100	General	10,804.30
5474	5/26/2021	Gene Thompson	100.00	diagnose phone line issues	Rec	5210725	General	50.00
					Fire	5210725	General	50.00
5475	5/27/2021	County of Marin - CDA	7,122.48	Maint facility Bldg permit fee	Measure A	5220910	General	7,122.48
5476	5/27/2021	Jerry Mehciz	7,987.20	Tennis	Rec	5210146	Tennis	7,987.20
5477	5/27/2021	Ann McBride	87.50	Irish Dance	Rec	5210146	Youth	87.50
5478	5/27/2021	Ace Promotional Specialties	2,075.57	Staff camp shirts	Rec	5220819	Summer	2,075.57
5479	5/27/2021	PG&E	338.89	Electric Apr 2021	Rec	5210810	General	188.71
					Fire	5210810	General	12.32
					Park	5210810	General	137.86
5480	5/27/2021	Jorge's Tree Service	4,500.00	Tree work	Park	5211528	General	1,000.00
				Veg mgmt work	Fire	5211140	General	3,500.00
5481	5/27/2021	County of Marin	246.28	Gas - April	Park	5220610	General	246.28
5482	5/27/2021	Liebert Cassidy Whitmore	152.00	Rec salary	Fire	5210131	General	152.00
5483	5/27/2021	PG&E	1,636.50	Streetlights - May	Streetlights	5210825	General	1,636.50
TOTAL:			371,276.41					371,276.41

Total by Department:

Streetlights	3,834.42
Fire Department	183,424.41
Recreation Department	119,685.66
Park Department	57,209.44



# Staff Report

**To:** Board of Directors  
**From:** Eric Dreikosen, District Manager  
**Date:** June 8, 2021  
**Re:** Resolution 2021-05: Approving a Site Lease and Lease Agreement for Maintenance Facility Financing

---

Directors,

Please see the included Resolution No. 2021-05 approving a site lease and lease agreement in regards to the financing of the park maintenance facility. Also included are the referenced Site Lease and Lease Agreement for the Board's review.

At the special board meeting conducted on May 24, 2021, the Board of Directors approved a site lease financing proposal provided through the California Special Districts Association (CSDA) Finance Corporation. The approved proposal was in the amount of \$650,000 to be applied towards a portion of the costs to be incurred with the construction of the park maintenance facility, with a 10-year term and an annual interest rate of 2.34%. The proposal also included no-penalty prepayment options beginning in year 5 of the lease agreement as well as a \$30,000 issuance fee which the Board elected be paid in full at the time of closing.

As authorized and directed by the Board, the approved proposal was signed and submitted to CSDA. In partnership with CSDA, Municipal Finance Corporation (MFC) contacted the District to begin the formal finance closing process. MFC specializes in the structuring, documentation, funding and administration of tax-exempt financings for public agencies.

The attached Resolution 2021-05 formally approves the referenced Site Lease and Lease Agreement (all of which presented as received from MFC) and authorizes the referenced individuals to enter into these agreements on the District's behalf. The terms stated in the attached documents are consistent with those as approved by the Board last month.

**Staff Recommendation:** Approve Resolution 2021-05 as presented.



## **RESOLUTION NO. 2021-05**

### **RESOLUTION OF THE MARINWOOD COMMUNITY SERVICES DISTRICT APPROVING A SITE LEASE, AND A LEASE AGREEMENT; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Marinwood Community Services District (the “District”) is a community services district duly organized and validly existing under the laws of the State of California; and

**WHEREAS**, Municipal Finance Corporation (the “Corporation”) has made a lease purchase financing proposal to provide financing to the District; and

**WHEREAS**, in order to provide funds for the financing of the acquisition, construction and installation of certain improvements to real property of the District consisting of a park maintenance facility owned by the District (the “Project”), the District will lease certain real property owned by the District (the “Site”) to the Corporation under a Site Lease, currently dated as of July 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 July 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**, the Corporation intends to assign its rights under the Site Lease and the Lease Agreement to First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (the “Bank”); 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 required good faith estimates are disclosed and set forth on Exhibit A attached hereto.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Marinwood Community Services 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 Manager or any other officers duly designated by the District (collectively, the “Officers”) are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Site Lease, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District’s General Counsel and Kutak Rock LLP (“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 \$650,000, the scheduled term of the financing does not exceed August 1, 2031 and the interest rate is not greater than 2.34% 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 Municipal Finance Corporation, as loan arranger and counterparty, 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 Manager to execute and deliver agreements with said firms for their services. Compensation to such firms under the agreements shall be payable from any legally available funds of the District.

**Section 5.**     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 6.**     SB 450 Good Faith Estimates. In accordance with SB 450, good faith estimates of the following 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 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 Marinwood Community Services District, this 8th day of June, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

---

President

Attest:

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Secretary

I hereby certify that the above Resolution No. 2021-05 was duly introduced, read and adopted by the District at a regular meeting held on June 8, 2021.

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Secretary

## **EXHIBIT A**

### **GOOD FAITH ESTIMATES**

The following information 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 2.34% 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 \$30,000.00.

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 \$650,000.

4. *Total Payment Amount.* A good faith estimate of the total payment amount, which means the sum total of all Lease Payments the District will make to pay 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 \$ 766,554.90.

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.

