

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into between the City of Escondido, a California municipal corporation ("City"), and The Rinks Foundation, a California non-profit public benefit corporation on behalf of itself and a to-be-formed wholly owned subsidiary (collectively, "TRF"), for the mutual benefit of the Parties. The City and TRF may each be referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

A. The City is the owner of roughly 285 acres of park land comprising Kit Carson Park, which provides recreational opportunities and areas preserved as natural habitat (the “Property”). As a regional park that attracts players and enthusiasts of a variety of sports from all over Southern California, TRF has presented the City with an opportunity to increase recreational opportunities for both youth and adults as well as a facility that will serve as a driver of economic development for the region.

B. TRF, directly or through affiliates, is the owner and operator of community rinks (six ice and two inline), commonly known as “The Rinks” and located in Orange County and Los Angeles County, California and desires to construct and operate an indoor ice rink facility on a portion of the Property.

C. This MOU is conditioned on compliance with the California Environmental Quality Act (CEQA); it represents a preliminary expression of cooperation; and is not an approval of any proposed project by the City or any commitment by the City to approve any agreement with TRF in the future. Such agreement, if realized, must be first considered and approved by both the City Council and the governing body of TRF.

D. The City received a determination by the California Department of Housing and Community Development (“HCD”) that the proposed transaction between the Parties is exempt from the Surplus Land Act due to prior legal restrictions on the Property.

TERMS AND CONDITIONS

With the above Recitals in place, the Parties agree to the following:

1. Negotiation: The City and TRF agree to collaborate and enter into exclusive, non-binding, good-faith negotiations for a potential ground lease (the “Lease”) of a City-owned

approximate fourteen (14) acre parcel of property for the purpose of developing and operating an indoor three (3) sheet ice skating/ice hockey facility, a tentative concept design of which is depicted on the Site Map attached as Exhibit A (the "Facility").

2. Term: It is anticipated that the Lease term (the "Term"), will commence only if and when all entitlements have been obtained by TRF, and the Facility is constructed, and continue for twenty-five (25) years with an additional five (5) options to extend the Term, in each instance for an additional five (5) year period. The Facility will revert to City ownership at the conclusion of the Term.

3. Entitlement: TRF will comply with all applicable City processes for entitlement of the Facility including all required environmental reviews and an application for a Conditional Use Permit for the Facility. The Parties anticipate that there will also be an environmental review as the result of the relocation of the existing ballfield facilities.

4. Rent: The anticipated rent amount, beginning at the commencement of the Term, will be the lesser of (i) eighteen and seventy-five one hundredths percent (18.75%) of Project Cash Flow, or (ii) One Hundred Eighty-Seven Thousand Five Hundred Dollars (\$187,500) per Lease Year.

5. Use: The purpose of the Lease will be the construction and operation of the Facility and related on and off-site improvements consistent with entitlements, applicable laws and development and building plans and permits approved by City (collectively, the "Project"). The Project will be managed by TRF.

6. Financing: TRF anticipates financing the Project with tax-exempt debt in a to be determined amount issued by a Joint Powers Authority, funded by a financial institution and secured by a Leasehold Deed of Trust, and, as needed, cash provided by TRF, each and all as approved by City. The Parties anticipate working with the California Infrastructure and Economic Development Bank, with only limited involvement by the City.

7. Community Benefits: TRF will provide, as a community benefit, public access to and programming at the Facility. In addition, while the City will be responsible to relocate the existing ballfield facilities which are contiguous to the Project, TRF will contribute as an additional community benefit, amount of \$4,000,000 toward the cost of such relocation.

8. Further Assurances: The Parties agree to provide staff support to pursue a potential future agreement such that negotiations move forward expeditiously; and such agreement will allow the Parties to promptly and timely complete their respective evaluation of the feasibility of the Project and a Lease.

9. Further Agreements: Nothing herein is intended to constitute, nor shall it operate as, an agreement to enter into any further agreements or relationships between the Parties, or any other parties. The City does not make any warranty or guarantee of a lease or ultimate approval of any development application for the Project.

10. Non-Binding: The provisions of this MOU represent a statement of the Parties' general intent only and shall not be binding on either Party. Each Party fully understands that the terms and conditions of any future lease agreement are subject to approval by the City Council and TRF, and no Party shall have any legal obligations to the other unless and until all such terms and conditions of any proposed lease agreement have been negotiated and agreed to by the authorized officials, representative, agents, or designees of the Parties.

11. CEQA: This MOU is conditioned on compliance with CEQA and the State CEQA Guidelines. The Parties acknowledge that this MOU does not bind any Party, or commit any Party, to any definite course of action, prior to CEQA compliance. Further, nothing in this MOU restricts the City from considering, if applicable, any feasible mitigation measures or alternatives associated with any proposed future agreement, including a “no project” alternative.

12. Non-Approval: The MOU is a preliminary expression of cooperation and intent and not an approval of any proposed future lease agreement or development application by the City or TRF.

13. Termination: The Parties can cancel the MOU and its terms and conditions at any time. The Parties' stated intent is that the MOU is a preliminary non-binding understanding that is not intended to be “enforced” against either Party. Nonetheless, the Parties mutually agree that their representative signing below have the authority to enter into this MOU.

This MOU is effective on the date shown above.

Dated: 6/18/2026

CITY OF ESCONDIDO

DocuSigned by:
Dane White
19FFE5DB8C3B409
Dane White, Mayor

Dated: 6/18/2026

THE RINKS FOUNDATION.

Signed by:
Aaron Teats
3743DB1837094B7...
Aaron Teats