



BELL CANYON COMMUNITY SERVICES DISTRICT
30 HACKAMORE LANE
BELL CANYON, CALIFORNIA 91307

REGULAR MEETING

OF THE BOARD OF DIRECTORS

DATE/TIME:

December 23, 2024 at 7:00 p.m.

LOCATION: Bell Canyon Community Center

ALSO VIA ZOOM for the Public:

General Manager is inviting you to a scheduled Zoom meeting.

Topic: Regular

Time: Dec 23, 2024 07:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/92993007280?pwd=kiKVCccVzYXpBI9ISsrzOIQvtkhGa4.1>

Meeting ID: 929 9300 7280

Passcode: 291333

One tap mobile

+16694449171,,92993007280#,,,,*291333# US

+16699009128,,92993007280#,,,,*291333# US (San Jose)

Dial by your location

- +1 669 444 9171 US

Meeting ID: 929 9300 7280

Passcode: 291333

AGENDA

In accordance with Government Code Section 54954, notice is hereby given that the Board of Directors of the Bell Canyon Community Services District will hold a regular meeting at 7:00 PM on Monday, December 23, 2024, at 30 Hackamore Lane, Bell Canyon, California in the Community Center to consider those items set forth in the following agenda, except in accordance with Government Code Section 54954.2[b]. The Board reserves the right to modify the order in which items are heard.

The District welcomes any member of the public to attend the meeting. Any non-resident who wishes to attend in-person can, upon their arrival at the front gate, inform gate personnel of their attendance at the District's meeting. No pre-registration is required.

Agenda Materials

The complete agenda for this meeting is available at <https://bellcanyoncsd.ca.gov> and at the District Office, 30 HACKAMORE LANE, SUITE #2B, BELL CANYON, CA 91307. Any materials submitted to the legislative body after distribution of this agenda will be available for public inspection at the District Office and available on the web site. Requests for agenda materials or meeting participation assistance can also be made by email to gm@bellcanyoncsd.ca.gov.



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Americans with Disabilities Act (ADA) Accommodations

In compliance with the ADA, any person with a disability who requires accommodation in order to participate in a meeting should contact the District Office at gm@bellcanyoncsd.ca.gov to request accommodation. The District will use its best efforts to provide reasonable accommodations related to the meeting.

Per Government Code Section 54954.3, every agenda for a special meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item listed on this agenda, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b]. Public forum will be conducted as the first item of business.

1. **Call to Order and Roll Call**
2. **Pledge of Allegiance**
3. **A moment of silence in memory of the victims of terror in Israel; Ukraine and elsewhere in the world.**
4. **Public comments on Agenda Items.**
 - Election of officers
 - Board compensation
 - Review of By-laws regarding duties of the Board officers (4)
 - Setting Standard agenda items
 - Kai Luoma invitation to speak at BCCSD Board Meeting
 - Legal services for 2025
 - Resolution 24-07 (10)
 - Lease for 2A (2)
 - CSD Office digitization and organization
 - CSD Office access, size and hours
 - Authorized Signers (26)
 - General Manager Office Access Policy (27)
 - Policy for Use of CSD Property
 - Unauthorized BCWFD Event on CSD Property
 - Update on HOA Maintenance Yard on CSD Property
 - Optional Director updates
 - Closed Session
5. **Open Forum/Comments.** In accordance with Government Code Section 54954.3, every agenda for a regular meeting of the Board of Directors shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless that action is otherwise governed by Government Code Section 54954.2[b].
6. **Rules of behavior due to hybrid nature of meeting using Zoom along with a live audience.**

For any person to speak, they must be recognized by the Presiding Officer and passed the microphone so they can be heard on Zoom. ZOOM attendees will raise their hand on Zoom to request recognition. Zoom attendees will be unmuted on Zoom when recognized. Members of the public in the audience must come to the podium to speak. You will be notified when it is time to come to the podium. All public speakers will be allotted a maximum of 3 minutes. We will recognize Zoom attendees first.



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7. BUSINESS ITEMS

7A. Election of officers. Discussion and motion as needed.

7B. District By-Laws, under Article VII, Section 1, currently provide that the Board of Directors shall vote annually whether or not to accept the compensation of one hundred dollars (\$100) per meeting, and that the vote of the majority of the Board is binding on each member as to such compensation. Such vote is to be taken prior to June 1 to allow for appropriate fiscal year budgeting. The Board shall discuss whether to accept or forego the compensation, and motion as needed." Discussions and motions as needed. See agenda packet.