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**SITE LEASE**

**Dated as of July 1, 2021**

**between the**

**MARINWOOD COMMUNITY SERVICES DISTRICT**

**and the**

**MUNICIPAL FINANCE CORPORATION**

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## SITE LEASE

THIS SITE LEASE (the "Site Lease"), dated as of July 1, 2021, is between the MARINWOOD COMMUNITY SERVICES DISTRICT, a community services district organized and existing under and by virtue of the laws of the State of California (the "District"), as lessor, and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessee;

### WITNESSETH:

WHEREAS, pursuant to this Site Lease, the District proposes to lease certain real property situated in the County of Marin, 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 improvements to certain real property of the District consisting of a park maintenance facility owned by 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 July 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 First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank including its successors and assigns (the "Assignee") pursuant to that certain Assignment Agreement, dated as of July 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 [\_\_\_\_\_] 1, 2031, unless such term is extended or sooner terminated as hereinafter provided. If, on [\_\_\_\_\_] 1, 2031, 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 [\_\_\_\_\_] 1, 2038. If, prior to [\_\_\_\_\_] 1, 2038, 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 Payments to the Assignee under and pursuant to the Assignment Agreement, the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

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

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

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

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

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

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

Section 11. Quiet Enjoyment. The Corporation, at all times during the term of this Site Lease, shall peaceably and quietly have, hold and enjoy all of the Property subject to the provisions of the Lease Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation and the District hereby releases each and every

board member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site Lease. No board member, director, officer, employee or agent of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

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

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

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

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, at the addresses set forth in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

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

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



Section 20. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 21. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

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

Section 23. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the District and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**MARINWOOD COMMUNITY  
SERVICES DISTRICT**

By: \_\_\_\_\_  
District Manager

**MUNICIPAL FINANCE CORPORATION**

By: \_\_\_\_\_  
Authorized Representative

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA )

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA )

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

## **EXHIBIT A**

### **DESCRIPTION OF THE SITE**

The land referred to in this Site Lease is situated in the County of Marin, 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 July 1, 2021, from the Marinwood Community Services District, as lessor (the “District”), to the Municipal 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 June \_\_, 2021, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: [\_\_\_\_\_], 2021

**MUNICIPAL FINANCE CORPORATION**

By: \_\_\_\_\_  
Authorized Representative

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**LEASE AGREEMENT**

**Dated as of July 1, 2021**

**between the**

**MUNICIPAL FINANCE CORPORATION**

**and the**

**MARINWOOD COMMUNITY SERVICES DISTRICT**

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## **LEASE AGREEMENT**

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of July 1, 2021, is between the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the MARINWOOD COMMUNITY SERVICES DISTRICT, a community services 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 July 1, 2021 (the "Site Lease"), the District has leased that certain real property situated in the County of Marin, 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 improvements to real property of the District consisting of a park maintenance facility owned by 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 First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank, including its successors and assigns (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of July 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, First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation 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 July 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 [\_\_\_\_], 2021.

“Corporation” means Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California.

“Corporation Representative” means the President 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, if any, 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 Marinwood Community Services District, a community services district organized and existing under the laws of the State of California.

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

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

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

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

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of

the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

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

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

“Gross Up Rate” means an interest rate equal to [\_\_\_\_\_] %.

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

“Lease Payment Date” means [annual] payments on [\_\_\_\_\_] 1 in each year, commencing [\_\_\_\_\_] 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 9.2.

“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 [\_\_\_\_\_] 2 in each year and extending to and including the next succeeding [\_\_\_\_\_] 1. The first Rental Period begins on the Closing Date and ends on [\_\_\_\_\_] 1, 2021.

“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 July 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 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 community services 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.* To the best knowledge of the District, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the District or, to the

knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District.

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

(h) *No Defaults.* The District has never non-appropriated or materially defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

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

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

(k) *Change in Financial Condition.* The District has experienced no material change in its financial condition since June 30, 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 June 30, 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 the District to pay the costs of the Project. On the Closing Date, the District shall pay all Costs of Issuance of the transaction in the amount of \$30,000.00 from any legally available funds.

### **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 and pursuant to the Site Lease, leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement and the Site Lease, respectively.

(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 [\_\_\_\_\_] 1, 2031, or the date on which all of the Lease Payments have been paid in full. If on [\_\_\_\_\_] 1, 2031, 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 [\_\_\_\_\_] % per annum, on the basis of a 360-day year of twelve 30-day months. In the event the District does not make any Lease Payment by the applicable Lease Payment Date, the interest component of the portion of the Lease Payment shall be calculated based on the Default Rate.

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

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

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

(iii) any other reasonable fees, costs or expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease

Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the District shall not be responsible for any costs incurred by the Corporation associated with any assignment made by the Assignee;

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

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

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

(c) *Effect of Prepayment.* If the District prepays all Lease Payments in full under Section 9.1 or 9.2, 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 9.2, 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 9.3, 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 Marin 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 Marin 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 \_\_\_\_\_ 1 2031.

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

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

## **ARTICLE V MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS**

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the District and the District will maintain the Property in good condition. The District will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease Agreement.

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

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

security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The District shall promptly notify the Assignee of any tax, assessment, utility or other charge it elects to contest.

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

Section 5.3. Commercial General Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard commercial general liability insurance policy or policies in protection of the District, the Assignee and their respective members, officers, agents, employees and assigns, and shall name the Assignee as an additional insured. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits and subject to such deductibles as the District shall deem adequate and prudent, and in all events in form and amount (including any deductibles) satisfactory to the Assignee. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

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

Section 5.5. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction

with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the District. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

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

Section 5.7. Recordation Hereof; Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease Agreement, the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the Marin County Recorder with respect to the Property, and (b) obtain a CLTA or ALTA title insurance policy insuring the Assignee's interests in the leasehold estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The District will apply the Net Proceeds of such insurance as provided in Section 6.2.

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

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

security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Property.

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

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

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

Section 5.13. Environmental Covenants.

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

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

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

## **ARTICLE VI EMINENT DOMAIN; USE OF NET PROCEEDS**

Section 6.1. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Assignee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

### Section 6.2. Application of Net Proceeds.

#### (a) *From Insurance Award.*

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

(ii) Within ninety (90) days following the date of such deposit, the District shall determine and notify the Corporation and the Assignee in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the District and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.2 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 9.2 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 9.2 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 9.2 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 9.2 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 9.2 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 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 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 Section 148 of the Internal Revenue Code of 1986, as amended.

