

ATTACHMENT 1

TERM LOAN AGREEMENT

CITY OF HESPERIA

I-15/RANCHERO ROAD INTERCHANGE PROJECT

CONTRACT 17-1001629

This Term Loan Agreement, nominally dated June 6, 2018, is entered into on the Effective Date by and between the City of Hesperia (Borrower) and the San Bernardino County Transportation Authority (Lender or SBCTA). Borrower and Lender may, from time to time in this Agreement, be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. On April 4, 2012, Borrower and Lender entered into Contract No. C12219 setting forth the funding and other obligations of Borrower and Lender for all phases of the I-15/Ranchero Interchange Project in the City of Hesperia.

B. Contract No. C12219, as amended January 9, 2013, December 20, 2016, June 30, 2017, and December 21, 2017, obligates Borrower to fund the Local Share of Project Costs (defined below) in an amount not to exceed \$31,359,075.23, of which \$12,596,672.18 has been paid to date.

C. Under the terms of C12219 Borrower agreed to pay SBCTA the remaining unpaid Local Share of Project Costs with Development Impact Fees (DIF) upon Caltrans’ acceptance of the Project, which acceptance occurred December 18, 2015.

D. Also, under the terms of C12219 the Parties agreed that if Borrower did not have sufficient DIF to pay the unpaid Local Share balance by December 18, 2015, that the Parties would enter into a loan agreement.

E. On January 6, 2016, Lender’s Board of Directors established a Development Mitigation Fair Share Loans and Loan Repayment program under VICTOR VALLEY MAJOR LOCAL HIGHWAYS PROGRAM Measure I Strategic Plan Policy 400013, sub-policy VVMLH-32.

F. Borrower does not have sufficient DIF at this time and has requested that Lender permit Borrower to repay the unpaid Local Share of Project Costs through a loan generally under the terms of Policy 40013, VVMLH-32 in an amount not to exceed \$18,762,403.05 with interest accruing from the Project acceptance date at the State of California Local Agency Investment Fund rate in equal principal payments over a ten-year period.

G. The Parties desire to supersede the loan terms of C12219 with the loan terms contained in this Term Loan Agreement.

H. The terms of this Term Loan Agreement will apply if in conflict with those found in Policy 40013, VVMLH-32.

In consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt of which is acknowledged by the Parties to this Agreement, it is agreed as follows:

ARTICLE ONE--DEFINITIONS

The following terms used in this Agreement shall have the meanings set out below and these definitions shall be applicable to both the singular and plural forms of the defined terms:

Agreement means this Term Loan Agreement, nominally dated June 6, 2018, entered into between Borrower and Lender, as it may be amended from time to time.

Agreement Termination Date means the date as described in Section 3.9.

Annual Payment means an amount equal to one-tenth of the Original Loan Amount (one million eight hundred seventy-six thousand two hundred forty dollars and thirty-one cents (\$1,876,240.31)) plus Interest payable in arrears.

Borrower means the City of Hesperia, a California city and municipal corporation.

Collateral means Borrower's Uncommitted Development Impact Fees and Borrower's Measure I Local Streets Program funds up to the Loan Amount, as more fully described in Exhibit "A".

Contract No. C12219 or **C12219** means the Contract as amended by Amendment Nos. 1, 2, 3, and 4 between the City of Hesperia and the San Bernardino County Transportation Authority for the Preliminary Engineering and Environmental Document, Plans Specifications and Estimate, Right-of-Way, and Construction Phases of the I-15/Ranchero Road Interchange Project.

Cost Buy-Down for Project means Federal, State or other funds, besides Local Share and Public Share funds, which buy down the Project Costs pursuant to Victor Valley Major Local Highways Program Policy 40013 IV.J. after which the Local Share and Public Share are applied.

Development Impact Fees or **DIF** means the revenues generated by Borrower's locally-adopted development financing mechanism to mitigate development's impacts on transportation by making fair share contributions for transportation facilities needed as a result of development, as required by Measure I, including without limitation proceeds from a Community Facilities District or other development-based sources.

Development Mitigation Annual Report means the annual report prepared by local jurisdictions in the urbanized areas of San Bernardino County as part of the SBCTA Development Mitigation Program that provides information on what development has occurred, the amount of development mitigation revenue collected and the amount of development mitigation revenue expended on projects contained in the Nexus Study.

Draw means an advance made by Lender from Borrower's Local Streets Program funds in order to pay for the Local Share of Project Costs as part of the Loan Amount.