7C. Review of By-laws regarding duties of the Board officers. Discussion and motion as needed. See agenda packet.

7D. Setting Standard agenda items and preparation of meeting agendas for all Board Meetings. Discussion and motions as needed.

7E. Kai Luoma invitation to speak at BCCSD Board Meeting. Discussion and motion as needed.

7F. Legal Services for 2025. Discussion and motion as needed.

7G. Resolution 24-07. Prop 68 Funds and minutes from September 30, 2024. Discussion and motion as needed. See agenda packet.

7H. Lease for 2A. Discussion and motion as needed. See agenda packet.

7I. CSD Office digitization and organization. Discussion and motion as needed.

7J. CSD Office access, size and hours. Discussion and motion as needed.

7K. Authorized Signers. Discussion and motion as needed. See agenda packet.

7L. General Manager Office Access Policy. Discussion and motion as needed. See agenda packet.

7M. Policy for use of CSD Property. Discussion and motion as needed.

7N. Unauthorized BCVWFD Event on CSD Property. Discussion and motion as needed.

7O. Update on HOA Maintenance Yard on CSD Property. Discussion and motion as needed.

7P. Optional Director Updates.

7Q. CLOSED SESSION

PUBLIC EMPLOYEE – PERFORMANCE EVALUATION (DISMISSAL or APPOINTMENT)
(Gov. Code § 54957(b).)

Title: General Manager and General Counsel

8. NEXT MEETING

The next Regular meeting is on Monday, January 27, 2024, at 7 PM.

9. ADJOURMENT

BY-LAWS

BELL CANYON COMMUNITY SERVICES DISTRICT

Article I. Name and Location

Section 1. The name of the agency is the Bell Canyon Community Services District, hereinafter referred to as the "District". The principal office of the District shall be located at 30 Hackamore Lane, Suite #16, Bell Canyon, CA 91307.

Article II. Purposes

Section 1. The District is a public agency established in accordance with and having the authority and powers defined in the Community District Law, Government Code Section 61000, et seq. (the District's Principal Act).

Section 2. The District's functions include, but are not limited to:

- (a) Residential rubbish collection, removal and disposal for all residents of the District;
- (b) Parks and recreation activities for the District as may be deemed appropriate by the Board of Directors;
- (c) Paramedic services;
- (d) Enhanced traffic patrol services;
- (e) Those functions and powers set forth in the 1983-1984 formation proceedings for the District, and in Government Code 61000, et seq. and as authorized by the Local Formation Commission for the County of Ventura.

Article III. Territory

Section 1. The boundaries of the District are described in Exhibit "A" attached hereto.

Article IV. Composition of Governing Board

Section 1. The Board of Directors of the District is comprised of five members elected to four-year terms by the registered voters of the District.

Article V. Officers of the Board

Section 1. Titles and Functions. The officers of the Board of Directors shall consist of the following:

- 1.1 A President who shall preside at all meetings of the Board of Directors, have general supervision of the affairs of the Board of Directors, represent the Board of Directors in any action taken by the Board, and perform such duties as the By-Laws may prescribe.
- 1.2 A Vice-President who shall assist the President in performance of his/her duties and act in his/her stead when required.
- 1.3 All officers may vote on all issues.

Bell Canyon Community Services District

BY-LAWS

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Article V. (continued)

Section 2. Terms of Office

- 2.1 The terms of all officers shall be one year from the date of their election as provided for in Article V, Section 3. These officers shall continue in office until their successors have been elected.
- 2.2 If the President fails to complete his/her term, the Vice President shall be elevated to the office of President and the Board shall elect a new Vice President from among its members.

Section 3. Election of Officers. Election of all officers will take place at the Amended 1/22/2001 regularly scheduled meeting in December. Any incoming directors are to have been sworn in by this time.

Article VI. Meetings of the Board of Directors

Section 1. Time and Place. Regular meetings of the Board shall be held the fourth Monday of each month beginning at 7:00 pm at the District Office or any other place designated by the Board.

Section 2. Agenda. In accordance with Section 54954.2 of the Government Code, a copy of each Board meeting agenda shall be posted in a location which is freely accessible to the public 72 hours before each regular meeting of the Board. The agenda will include a brief description of each item of business to be transacted or discussed at the meeting together with a time and location of the meeting. No action or discussion shall be taken on any item not appearing on the posted agenda, except in accordance with Section 54954.2.