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

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

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

obligations the interest on which is exempt from federal income tax under Section 103 of the Code, will exceed an aggregate principal amount of \$10,000,000.

Section 7.8. Financial Statements. Within 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. Additionally, the District shall provide the Assignee with timely notice of any updates from the State regarding any State investigations, material litigation and notices of default. The District hereby agrees to provide the Assignee with such other information as may be reasonably requested by the Assignee.

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

Section 7.10. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District's right to exist and carry on business as a community services district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

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

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

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

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

## **ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES**

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

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

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

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

(d) Any statement, representation or warranty of a material nature made by the District in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made.

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

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

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

(h) Any Material Adverse Effect shall exist.

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

(a) *Enforcement of Payments Without Termination.* If the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, if the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in Marin 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 [\_\_\_\_\_] 1, 20[\_\_\_], with 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  
(*Prepayment only  
permitted on Lease Payment Dates*)

Prepayment Price

Section 9.2. 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 9.2.

Section 9.3. 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 9.3.

## **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:	Marinwood Community Services District 775 Miller Creek Road San Rafael, CA 94903 Phone: [( ) - ] Attention: District Manager
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If to the Corporation:	Municipal Finance Corporation 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361 Attention: President Phone: (805) 719-1236
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If to the Assignee:	First Foundation Public Finance 2233 Douglas Boulevard, Suite 300 Roseville, CA 95661 Attention: Trevor Mael, Senior Vice President Phone: (530) 392-2127
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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.

**MUNICIPAL FINANCE CORPORATION**

By: \_\_\_\_\_  
Authorized Representative

**MARINWOOD COMMUNITY  
SERVICES DISTRICT**

By: \_\_\_\_\_  
District Manager

## **EXHIBIT A**

### **DESCRIPTION OF THE SITE**

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

## EXHIBIT B

## SCHEDULE OF LEASE PAYMENTS

[illegible]

(1) Applicable interest rate is [\_\_\_\_\_]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.

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## MEMORANDUM OF LEASE AGREEMENT

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This Memorandum of Lease Agreement (this “Memorandum of Lease Agreement”), is entered into as of July 1, 2021, between the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California, as lessor (the “Corporation”), and the MARINWOOD COMMUNITY SERVICES DISTRICT, a community services 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 July 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 Marin 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 [\_\_\_\_\_] 1, 2031, 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 July 1, 2021, between the Corporation and First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank, and its successors and assigns (the “Assignee”), recorded concurrently herewith, the Corporation has assigned, transferred and delivered to the Assignee, all of its rights, title and interest in, to and under the Site Lease (as defined in the Lease Agreement) and the Lease Agreement.

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

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

**Section 6. Execution.** This Memorandum of Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 7. State Law.** This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**MUNICIPAL FINANCE CORPORATION**

By: \_\_\_\_\_  
Authorized Representative

**MARINWOOD COMMUNITY  
SERVICES DISTRICT**

By: \_\_\_\_\_  
District Manager

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA                    )

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,

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

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

WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public

## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA                     )  
COUNTY OF \_\_\_\_\_                 )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
personally appeared \_\_\_\_\_,

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
Signature of Notary Public



## **EXHIBIT A**

### **DESCRIPTION OF THE SITE**

The land referred to in this Memorandum of Lease is situated in the County of Marin, 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 July 1, 2021, from the Municipal Finance Corporation (the "Corporation") as lessor, to the Marinwood Community Services 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 June 8, 2021, and the District consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2021

**MARINWOOD COMMUNITY  
SERVICES DISTRICT**

By: \_\_\_\_\_  
District Manager



# Staff Report

**To:** Board of Directors  
**From:** Eric Dreikosen, District Manager  
**Date:** June 8, 2021  
**Re:** Resolution 2021-06: Appropriations Limit

---

Directors,

Please see the included Resolution 2021-06 determining the Fiscal Year 2021-2022 appropriations limit on tax proceeds.

In accordance with Article XIII B of the California Constitution, all government agencies are required to make similar calculations on an annual basis determining the appropriations limit (spending limit) for the upcoming fiscal year tax proceeds. The appropriations limit for each year is equal to the appropriations limit for the prior year, adjusted for changes in the cost-of-living (CPI) and population, data for both of which are provided by the State Department of Finance.

This action does not represent an increase in tax levies to residents.

**Staff Recommendation:** Approve Resolution 2021-06 as presented.

**RESOLUTION NO. 2021-06**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MARINWOOD COMMUNITY SERVICES DISTRICT  
DETERMINING THE 2021-2022 APPROPRIATIONS LIMIT ON TAX PROCEEDS**

**WHEREAS**, in an election held on November 4, 2003, the voters of Marinwood Community Services District approved that the appropriations limit for the District pursuant to Article XIII B of the California Constitution be increased by the amount of the maximum proceeds from the special tax for Fire Protection and Prevention approved by the voters in that election; and

**WHEREAS**, in an election held on March 8, 2005, the voters of Marinwood Community Services District approved that the appropriations limit for the District pursuant to Article XIII B of the California Constitution be increased by the amount of the maximum proceeds from the special tax for Park, Open Space and Street Landscape Maintenance approved by the voters in that election; and

**WHEREAS**, in an election held on November 8, 2011, the voters of Marinwood Community Services District approved that the appropriations limit for the District pursuant to Article XIII B of the California Constitution be increased by the amount of the maximum proceeds from the special tax for Fire Protection Services approved by the voters in that election; and