Effective Date means the date this Agreement is executed by Lender.

Interest means an amount calculated annually on any unpaid Original Loan Amount at the same percentage rate payable on investments in the State of California Local Agency Investment Fund (LAIF) during the twelve month period ending each December 31, as set forth in the December 31st LAIF Quarterly Apportionment Rates schedule, for the period preceding the Annual Payment due date.

Lender means the San Bernardino County Transportation Authority.

Lien means any voluntary or involuntary security interest, mortgage, pledge, claim, charge, encumbrance, and intra-fund borrowing commitment, covering all or any part of the Collateral.

Loan Amount means the total of the Original Loan Amount and the Measure I Loan, outstanding and unpaid by Borrower, up to an amount not to exceed \$18,762,403.05 plus Interest.

Loan Due Date means March 15, 2028, which is the last day of the tenth (10th) year subsequent to the due date of the first Annual Payment.

Loan Fee means a one-time fee of Two-Thousand Seven Hundred Fifty Dollars (\$2,750) payable by Borrower to Lender for Lender's additional costs of administering the Term Loan.

Local Share means the sum of: (1) Project Costs minus Cost Buy-Down for Project, times the development contribution percentage set forth in the SBCTA Nexus Study of fifty-seven and one-half percent (57.5%); and (2) one-hundred percent (100%) of SBCTA management and oversight costs for the Project. The Local Share is \$31,359,075.23, of which \$12,596,672.18 has been paid to date.

Local Streets Program Funds means the Measure I program in all subareas that provides funds through a pass-through mechanism directly to local jurisdictions for expenditure on street and road construction, repair, maintenance and other eligible local transportation priorities including local streets, major highways, state highway improvements, freeway

interchanges, transit, and other improvements/programs to maximize use of transportation facilities.

Major Local Highways Program Policy means the MLH Program Measure I 2010-2040 Strategic Plan set forth in Policy 40013 adopted by the SBCTA Board April 1, 2009, as revised July 7, 2010, March 4, 2015, January 6, 2016, and September 6, 2017.

Measure I means the one-half of one percent ($\frac{1}{2}\%$) retail transactions and use tax statutorily dedicated to transportation planning, design, construction, operation and maintenance only, in San Bernardino County as authorized by the San Bernardino County voters' passage of Ordinance 89-01 in 1989 and reauthorized by the San Bernardino County voters' passage of Ordinance 04-01 in 2004.

Measure I Loan Amount means the total amount of all Draws, outstanding and unpaid by Borrower, up to an amount not to exceed the Loan Amount.

MLH means Major Local Highways.

Nexus Study means that study approved by the SBCTA Board on February 3, 2016, and updated every two years, which sets forth the Local Share percentages for transportation improvements based on the estimates of Project Costs and the growth data provided by local jurisdictions.

Original Loan Amount means \$18,762,403.05.

Person means a natural person or a corporation, government entity or subdivision, agency, trust, estate, partnership, cooperative or association.

Project means the I-15/Ranchero Road Interchange Project in the City of Hesperia, as more fully described in Contract No. C12219.

Project Costs means the total cost of the Project, estimated to be \$57,306,781.42, including the SBCTA management and oversight costs for the Project, which total \$322,406.88.

Public Share means the share of Project Costs assigned as SBCTA's contribution calculated as the Project Costs minus the Cost Buy-Down Funds and minus the Local Share for the Project.

SBCTA means the San Bernardino County Transportation Authority.

Term means the term of this Agreement commencing on the Effective Date and ending on the Agreement Termination Date.

Term Loan means Lender's lending of money to Borrower under the terms of this Agreement from the defined source of funds and for the defined purposes as more specifically described in Article Two.

Uncommitted Development Impact Fees means those Development Impact Fees received by or to be received by Borrower during the term of this Agreement for which, as of the Effective Date, Borrower has not made previous commitments as listed in Exhibit “B”.

Victor Valley Major Local Highways Program or Major Local Highways Program means the Measure I program in the Victor Valley subarea more fully described in Policy 40013 that provides funds through a reimbursement mechanism directly to local jurisdictions for expenditures incurred for components of any project allocated Victor Valley Major Local Highways Program funding by the SBCTA Board of Directors. The amount of Victor Valley Major Local Highways Program funds available to each jurisdiction in the Victor Valley subarea shall be approximately equivalent over the life of Measure I.