Section 3. Quorum. A majority of the total Board members shall constitute a quorum for the transaction of business. A majority of the Board members present shall be required to approve, disapprove or otherwise act on any proposal, except matters requiring action by a majority of the full Board as required by statute. A tie vote shall constitute a denial. The Board shall act only by ordinance, resolution or motion. Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.

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- Section 4. Meetings Open to Public. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting, except Closed Sessions of the Board held in accordance with the law.
- Section 5. Public Participation. Public comment and participation shall occur in accordance with Government Code Section 54954.3. A block of approximately 30 minutes time shall be set aside to receive general public comment. Comments on agenda-ed items shall be held until the appropriate item is called. Public comments on individual agenda items should not exceed 30 minutes and the President shall encourage speakers to refrain from cumulative comments. Unless otherwise directed by the President, members of the public shall state their name and their general place of residence prior to giving their comment. Individual public comment on any matter shall be directed to the President and limited to five minutes unless extended at the President's discretion.
- Section 6. Closed, Adjourned or Special Meetings. Such meetings will be held in accordance with the Ralph M. Brown Act, Section 54950, *et seq.* of the California Government Code.

Article VII. Compensation

- Section 1. The Board of Directors shall vote annually whether or not to accept the compensation of one hundred dollars (\$100.00) for each meeting of the Board, subject to the maximum amount in Government Code Section 61047. The vote of a majority of the Board of Directors shall be binding on each member as to such compensation. Such vote is to be taken prior to June 1 to allow for appropriate fiscal year budgeting.
(Amended 7/19/99)
- Section 2. Reimbursement. Directors will be reimbursed for mileage at the current IRS allowed rate, and out-of-pocket expenses upon submittal of an itemized request.
- Section 3. The Board of Directors shall receive at least two hours of training in general ethics principles and ethics laws relevant to their public service every two years, in accordance with Government Code Section 53234 *et seq.*

Bell Canyon Community Services District

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Article VIII. Records of Proceedings

Section 1. The Secretary to the Board shall prepare for approval by the Board of Directors summary minutes, recording all resolutions, ordinances, actions and determinations of the Board.

Section 2. All papers involving official acts of the Board shall be signed in accordance with appropriate legislation relating to such acts. In the absence of specific regulations, the signature of the President or Vice President attested by the Secretary to the Board shall be deemed sufficient.

Article IX. Hearings

Section 1. Order of Presentation of Evidence and Testimony. First, staff or committees of the District; second, the proponents; third, the opponents; last, proponents' rebuttal.

Section 2. Rules of Evidence. The formal rules of evidence applicable to an action at law shall not apply to hearings before the Board. The only rule that shall govern the admissibility or the reception of evidence is the requirement that the offered evidence have some reasonable tendency to explain or shed light on the matter at issue.

Section 3. Limitation of Time. The testimony and argument of all persons appearing before the Board shall be limited to a reasonable time as determined by the President in accordance with Government Code 54954.3.

Article X. Administration of District Business

Section 1. General Manager. The Board of Directors shall appoint a General Manager to undertake those duties specified in Government Code Section 61051, including implementation of the policies and programs approved by the Board of Directors for the operation of the District. The General Manager so selected shall meet such minimum qualifications as established by the Board of Directors. He/she shall serve at the pleasure of the Board and shall also serve as Secretary to the Board. The Board may elect to contract for these services.

Bell Canyon Community Services District

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- Section 2. District Treasurer. The Board of Directors shall appoint a District Treasurer, who shall take actions in conformance with Board policies and directives and the District's Principal Act.
- Section 3. Legal Counsel. The Board of Directors shall obtain legal counsel to insure that all business of the District is conducted in conformity with the laws of the State. Such legal counsel may be obtained by the employment of a competent attorney or by such other means as deemed appropriate.
- Section 4. Annual Audit. The Board of Directors shall obtain outside, professional accounting services to perform an audit of the books of account on an annual basis and to insure that all business of the District is conducted in conformity with the law.
- Section 5. Payment of Obligations. The Treasurer, or other person designated by the Board, shall review the recurring and extraordinary warrant register, verify that all items thereon are proper obligations of the District, and make recommendations thereon to the Board. All recurring and extraordinary warrants shall be signed by any two of the following four persons: President, Vice President, Treasurer or General Manager.

Article XI. Committees

- Section 1. Establishment of Committees. The President of the Board of Directors may appoint such standing or temporary committees as he/she deems appropriate and shall appoint, with the advice and consent of the Board, the chairperson and members of the committees from among the Directors of the Board. This provision does not preclude the Board from establishing any resident advisory committees in accordance with law.