**WHEREAS**, in an election held on November 3, 2015, the voters of Marinwood Community Services District approved that the appropriations limit for the District pursuant to Article XIII B of the California Constitution be increased by the amount of the maximum proceeds from the special tax for Park, Open Space and Street Landscape Maintenance approved by the voters in that election;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Marinwood Community Services District, County of Marin, State of California, that the Marin County Total percentage change in population for the year 2020 be utilized in calculation of the maximum limit applicable to the 2021-2022 appropriations of tax proceeds; and

**BE IT FURTHER RESOLVED** by the Board of Directors of the Marinwood Community Services District, County of Marin, State of California, that the calculated maximum limit applicable to the 2021-2022 appropriations of tax proceeds is

\$ 2,327,920

in accordance with Article XIII B of the Constitution of the State of California, a detailed schedule being here attached; and

**BE IT FURTHER RESOLVED** that the total appropriations limit on proceeds of taxes for fiscal year 2021-2022, including the special taxes for Fire Protection and Prevention and for Park, Open Space and Street Landscape Maintenance, is calculated to be

\$ 3,935,015

PASSED AND ADOPTED at a regular meeting of the Marinwood Community Services District Board of Directors held on the 8th day of June, 2021 by the following vote:

AYES:

NOES:

ABSENT:

MARINWOOD COMMUNITY SERVICES DISTRICT

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Bill Shea, President of the Board

ATTEST: \_\_\_\_\_  
Tiffany Combrink, Secretary to the Board

**MARINWOOD COMMUNITY SERVICES DISTRICT  
CALCULATION OF APPROPRIATIONS LIMIT FOR PROCEEDS OF TAXES  
FOR FISCAL YEAR 2021-2022**

CALIFORNIA PER CAPITA PERSONAL INCOME: 5.73%

CPCPI Factor =  $(5.73\% + 100)/100 = 1.0573$

POPULATION FACTOR (Marin County Total 2020): -0.43%

Population Factor =  $(-0.43 + 100)/100 = 0.9957$

RATIO OF CHANGE FOR 2021-2022:  $1.0573 \times 0.9957 = 1.0528$

(Note: The above information is taken from the State of California Department of Finance letter "Price Factor and Population Information" dated May 2021.)

	Street Lights	Fire Dept.	Park & Rec	TOTAL
Appropriations Limit for Proceeds of Taxes for Fiscal Year 2020-2021:	\$ 267,276	\$1,283,168	\$ 660,727	\$ 2,211,171
Change Factor for 2021-2022:	<u>x 1.0528</u>	<u>x 1.0528</u>	<u>x 1.0528</u>	
Appropriations Limit for 2021-2022 Based on Per Capita and Population Change:	<u>\$ 281,388</u>	<u>\$ 1,350,919</u>	<u>\$ 695,613</u>	<u>\$ 2,327,920</u>
ADD:				
Maximum proceeds from voter-approved Fire Protection and Park Maintenance taxes:		<u>\$ 1,206,356</u>	<u>\$ 400,739</u>	<u>\$ 1,607,095</u>
TOTAL APPROPRIATION LIMITATION FOR FISCAL YEAR 2021-2022:	<u>\$ 281,388</u>	<u>\$ 2,557,275</u>	<u>\$ 1,096,352</u>	<u>\$ 3,935,015</u>

# Staff Report

**To:** Board of Directors  
**From:** Eric Dreikosen, District Manager  
**Date:** June 8, 2021  
**Re:** Resolution 2021-07: Establishment of Banking Services at Bank of Marin

---

Directors,

Please see the included Resolution 2021-07 providing for the establishment of banking services at Bank of Marin.

The District utilizes the County of Marin Treasury by which to hold the majority of our funds (General Fund) and serve as our primary checking account used for processing claims. The District also has a need to maintain local banking accounts in the form of both checking and savings. The local checking account serves the primary purposes of providing for payroll distribution and performing select EFT transactions. The local savings account serves the primary purpose of providing for a holding account for select designated funds and as an overflow to the checking account in the rare instances a specific payroll exceeds the nominal balance maintained in the checking account. The nominal fund balances for each account are:

Local Checking: \$220,000  
Local Savings: \$72,000

The District currently maintains and conducts these banking services with Wells Fargo Bank. For the past several years Wells Fargo has consistently raised the fees associated with our account(s) as well as altered the terms by which both accounts were originally established. Furthermore, staff has recently needed to file multiple disputes and/or claims due to errors made on the part of Wells Fargo. Unfortunately, upon inquiry and investigation of the above concerns, Wells Fargo has provided poor customer service in their efforts at resolving these disputes/claims yet while also admitting all errors were indeed performed by and thus the responsibility of the bank.

Given the above, staff believes it is in the best interest of the District to transition our local banking needs out of Wells Fargo and establish similar bank accounts at another financial institution in coordination with the timing of the transition to fiscal year 2021-2022.

Staff has researched financial institutions with the capacity to provide banking services to local government agencies – a service not all banks are capable to provide. In doing so staff engaged with a representative from Bank of Marin. Bank of Marin is not only capable of providing banking services to government agencies, but based on the District's specific banking needs and their review of the District's recent banking activity with Wells Fargo, including our average cash balances, can offer the District our needed services and accounts with no monthly, annual or set-up fees incurred.

Resolution 2021-07 directs the District Manager to establish the above referenced bank accounts with Bank of Marin and serve as the authorized representative and signer on behalf of the District in a manner identical to that as currently served on behalf of the District with Wells Fargo.