ARTICLE TWO—TERM LOAN

2.1 Term Loan. On the terms and conditions set forth herein, Lender hereby agrees to lend the Loan Amount to Borrower for the purpose of assisting Borrower in satisfying its obligation to pay the Local Share of Project Costs. On or before the Loan Due Date (unless extended in accordance with Subarticle 3.7), Borrower promises to pay Lender the principal sum of the Loan Amount plus Interest.

2.2 Term Loan Draws. Lender will send Borrower an invoice for the Annual Payment by January 31 of each year beginning January 31, 2019. Not later than March 15, 2019, and March 15 of each year thereafter, Borrower shall pay Lender the Annual Payment with Uncommitted DIF until the Loan Amount is paid in full. If Borrower fails to pay the full amount of the Annual Payment by March 15, Lender shall make a Draw in an amount up to the unpaid amount of the due and payable Annual Payments. Each Draw shall become principal on the Measure I Loan Amount, and the Source of Loan Draws shall be reduced by the amount of the Draw. Each Draw shall reduce the Original Loan Amount, and shall increase the Measure I Loan Amount. The total of all Draws shall not exceed the Loan Amount.

2.3 Source of Draws. The sole source of any Draws shall be Borrower’s Local Streets Program funds.

2.4 Use of Proceeds. Measure I strictly limits the recipients of, the projects eligible for, and the uses of Measure I proceeds, including Victor Valley Major Local Highways Program and Local Streets Program funds. Borrower understands and agrees that Draws shall be credited toward Borrower’s account with SBCTA for payment of the Original Loan Amount plus Interest, and Draws shall not be paid directly to Borrower, Borrower’s creditors, assigns, or any Person, and shall not be used for any purpose unauthorized by Measure I.

2.5 Application of Draws. Each Draw shall be applied first to payment of Interest accrued and owing, and then to the Annual Payments due and payable.

ARTICLE THREE—GENERAL CREDIT PROVISIONS

3.1 Conditions Precedent. As conditions precedent to Lender making the Term Loan to Borrower, Borrower shall:

3.1.1 Pay Lender the Loan Fee upon Borrower's execution of this Agreement; and

3.1.2 Intentionally Omitted.

3.1.3 Deliver to Lender a certified copy of a Resolution or minute action of Borrower's legislative body authorizing execution of this Agreement by Borrower's duly authorized representative and approving this Agreement.

3.2 Records of Draws. Draws shall be evidenced by entries in accounting records maintained by Lender.

3.3 Collateral. Borrower shall grant Lender a first priority Lien in the Collateral, as more fully described in Exhibit "A". Borrower shall execute all such documents as Lender deems useful or necessary from time to time to perfect and maintain its Lien in the Collateral.

3.4 Repayment of Loan Amount.

3.4.1 Borrower shall repay the Loan Amount to Lender by the following means: not later than March 15 of each year, Borrower shall pay Lender the Annual Payment in Uncommitted DIF collected by Borrower until the Loan Amount is paid in full.

3.4.2 Borrower shall commence repayment of the Loan Amount on March 15, 2019.

3.4.3 All DIF payments of the Loan Amount received by Lender shall be entered in SBCTA's records as a reduction of the Original Loan Amount, and will be applied first to Interest accrued and payable, and then to Annual Payments due and payable, and then as a release of funds under Subarticle 3.5.

3.5 Release of Funds. Within thirty (30) calendar days after Lender's receipt of a DIF payment from Borrower, Lender shall release to Borrower Local Streets Program funds that have been withheld as a Draw under Subarticle 2.2 that are in excess of Borrower's Interest accrued and payable and Annual Payments due and payable as of that date.

3.6 Loan Due Date. The remaining balance of the Loan Amount plus Interest shall be due and payable upon the Loan Due Date.

3.7 Loan Extension. If the Loan Amount is unpaid one hundred eighty (180) calendar days prior to the Loan Due Date and Borrower is not in breach of this Agreement, Borrower and Lender shall negotiate in good faith an extension of the Loan Due Date as is necessary to enable Borrower to repay the Loan Amount from Uncommitted Development Impact Fees.

3.8 Expiration of Measure I. If the Loan Amount is not paid in full as of the expiration date of Measure I due to insufficient Uncommitted Development Impact Fees collected by Borrower, Borrower's obligations to make any further Term Loan payments shall cease, this Agreement shall terminate, and Lender shall release its security interest in the Collateral.

3.9 Agreement Termination. This Agreement shall terminate upon the earliest to occur of 1) repayment in full of the Term Loan; 2) termination of the Agreement pursuant to Section 7.2; or 3) the expiration of Measure I.