Article XII. Adoption and Amendment of By-Laws

- Section 1. These By-Laws are adopted by resolution. They may be amended only at a regular meeting of the Board of Directors after 20 days written notice to the Board members of any proposed changes. Amendments shall be approved by resolution of the Board.

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Article XIII. Indemnification

Section 1. Indemnification shall be provided to the officers and directors of the Bell Canyon Community Services District in permissible situations to the fullest extent provided by the California law.

Article XIV. Consistency with Law

Section 1. In the event any provision contained in these By-laws is inconsistent with the Community Services District Law, the Ralph M. Brown Act or other mandatory provisions of law applicable to the District, as such law currently exists or as it may be subsequently amended, the mandatory and applicable provision of law shall prevail.

Resolution No. 24-07

Resolution of the Bell Canyon Community Services District Board of Directors authorizing the Bell Canyon CSD to pass through \$177,952 Per Capita Grant Fund Allocation from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 to the County of Ventura.

WHEREAS Entities that receive an allocation under the Per Capita program may transfer all or part of that allocation to another eligible entity.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Bell Canyon CSD hereby:

1. Approves the reduction of the Per Capita Grant Fund allocation from the State of California under the Per Capita Grant Program under the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.
2. Authorizes the State of California to decrease the Bell Canyon CSD Per Capita allocation from \$177,952 to \$0 to reflect the pass through of \$177,952 to the County of Ventura.

PASSED AND ADOPTED on the 23rd day of December 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Walter Kelly
General Manager

President



BELL CANYON COMMUNITY SERVICES DISTRICT
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SEPTEMBER 30, 2024 MINUTES

9. General Manager as gatekeeper to legal expenses

P. Machuga moved to make General Manager the gatekeeper to legal counsel in order to contain legal expenses. J. Lantz seconded. The motion failed as follows:

Ayes: J. Lantz, P. Machuga

Noes: M. Robkin

Abstain: R. Levy, E. Wolf

Absent:

10. California Highway Patrol Contract

M. Robkin moved to receive and file the California Highway Patrol contract. E. Wolf seconded. The motion passed as follows:

Ayes: J. Lantz, P. Machuga, R. Levy, M. Robkin, E. Wolf

Noes:

Abstain:

Absent:

11. Security Camera in the CSD Office

E. Wolf moved to physically removed the security camera in the CSD office. P. Machuga seconded. The motion passed as follows:

Ayes: J. Lantz, P. Machuga, R. Levy, M. Robkin, E. Wolf

Noes:

Abstain:

Absent:

12. Prop 68 Park Capital Improvements

M. Robkin moved to assign Prop 68 funds to the County of Ventura, earmarking the funds for the Oak Park Park, next to the Oak Park Highschool. E. Wolf seconded. The motion passed as follows:

Ayes: J. Lantz, P. Machuga, R. Levy, M. Robkin, E. Wolf

Noes:

Abstain:

Absent:

Bell Canyon Community Center Lease

THIS LEASE is made on September ____, 2024:

The Landlord hereby agrees to lease to the Tenant, and the tenant hereby agrees to hire and take from the Landlord, the Leased Premises described below pursuant to the terms and conditions specified herein:

LANDLORD:

Bell Canyon Community Center, Inc.
30 Hackamore Lane
Bell Canyon, CA 91307

TENANT(S):

Bell Canyon Community Service District
30 Hackamore Lane, Suites #2A and 2B
Bell Canyon, CA 91307

- 1 **LEASED PREMISES.** The Leased Premises are those premises containing approximately **760 square feet** and described as 30 Hackamore Lane **Suites #2A and 2B**. The suites are located in a larger approximately 13,000 square foot Office Building commonly known as the Bell Canyon Community Center.
- 2 **TERM.** The term of the Lease shall be for a period of 1 year commencing on September ____, 2024, and ending on September ____, 2025, unless sooner terminated as hereinafter provided. At the end of the first year this becomes a month-to-month lease with 120 advance notice for cancellation.
- 3 **RENT.** The Tenant agrees to pay the MONTHLY RENT of:

Five Hundred Fifty Dollars (\$1,680.00)

payable in advance before the first day of each calendar month during the full term of this lease. **Commencing September ____, 2025, the above rent shall be increased annually by the change in the consumer price index.** Rent for any period which is for less than one (1) month shall be a prorated portion of the monthly installment herein based upon a thirty (30) day month. All money, except security deposits, due from Tenant to Landlord under this Lease shall be deemed to be rent and all rent shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing.
- 4 **RENT PAID UPON EXECUTION :** Tenant to pay the sum of \$3,360 upon execution of this lease. This sum is advanced payment for the first month of the lease and the period being the last month of the lease. If this lease provides for rent adjustments, then the payment made in advance for the last month of the lease shall be applied to the amount then due.
- 5 **TOTAL DEPOSIT MONIES DUE UPON LEASE EXECUTION:** \$5,360.00
- 5 **USE AND HOURS OF OPERATION.** Tenant shall use the Premises solely for general office, business purposes only and shall not use or permit the Premises to be used for any other purpose. Tenant acknowledges that neither Landlord nor Landlord's agents or employees have made any representation or warranty, express or implied, as to the suitability of the Premises for Tenant's intended use. Tenant shall not be limited as to its hours of operation. However, Tenant's hours of operation shall not create a nuisance to adjoining Tenant's or other property owners in Bell Canyon. Landlord shall provide operation of the Heating and Air Conditioning systems only during the following hours: Monday through Friday: 7AM to 7PM and Saturday: 7AM to 5PM.
- 6 **SECURITY DEPOSIT.** Concurrently with Tenant's execution of this Lease, Tenant has deposited with Landlord a

security deposit in the amount of **\$2000.00**. Said Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including, but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep the security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor-in-interest and Landlord shall thereafter have no further responsibility to Tenant for the Security Deposit. In the event of any bankruptcy or creditor proceedings involving Tenant, the deposit shall be deemed applied to the payment of rent due Landlord for the period before the proceeding.

- 7 **USES PROHIBITED.** Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the permitted use of the Premises or which will in any way increase the existing rate of or affect any fire or other insurance upon the Office Building or any of its contents, or cause a cancellation of any insurance policy covering said Office Building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other Tenants or occupants of the Office Building or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in or about the Premises. Tenant shall not commit or allow to be committed any waste in or about the Premises.
- 8 **COMPLIANCE WITH LAW.** Tenant shall not use the Premises, or permit anything to be done in or about the Premises, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar bodies now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as to Tenant. Further, Tenant agrees to abide by all applicable provisions of the CC&Rs and of the rules and regulations adopted by Bell Canyon Association in connection with the property of which the leased premises is a part as well as the rules about the gate and roads.
- 9 **ALTERATIONS AND ADDITIONS.** Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the Premises without any compensation to Tenant. In the event Landlord consents to the making of any alterations, additions or improvements to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the term hereof, Tenant shall, upon written demand by Landlord, given at least fifteen (15) days prior to the end of the term, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant shall, forthwith and with all due diligence, at its sole cost and expense, repair any damage to the Premises caused by

such removal.

10 **REPAIRS AND IMPROVEMENTS.**

- 10.1 By entry hereunder, Tenant shall be deemed to have accepted the Premises as being in good, sanitary order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair (except as hereinafter provided with respect to Landlord's obligations). Tenant shall, upon the expiration or sooner termination of this Lease hereof, surrender the Premises to the Landlord in good condition, broom clean, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant. If Tenant after not less than 10 days' notice fails to have the necessary work performed, Landlord may, but shall not have the obligation to, have such work performed and charge Tenant the entire cost, rather than a proportionate share thereof, as additional rent.
- 10.2 Notwithstanding the provisions of Article 10.1, hereinabove, Landlord shall repair and maintain the structural portions of the Office Building, including the exterior walls and roof, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees, invitees, or any damage caused by breaking and entering, in which case Tenant shall pay to Landlord the actual cost of such maintenance and repairs. Landlord shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Landlord shall at all times have the right to renovate, remodel, improve or alter any portion of the Office Building or Premises as Landlord in Landlord's sole discretion desires. Except as provided in Article 24 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant or Tenant's business arising from the making of any repairs, renovation, remodeling, alterations or improvements in or to any portion of the Office Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.
- 10.3 Except as may otherwise be provided herein, the Premises are being leased to Tenant in their present physical condition "AS IS"
- 10.4 Landlord and its agents shall have the right, subject to prior notice to the tenant, to enter the Premises to inspect them, to show them to prospective purchasers, tenants or lenders, to post notices of non-responsibility, to cure any default of Tenant, to repair, restore or rebuild the Premises or any portion of the Office Building in which the Premises are located, to comply with any governmental or insurance requirements, to construct and install a mechanical shaft in the interior portions of the Premises (without a rental reduction) for ventilation, exhaust, refrigeration, electrical, plumbing or data transmission (including telephone and cable television) for the benefit of another Lessee or portion of the Office Building and to enter for any other lawful purpose relating to Landlord's rights or obligations under this Lease.