**Staff Recommendation:** Approve Resolution 2021-07 as presented.

**RESOLUTION NO. 2021-07**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MARINWOOD COMMUNITY SERVICES DISTRICT  
AUTHORIZING THE ESTABLISHMENT OF BANKING SERVICES WITH BANK OF MARIN**

**WHEREAS**, Marinwood Community Services District (District) is a special district local government agency organized pursuant to the Community Services District Law (California Government Code § 61000, et. seq.); and

**WHEREAS**, the District is in need of local banking services for the purposes of maintaining a checking account to provide for payroll distribution and select EFT transactions; and

**WHEREAS**, the District is also in need of local banking services for the purposes of maintaining a separate savings account; and

**WHEREAS**, Bank of Marin, a local financial institution, is able to provide banking and other financial services to local government agencies.

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Directors of Marinwood Community Services District does hereby direct the District Manager to formally establish the banking services as described above at Bank of Marin on behalf of the District; and

**BE IT FURTHER RESOLVED**, the Board of Directors of Marinwood Community Services District does hereby authorize the District Manager (currently Eric Dreikosen) to serve as the authorized representative and authorized signer as required to establish these banking services at Bank of Marin on behalf of the District.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors on June 8, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARINWOOD COMMUNITY SERVICES DISTRICT

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Bill Shea, President of the Board

ATTEST: \_\_\_\_\_  
Tiffany Combrink, Secretary to the Board



# Staff Report

**To:** Board of Directors  
**From:** Eric Dreikosen, District Manager  
**Date:** June 8, 2021  
**Re:** Fiscal Year 21-22 Publicly Available Pay Schedules

---

Directors,

Please see the included FY 21-22 Publicly Available Pay Schedules. Approval of the Pay Schedules is required to be performed by the governing body each fiscal year.

All pay schedules presented were incorporated into the FY 21/22 operating budget as reviewed and approved by the Board of Directors on May 11, 2021.

**Staff Recommendation:** Approve the FY 21-22 Publicly Available Pay Schedules as presented.



## MARINWOOD COMMUNITY SERVICES DISTRICT

## FISCAL YEAR 2021-2022 PAY SCHEDULE

Effective Date: July 1, 2021

**BASE SALARY RANGES FOR FULL-TIME PARK DEPARTMENT POSITIONS**

	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>	<b>STEP EE</b>
<b><u>MAINTENANCE WORKER II</u></b>						
Base Pay - Hour	21.86	22.95	24.10	25.30	26.57	27.89
Base Pay - Month	3,789.00	3,978.00	4,177.00	4,386.00	4,605.00	4,835.00
Base Pay - Year	45,468.00	47,736.00	50,124.00	52,632.00	55,260.00	58,020.00

**BASE SALARY RANGES FOR FULL-TIME RECREATION DEPARTMENT POSITIONS**

	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>	<b>STEP EE</b>
<b><u>RECREATION DIRECTOR</u></b>						
Base Pay - Hour	37.78	39.67	41.65	43.74	45.92	48.22
Base Pay - Month	6,548.00	6,876.00	7,220.00	7,581.00	7,960.00	8,358.00
Base Pay - Year	78,576.00	82,512.00	86,640.00	90,972.00	95,520.00	100,296.00

**ASSISTANT RECREATION DIRECTOR**

Base Pay - Hour	26.91	28.25	29.67	31.15	32.71	34.34
Base Pay - Month	4,664.00	4,897.00	5,142.00	5,399.00	5,669.00	5,952.00
Base Pay - Year	55,972.80	58,760.00	61,713.60	64,792.00	68,036.80	71,427.20

**RECREATION SUPERVISOR**

Base Pay - Hour	26.68	28.01	30.00	30.90	31.83	33.42
Base Pay - Month	4,625.00	4,855.00	5,200.00	5,356.00	5,517.00	5,793.00
Base Pay - Year	55,494.40	58,260.80	62,400.00	64,272.00	66,206.40	69,513.60

**SENIOR ADMINISTRATIVE ASSISTANT**

Base Pay - Hour	24.88	26.12	27.42	28.79	30.24	31.75
Base Pay - Month	4,312.00	4,527.00	4,753.00	4,991.00	5,241.00	5,503.00
Base Pay - Year	51,744.00	54,324.00	57,036.00	59,892.00	62,892.00	66,036.00

**BASE SALARY RANGES FOR FULL-TIME FIRE DEPARTMENT POSITIONS**

	<b>STEP A</b>	<b>STEP B</b>	<b>STEP C</b>	<b>STEP D</b>	<b>STEP E</b>	<b>STEP EE</b>
<b><u>FIREFIGHTER &amp; FIREFIGHTER-PARAMEDIC</u></b>						
Base Pay - Hour	22.32	23.44	24.61	25.84	27.13	28.49
Base Pay - Month	5,416.00	5,687.00	5,971.00	6,270.00	6,584.00	6,913.00
Base Pay - Year	64,992.00	68,244.00	71,652.00	75,240.00	79,008.00	82,956.00

**ENGINEER**

Base Pay - Hour	23.20	24.36	25.58	26.86	28.20	29.61
Base Pay - Month	5,630.00	5,912.00	6,208.00	6,518.00	6,844.00	7,186.00
Base Pay - Year	67,560.00	70,944.00	74,496.00	78,216.00	82,128.00	86,232.00

**CAPTAIN**

Base Pay - Hour	26.22	27.53	28.91	30.35	31.87	33.47
Base Pay - Month	6,363.00	6,681.00	7,015.00	7,366.00	7,734.00	8,121.00
Base Pay - Year	76,356.00	80,172.00	84,180.00	88,392.00	92,808.00	97,452.00

Approved by Board of Directors: 6/8/2021

## MARINWOOD COMMUNITY SERVICES DISTRICT

## FISCAL YEAR 2021-2022 PAY SCHEDULE

Effective Date: July 1, 2021

**BASE SALARY RANGES FOR FULL-TIME ADMINISTRATION POSITIONS**

	<b>LOW</b>	<b>HIGH</b>
<b><u>DISTRICT MANAGER</u></b>		
Base Pay - Hour	46.15	69.23
Base Pay - Month	8,000.00	12,000.00
Base Pay - Year	96,000.00	144,000.00