ARTICLE FOUR—REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that as of the Effective Date and the dates of each of the Draws:

4.1 Authorization, Validity and Enforceability. The execution, delivery and performance of this Agreement are within Borrower's powers, have been duly authorized, and are not in conflict with Borrower's charter (if applicable), and this Agreement constitutes a valid and binding obligation of Borrower, enforceable in accordance with its terms.

4.2 Compliance with Applicable Laws. Borrower has complied with its charter (if applicable), all laws, ordinances, and other governmental regulations now or later in force and effect in entering into this Agreement.

4.3 No Conflict. The execution, delivery, and performance by Borrower of the terms of this Agreement are not in conflict with any law, rule, regulation, order or directive, or any indenture, agreement, or undertaking to which Borrower is a party or by which Borrower may be bound or affected.

4.4 No Litigation, Claims or Proceedings. There is no litigation, claim, proceeding or dispute pending, or to the knowledge of Borrower, threatened against or affecting the Collateral or Borrower's ability to enter into this Agreement, except as disclosed in writing to Lender prior to the Effective Date.

4.5 Correctness of Financial Statements. Borrower's Comprehensive Annual Financial Report for Fiscal Year 2016/2017 which has been delivered to Lender fairly and accurately reflects Borrower's financial condition as of June 30, 2017, and since that date, there has been no material adverse change in Borrower's financial condition.

4.6 DIF Commitments List. Borrower represents and warrants to Lender that the DIF Commitments list, attached to this Agreement as Exhibit "B", is a true, correct and complete listing of commitments, and amounts of commitments, of Development Impact Fees as of the Effective Date of this Agreement.

4.7 Reaffirmation of Representations. Each Draw accepted by Borrower shall be deemed a confirmation by Borrower that all representations and warranties contained herein or

otherwise made by Borrower to Lender are then accurate in all material respects as though made on the date of such Draw.

4.8 Continuing Disclosure. The Borrower shall notify the Lender of potential bankruptcies, changes in general fund balances or revenues greater than 20% from the prior year, operational changes that impact the Borrower's budget by greater than 20% and any new debt issuances.

4.9 Title to Collateral. Except as disclosed to Lender pursuant to this Agreement, Borrower has good and clear title to the Collateral, and the Collateral is not subject to any Liens.

ARTICLE FIVE—AFFIRMATIVE COVENANTS

During the Term of this Agreement and until its performance of all obligations to Lender, Borrower promises and will:

5.1 Notice to Lender. Promptly give notice to Lender of:

5.1.1 Any litigation or threatened litigation or administrative or regulatory proceeding arising out of or related to this Agreement;

5.1.2 Any Event of Default; and

5.1.3 Receipt of Uncommitted Development Impact Fees, including the sources and amounts of the Uncommitted Development Impact Fees received through submission of its Development Mitigation Annual Report.

5.2 Borrower grants Lender a first position security interest in the Collateral. Borrower shall execute all such documents as Lender deems useful or necessary from time to time to perfect and maintain its first position security interest in the Collateral.

5.3 Records. Maintain adequate books, papers, records, accounting records, files, reports, and all other material relating to the Project and the Development Impact Fees. Borrower shall, upon request, make all such materials available to Lender or its designee at any reasonable time during the term of the Agreement and for three (3) years from the Agreement Termination Date for auditing, inspection, and copying.

5.4 Intentionally Omitted.

5.5 Five-Year Measure I CIP Disclosure. Include in its Five-Year Measure I Capital Improvement Plan the amount of this Loan, the use of the Loan funds, and Borrower's plan for repayment of the Loan.

5.6 General Credit Provisions. Comply with and perform all of Borrower's payment and other obligations under Article Two - Term Loan, and Article Three - General Credit Provisions.

5.7 Compliance with Laws. Comply with all laws, rules, regulations, orders or directives of any governmental or regulatory authority and with all material agreements to which Borrower is a party, that relate to or impact Borrower's performance under this Agreement.

5.8 Insurance. Intentionally Omitted.

ARTICLE SIX—NEGATIVE COVENANTS

During the Term of this Agreement and until the performance of all obligations to Lender, Borrower will not, without prior written consent of Lender:

6.1 Liens. Create, incur, assume or permit to exist any Lien, or grant any other Person or entity a pledge, in any of the Collateral, except Liens in favor of Lender pursuant to Subarticle 3.3.