**ADMINISTRATIVE ASSISTANT**

Base Pay - Hour	23.08	31.73
Base Pay - Month	4,000.00	5,500.00
Base Pay - Year	48,000.00	66,000.00

**HOURLY WAGES FOR PART-TIME AND SEASONAL POSITIONS**

	<b>LOW</b>	<b>HIGH</b>
<b>Building Attendant</b>	20.00	22.00
<b>Camp Counselor</b>	14.00	23.00
<b>Janitorial Assistant</b>	14.00	15.00
<b>Lifeguard</b>	14.00	22.00
<b>Pool Attendant</b>	14.00	15.00
<b>Preschool Director</b>	28.00	38.00
<b>Preschool Teacher</b>	20.00	25.00

District Manager Report

June 8, 2021

Submitted by: Eric Dreikosen, District Manager

The information below is intended to provide a brief update on select District initiatives, activities and items of note and should not be viewed as a complete list of all current District activities or initiatives.

**Park Maintenance Facility Replacement Project**

We have completed the contract process with Murray Building, Inc. (MBI). Since project approval at the May board meeting, staff and the project architect have been in constant communication with MBI in preparation for construction. At this point we are simply waiting on final review and issuance of the building permit from the County. As of this writing we have already received permit review approval from planning as well as the Fire Marshall, with Land Development review approval all that remains for the permit to be issued. As plans have not changed from what was approved with the Design Review process, we are hopeful their final review and permit issuance happens quickly. Once the permit is issued, construction is ready begin immediately thereafter.

This week we also conducted a face-to-face meeting with MBI including a site walkthrough. We have ordered the temporary security fencing for the construction site, which will be installed the week of June 7<sup>th</sup>. In assessing the site with MBI, we will be able to install the fencing in a manner that will allow pedestrians and other members of the public to have uninterrupted access to the panhandle trail from Miller Creek Road all the way to Las Gallinas Avenue. This also includes access to the horseshoe pits.

*Several other items of note that staff have been working on during the past month are included as separate agenda items. These will be presented and discussed at those times.*

**MARINWOOD COMMUNITY SERVICES DISTRICT**  
**DRAFT MINUTES OF FIRE COMMISSION MEETING**  
**June 1, 2021**

**Time and Place:** 7:00PM Via Teleconference

**Present:**

Commissioners: Chair Steve Farac, Tom Elsbree, Pascal Karsenti

Absent: Ron Marinoff, Greg Stilson (CSA 13 Alternate)

Staff: District Manager Eric Dreikosen, San Rafael Fire Chief Darin White

Board: Kathleen Kilkenny

Farac called the meeting to order at 7:02 PM.

**1. Agenda**

No edits were requested by Commissioners. Chair Farac adopted the agenda as presented.

**2. Public Comment on Non-Agenda Items**

There were no comments from the public.

**3. Commissioner Items of Interest**

There were no Commissioner Items of Interest

**4. Draft Minutes of May 4, 2021 Fire Commission Meeting**

M/s Elsbree/Karsenti to approve Draft Minutes of May 4, 2021 Fire Commission Meeting as presented. Ayes: Farac, Elsbree, Karsenti. Nays: None. Absent: Marinoff. Motion carried.

**5. Chief Officer Report and Activity Summary**

Commission received Chief Officer Report and Activity Summary.

**6. Requests for Future Agenda Items**

-Farac requested discussion on how to share local fire prevention efforts with insurance carriers

-Elsbree requested update regarding potential impacts of the Talus Reserve residential development project

The meeting was adjourned at 7:52 PM.

Eric Dreikosen



**To:** Marinwood Board of Directors

**From** Darin White, Fire Chief

**Date:** June 8, 2021

**Re:** Fire Department Update

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### **Marin Wildfire Prevention Authority- (MWPA)**

MWPA Executive Director Mark Brown presented and the Board of Directors approved the 2021-22 Workplan and 2021-22 Annual Budget on May 27, 2021. The Advisory Technical Committee, Finance Committee and Citizens Oversight Committee have all weighed in on the proposals and there are approximately 111 proposals being submitted. The total is approximately \$18,000,000.00 for all agencies. Moving forward Director Brown assured that there will be language and budget adjustments and he promised a more streamlined effort next year.

As a reminder the proposals involve local, defensible space, and core funding allocations and build on last year's risk reduction efforts.

### **Vegetation Management**

It is recognized that 1,000 hour fuels and 100 hour fuels are far below normal moisture content and the problem is being made worse by the increasingly severe, extreme, and exceptional drought conditions we are faced with.

Since May 7th, approximately 335 inspections have been completed on multiple streets including but not limited to: Huckleberry Rd, Johnstone Dr, Blackstone Dr, Blackstone Ln, Las Gallinas ave, Silver Pine Terrace, Blue Blossom Ct, Creekside Dr, Ridgeway, Verbena Ct., Luiz Ct, Rock Rose Ct, and more. We anticipate the possibility of grazing at Idylberry and Grasshopper Hill to start around mid-June, or sooner, depending on contractor availability.

Commissioners have inquired about specific addresses that may be in various states of disrepair or non-compliance. Our inspection staff have made direct contact with occupants and have made referrals to the Marin County Community Development Agency for follow-up. In one instance, the home-owner resident has financial challenges so we will identify possible strategies that will hopefully reduce the cost of the work that is needed.