6.2 Transfer of Collateral. Borrower covenants not to directly or indirectly assign, transfer, pledge, convey, hypothecate or encumber the Collateral in whole or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Agreement.

6.3 Non-Assignment of Agreement. Borrower shall not assign this Agreement in whole or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Agreement. Subject to the foregoing, the provisions of this Agreement shall extend to the benefit of and be binding upon the successors and assigns of the Parties.

ARTICLE SEVEN—EVENTS OF DEFAULT

7.1 Event of Default. An event of default is any breach or default of any covenant, representation or warranty of this Agreement which can be cured by the payment of money and which either Party does not cure within a fifteen (15) calendar day period commencing on the date when such amount was due and payable ("Monetary Event of Default"); or any other breach or default ("Non-Monetary Event of Default") by either Party of any covenant, representation or warranty of this Agreement which is not a Monetary Event of Default or which is not defined in this section and which the defaulting Party does not cure within a thirty (30) calendar day period commencing on the date of the occurrence of the breach or default (the "Applicable Cure Period"), or in the event such Event of Default cannot reasonably be cured within such time, which the defaulting Party does not commence to cure within the Applicable Cure Period and thereafter diligently and continuously proceed

with such cure to completion and complete the same within a period determined to be reasonable by the non-defaulting Party.

7.2 Remedies. Upon the occurrence of any uncured Event of Default, the following shall apply:

7.2.1 At Lender's sole discretion, Lender may take any or all of the following actions:

7.2.1.1 cease making further Draws;

7.2.1.2 withhold Local Streets Program funds equivalent to the Loan Amount outstanding at the time of Default;

7.2.1.3 terminate this Agreement, without further notice to Borrower;

7.2.1.4 pursue proceedings at law or equity to recover the Collateral or to otherwise enforce the terms of this Agreement against Borrower;

7.2.1.5 disqualify Borrower from further participation in SBCTA's Development Mitigation Fair Share Loans and Loan Repayment program under Victor Valley Major Local Highways Program Measure I Strategic Plan Policy 40013, sub-policy VVMLH-32.

7.2.1.6 exercise any and all rights and remedies available at law or equity.

7.2.2 At Borrower's sole discretion, Borrower may take any or all of the following actions:

7.2.2.1 terminate this Agreement, without further notice to Lender;

7.2.2.2 pursue proceedings at law or equity to enforce the terms of this Agreement against Lender.

7.2.3 In the event of any litigation, whether in a court of law, administrative hearing, arbitration, or otherwise, arising from or related to this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

ARTICLE EIGHT--GENERAL PROVISIONS

8.1 Notices. Any notice given by any Party to this Agreement shall be in writing and personally delivered, deposited in the United States mail, postage prepaid, or sent by facsimile transmission, and addressed as follows:

To: Borrower

City of Hesperia
Attention: City Manager
9700 Seventh Avenue
Hesperia, CA 92345
Fax No.: (760) 947-2881

To: Lender

SBCTA
Attention: Executive Director
1170 W. Third Street
San Bernardino, CA 92410
Fax No.: (909) 885-4407

Each Party may change the address to which notices, requests and other communications are to be sent by giving written notice of such change to each other Party.

8.2. No Waiver. Any waiver, permit, consent or approval by a Party of any Event of Default or breach of any provision, representation, warranty or covenant of this Agreement must be in writing and shall be effective only to the extent set forth in writing. No waiver of any breach or default shall be deemed a waiver of any later breach or default of the same or any other provision of this Agreement. Any failure or delay on the part of a Party in exercising any power, right or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude any further exercise thereof.

8.3 Rights Cumulative. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any other rights or remedies available under this Agreement or applicable law.

8.4 Unenforceable Provisions. Any provision of this Agreement which is prohibited or unenforceable, shall be so only as to the extent of such prohibition or unenforceability, but all the remaining provisions of the Agreement shall remain valid and enforceable.

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

8.6 Indemnification. Neither Lender nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by Borrower under or in connection with this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, Borrower shall fully defend, indemnify and save harmless Lender, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by Borrower under or in connection with any work, authority or jurisdiction delegated to Borrower under this Agreement. Borrower's indemnification obligation applies to Lender's "active" as well as "passive" negligence but does not apply to Lender's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

8.7 Reimbursement. Borrower shall reimburse Lender for all costs and expenses expended or incurred by Lender in any arbitration, judicial reference, legal action, or otherwise in connection with: (i) collecting any sum which becomes due Lender under this Agreement, or (ii) the protection, preservation or enforcement of any rights of Lender under this Agreement.