### **Pacific Gas and Electric (PG&E) and Public Safety Power Shutoffs (PSPS)**

On Friday May 21, 2021, PG&E held a Wildfire Safety Working Session with stakeholders. This year their efforts are designed to place an emphasis on areas closer to the wildland urban interface (WUI). Their staff anticipates a reduced risk of wildfire in communities due to their previous efforts, lessons learned, and the use of new wildfire risk modeling. This new model assesses fast burning fuels and

laddering effects. Additional system improvements involve the use of more precise pinpointing of the high-risk areas for system hardening, vegetation management and other wildfire risk reduction work.

There are now:

- 1300 weather stations deployed, 300 are planned for this year.
- Six (6) satellites (fire detection and alert systems)
- 135 additional wildfire cameras deployed in 2021 (including one on San Rafael hill sometime this year).
- Weather forecasting now takes place up to four (4) times a day and as far in advance as 105 hours out.
- Sectionalizing devices planned for 2021: two(2) as opposed to sixty (60) placed in 2020.
- Enhanced Vegetation Management: fifty-one (51) line miles with six (6) line miles in the Lucas Valley Rd area.
- 100,000 miles of overhead power lines inspected annually (some multiple times per year)
- 1800 high risk miles of overhead power lines will be inspected in 2021.
- There is a new technology being evaluated for suitability to install with our HD cameras. This technology may be able to distinguish fog from smoke.

Some helpful PG&E links include:

[www.Pge.com/wildfiresafety](http://www.Pge.com/wildfiresafety)

[www.Pge.com/pspsalerts](http://www.Pge.com/pspsalerts)

[www.Pge.com/weather](http://www.Pge.com/weather)

[www.Pge.com/backupper](http://www.Pge.com/backupper)

[www.Safetyactioncenter.pge.com](http://www.Safetyactioncenter.pge.com)

[www.Pge.com/medicalbaseline](http://www.Pge.com/medicalbaseline)

### **Guidelines/COVID-19:**

According to Dr. Willis, Marin County's Health Officer, case rates are down to the numbers they were at one year ago. 86% of the population in Marin County over the age of 12 are now vaccinated. 93% of the cases are among unvaccinated. Marin is the most highly vaccinated county in the state. In fact, Marin has the highest vaccination rates over any county in the country. It takes 2 weeks to become fully immune after the second dose. About 60% of the population in Marin are considered fully immune to COVID-19. Children in the age ranges of 0-11 years old make up 12% of the population. Persons aged 65 or greater have a 98% vaccination rate. Persons aged 50-64 have an 87% vaccination rate. Vaccine equity has been a key strategy in Marin County. Higher vaccination rates may correlate to higher education within the county. Many Marin County residents have the resources to follow the science and protect themselves. Transportation to access sites is not a concern as is access to information and resources pertaining to the vaccine are more readily accessible. Mass vaccinations sites and existing partnerships/relationships help to achieve the outreach and education to accomplish vaccinations. 8,000 out of 14,000 children/teens between the ages 12-15 years old have been vaccinated since May 13, 2021. Pfizer can be administered to 12-15-year-olds who walk in with their parents (to a vaccination site such as pharmacies).

Marin County has now reached the Yellow tier. Our case counts held below 2 cases as of June 1 (for the previous 2 weeks). Yellow Tier now enables the following as examples: Gyms: 25-50% capacity, bars that don't serve food: 25% capacity. Beyond June 15, 2021: Same approach to all counties, tier system to go away, much less regulation will be required and many pre-pandemic realities to resume, more about personal choice, no capacity limits, CDC mask guidance to be provided and if in a crowd or indoors, and you are unvaccinated, you need to mask up. The Governor has provided added incentive to those who are unvaccinated to become vaccinated. Individuals will receive a \$50 gift card and can be entered into a \$1,000,000 give away.

Marin County can now move beyond the blueprint because of the high vaccination and community immunity (75% of all Marin residents will be fully vaccinated by June 15). Decreased virus burden: lowest case counts, hospitalizations, and deaths in a year. The County will continue to provide vaccinations, close monitoring, and surveillance of case clusters. Whole genome sequencing in the county. Contact tracing is easier to accomplish. The County has built muscle memory if there is a need to ramp up again. If interested, data is available via Visit [GetVaccinatedMarin.org](https://www.getvaccinatedmarin.org) to see the vaccine distribution sites across the county.

### **Special Events**

On Sunday June 6, 2021, the Marinwood Neighbors, Nurses, and in collaboration with the Marin EMS Agency and Marin Health Medical Center Trauma Program held a free Community CPR/Stop the Bleed Event at Marinwood Park. Two separate sessions were provided, and Engine 58 personnel assisted with the demonstration/instruction of "Hands Only" CPR and Stop the Bleed. The first session began at 9:00 a.m. and lasted approximately one hour and the second session began at 11:00 a.m. and lasted for one hour as well. The Marin EMS Agency had staff present and provided mannequins, educational materials and more for attendees.

### Marinwood Fire Department Statistics: May 2021

The Marinwood Fire Department has responded to 86 emergency calls in May 2021 as of the morning of May 21; of these, 6 calls were cancelled en route. More than 60% of the calls were medical incidents; no calls involved a confirmed COVID-19 case. The department responded to one passenger vehicle fire in Novato and two vegetation fires in San Rafael.

<i>Incidents by Area and Type</i>								
Area	MA	PSA	FA/NN	FIRE	HAZMAT	COVER	OTHER*	TOTAL
Marinwood	9	4	1	1	4	N/A	0	19
CSA 13	4	0	0	0	0	N/A	0	4
Old JPA (Mont Marin)	3	0	0	0	1	N/A	0	4
New JPA (East of 101)	27	4	2	0	0	N/A	0	33
SR Mutual Aid	8	3	0	2	0	0	0	13
MC JPA	3	1	0	0	0	N/A	0	4
MC Mutual Aid	0	0	0	0	0	N/A	0	0
Novato	0	6	0	0	0	3	0	9
<b>Total number</b>	<b>54</b>	<b>18</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>86</b>
<i>Percentage of total</i>	<i>62.8%</i>	<i>20.9%</i>	<i>3.5%</i>	<i>3.5%</i>	<i>5.8%</i>	<i>3.5%</i>	<i>0.0%</i>	

#### **Call types:**

MA	Medical assist
PSA	Service call
FA/NN	Fire alarm
FIRE	Fire
HAZMAT	Hazardous material incident (e.g., spill)
COVER	Coverage for other stations
OTHER	Other incident(s): NA

Average response time for Engine 58:	5 minutes, 40 seconds
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# Marinwood Community Services District

## Draft Minutes of Park & Recreation Commission Meeting

Tuesday – May 25, 2021

**Time and Place:** 7:00PM via Teleconference

**Present:**

Commissioners: Chair John Tune, Jon Campo, Ian Fein, Anne Sjahsam.

Staff: District Manager Eric Dreikosen, Recreation Director Luke Fretwell, Administrative Assistant Tiffany Combrink

Board Director: Lisa Ruggeri

**1. Agenda**

No edits were requested by Commissioners. Chair Tune adopted the agenda as presented.

**2. Public Comment on Non-Agenda Items**

Commissioners received public comment regarding:

- a. Park Maintenance Facility Project, Future Playground Structures Renovation

**3. Draft Minutes of April 27, 2021 P&R Commission Meeting**

Campo to approve/Sjahsam to second Draft Minutes of April 27, 2021 P&R Commission Meeting.

All approved. Motion carried unanimously.

**4. Draft Minutes of May 11, 2021 Board Meeting**

Commission reviewed minutes.

**5. Marinwood Park Play Structures Replacement Project**

Commission discussed project. Commissioner Fein presented draft Community Survey to gather input from Public. Commissioner Sjahsam presented initial findings on playground structure replacements.

**6. Recreation and Park Maintenance Activity Report**

Commission received Recreation and Park Maintenance Activity Report.

**7. Commissioner Items of Interest – Requests for Future Agenda Items**

- Campo requested discussion on Horne Trail maintenance.
- Fein requested discussion on Horne Trail in Blackstone Canyon

**8. Adjourn**

Meeting adjourned at 9:14 PM

Tiffany Combrink

Parks and Recreation Report  
June 2020  
Submitted by: Luke Fretwell, Recreation Director

## **Recreation**

### Preschool Graduation

The Marinwood Preschool Program held its annual Preschool Graduation on Thursday, June 3rd. Preschool Supervisor Kate Kelly put on a heartwarming and fun-filled ceremony for our students and their families. It was a relief to have such a celebratory end to the school year. I want to acknowledge and thank our stellar preschool staff for persevering through the uncertainties of the year and working hard to provide a fun and safe learning environment for our preschoolers.

### Summer Camp

Marinwood's Summer Camp program will start on Monday, June 14th. Robyn and her staff are working tirelessly every day to finalize staff schedules, organize supplies, run staff trainings, and make sure everything is ready for camp to start. Things are coming together, and we are excited for camp to be underway.

### Pool

Reservations for Recreation Swim, Lap Swim, and Tot Pool reservations have remained strong throughout May and June with most timeslots filling up completely. While swim lessons remain sold out for the spring and summer, we have opened several additional time slots and are in the process of filling those from the waitlists.

This summer we will be running three 2-week sessions of our Guards in Training Program for kids entering 7th grade through 14 years old. The Guards in Training Program is a great introduction for kids who want to work as lifeguards when they turn 15. It's not only a great camp for the middle school age group, it also acts as a feeder program for our pool staff, with more than 50% of our lifeguards and pool attendants having previously participated in GIT. We are grateful to be able to resume the program this summer.

In light of the expected relaxing of COVID-19 restrictions being announced on June 15th, staff has been working on plans for transitioning to a more traditional Recreation Swim and Lap Swim format where patrons can drop in instead of making reservations in advance. Certain timeslots and programs will likely remain available by reservation only. These changes will be announced and implemented once we know what the health guidance regarding pools will be following June 15th.

## **Parks Maintenance**

### Parks and Playgrounds

On May 16th, the Mini Park was vandalized and two of the elevated climbing platforms were broken, rendering them unsafe. These sections of the play structure were closed off with plywood and signage. New platforms have been ordered and will be installed as soon as they arrive.

This past month staff have continued fortifying the turf ahead of the start of summer camp, aerating, fertilizing, adding seed and soil as needed, and servicing and repairing irrigation components where necessary.

### Shade Sails

This past month staff installed shade sails on the reception hall patio and classroom patio. Shade is always in high demand during the summer and these shade sails will allow our camps more places out of the sun to eat lunch, do arts and crafts, and other various activities.

### Community Center Bathrooms

Last week new touchless fixtures were installed on the sinks and urinals in the bathrooms in the community center. These fixtures will help limit water waste as well as cut down on communal touch surfaces.

### Continued Summer Preparation

This past month the Parks Staff has made repairs to some of our aging storage sheds, cleaned up some of the pathways and walkways around the community center, made repairs to our picnic tables, and cleaned out the pool equipment room.

Upcoming projects include continued work on the firemen's hill landscape project, including adding decomposed granite to the walking path, installing a new sign frame, and planting some additional trees and shrubs; repairing a broken section of retaining wall at Creekside Park; and leveling the patio outside the classroom.

### Daily/Weekly Duties:

- Clean and restock Community Center building and park bathroom
- Blow/rake leaves around community center
- Empty garbage and dog waste receptacles in 3 parks and at trailhead
- Mow lawns in 3 parks and pool
- Irrigation inspection in 3 parks
- Check 3 playgrounds for graffiti and hazards
- Check and adjust pool chemistry/equipment