8.8 Execution in Counterparts. This Agreement may be executed in any number of counterparts which, when taken together, shall constitute but one agreement.

8.9 Further Assurances. At any time and from time to time upon the request of Lender, Borrower will execute and deliver such further documents and do such other acts as Lender may reasonably request in order to effect fully the purposes of the Agreement and provide for the payment of the Loan and preservation of Lender's security interest in the Collateral.

8.10 Headings. The headings and captions of Articles and subarticles of this Agreement are for the convenience of reference only and shall not constitute a part of the text nor alter or otherwise affect the meaning thereof.

8.11 Construction of Agreement. Both Parties have been represented or had the full opportunity to be represented by legal counsel of their own choosing in the negotiation and preparation of this Agreement. Therefore, the language in all parts of this Agreement will be construed, in all cases, according to its fair meaning, and not for or against either Party.

8.12 Exhibits. Exhibit "A" (Collateral) and Exhibit "B" (DIF Commitments) are attached to and incorporated into this Agreement by this reference.

8.13 Entire Agreement. This Agreement is intended by the Parties as the final expression of their agreement and therefore contains the entire agreement between the Parties and supersedes all prior understandings or agreements, written or oral, concerning the subject matter hereof. All previous proposals, offers, and other communications, written or oral, relative to this Agreement, are superseded except to the extent that they have been incorporated into this Agreement.

8.14 Amendments. This Agreement may be amended only in a writing duly authorized and executed by both Borrower and Lender.

-----SIGNATURES ON FOLLOWING PAGE-----

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement below.

CITY OF HESPERIA

**SAN BERNARDINO COUNTY
TRANSPORTATION
AUTHORITY**

By: _____
Russ Blewett, Mayor

By: _____
Alan D. Wapner, President

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

Eric L. Dunn,
City Attorney

Eileen Monaghan Teichert,
General Counsel

ATTEST

By: _____
Melinda Sayre, City Clerk

Jeffery Hill, Procurement Manager

EXHIBIT “A”
COLLATERAL FOR TERM LOAN AGREEMENT NO. 17-1001629

1. Any and all of the City of Hesperia Uncommitted Development Impact Fees received by or to be received by the City of Hesperia, including the proceeds from and interest on such fees and accounts into which such fees are deposited. Uncommitted Development Impact Fees are the revenues generated by City of Hesperia locally-adopted development financing mechanism to mitigate development’s impacts on transportation by making fair share contributions for transportation facilities needed as result of development, as required by Measure I, including without limitation proceeds from a Community Facilities District or other development-based sources, but do not include such revenues generated to pay the development share for the commitments identified in Exhibit “B”.
2. Any and all of City of Hesperia Measure I Local Streets Program funds up to the amount of \$18,762,403.05 plus Interest. Local Streets Program funds means the San Bernardino County Transportation Authority-administered Measure I program that provides funds through a pass-through mechanism directly to the City of Hesperia for expenditure on street and road construction, repair, maintenance and other eligible local transportation priorities including local streets, major highways, state highway improvements, freeway interchanges, transit, and other improvements/programs to maximize use of transportation facilities.

EXHIBIT “B”

DIF COMMITMENTS AND AMOUNTS

Ranchero Rd Impvmts – 7 th Ave to Mariposa Rd CO 7094	\$14,430,500
Main Street Aqueduct Crossing CO 7096	\$329,877
Traffic Signal @ Ranchero Rd/ Maple Ave CO 7131	\$100,000
Ranchero Rd Rehab & Main St Median CO 7137	\$272,000
Ranchero Road Aqueduct Crossing CO 7139	\$600,000
Traffic Signal @ Ranchero/ Cottonwood CO 7146	\$100,000
Main St; Hwy 395 to Mesa Linda	\$1,350,000
Main St; Escondido to 11 th	\$15,422,838
Main St; 11 th to 9 th	\$1,603,684
Ranchero Rd; 7 th to Danbury (inc. RR Grade Separation)	\$750,000
Ranchero Rd; Danbury to I Ave	\$2,817,000
Ranchero Rd; I Ave to Arrowhead Lake Rd	\$1,558,800

All DIF received from development of the Tapestry Specific Plan, which is required to be expended pursuant to the Development Agreement between the City of Hesperia and Hesperia Venture I, LLC, dated January 30, 2018, and recorded on January 30, 2018, as Instrument No. 2018-0033139.