11 **LIENS.** Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Landlord may require, at Landlord's sole option, that Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1-1/2) times the estimated cost of any improvements, additions, or alterations in the Premises which Tenant desires to make, to insure Landlord against any liability for mechanics' and material men's liens and to insure completion of the work. Landlord may require that Tenant provide Landlord, at Tenant's sole cost, a set of plans and specifications approved by the applicable building department, a copy of the building permit, and a lien payment and completion bond in favor of Landlord in an amount equal to 100 the estimated cost of any alterations that Tenant proposes to make.

12 **ASSIGNMENT AND SUBLETTING.** Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion

thereof, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease. Prior to any assignment, transfer, mortgage, pledge, hypothecation, or encumbrance of this Lease or any interest therein, or any subletting of the Premises or any part thereof, or any right or privilege appurtenant thereto, Tenant shall make a written request of Landlord for consent thereto and shall accompany each such written request by a deposit of \$1,000.00 for Landlord's attorney's fees and other expenses in evaluating each request and along with said request, Tenant shall furnish Landlord with current financial statements and Federal Income Tax Returns for the last two (2) years for the proposed assignees and subtenants. Landlord shall refund to Tenant any unused portion of the \$1,000.00 deposit. Landlord shall forward to Tenant a copy of the actual attorney's fees and other expenses. In addition to said financial statements and income tax returns, Tenant shall also thereafter provide Landlord with any other additional written information which Landlord may from time to time request prior to the assignment. Landlord and Tenant agree that no such request by Tenant shall be valid or in good faith, or of any force or legal effect, unless the request is accompanied by the aforesaid payment. Absent such a concurrent payment, Landlord may disregard the request. Any consideration in excess of the amount of rent due from Tenant to Landlord under this Lease that is obtained by Tenant through any assignment or subletting shall be paid to Landlord by Tenant regardless of the source or form of payment. Such consideration may include, without limitation, higher rental and/or security deposit, above-market sales price of equipment, fixtures and/or improvements, or other payments made by or on behalf of the sub-lessee or assignee.

- 13 **EXEMPTION AND INDEMNIFICATION OF LANDLORD PARTIES** For purposes of this Lease, "Landlord's Parties" shall mean singularly and collectively Landlord and its officers, directors, shareholders, members, agents and employees, and "Tenant's Parties" shall mean singularly and collectively Tenant and its officers, directors, shareholders, members, agents and employees. As a material inducement for Landlord's entering into this Lease, Tenant knowingly and voluntarily agrees as follows.

Indemnity. Except for Landlord's Parties' gross negligence or willful misconduct, Tenant shall indemnify, protect, defend and hold harmless the property subject to the Lease and Landlord's Parties and each of them from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Tenant. If any action or proceeding is brought against Landlord's Parties or any of them by reason of any of the foregoing matters, Tenant shall upon notice defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. Landlord's Parties need not have first paid any such claim in order to be defended or indemnified.

- 13.1 **Exemption of Landlord's Parties from Liability.** Landlord's Parties shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Tenant's Parties, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, or from other sources or places. Landlord's parties shall not be liable for any damages arising from any act or neglect of any other tenant of Landlord. Notwithstanding negligence of Landlord's Parties, or breach of this Lease by Landlord, Landlord's Parties shall under no circumstances be liable for injury to Tenant's business or for any loss of income or profit therefrom.

- 13.2 **Survival of Exemption and Indemnification.** The clauses of this section 13 shall survive the expiration or earlier termination of this Lease until all claims within the scope of this section 13 are fully, finally, and absolutely barred by the applicable statutes of limitations.
- 13.3 **Tenant's Acknowledgment of Fairness.** Tenant acknowledges that this section 13 was negotiated with Landlord, that the consideration for it is fair and adequate, and that Tenant had a fair opportunity to negotiate, accept, reject, modify, or alter any of its provisions.

14 **TENANT PROPERTY INSURANCE AND WAIVER OF SUBROGATION.** Tenant at its cost shall either by separate policy or, at Landlord's option, by endorsement to a policy already carried, maintain all-risk insurance coverage on all of Tenant's personal property and fixtures, and any alterations owned by Tenant, in, on, or about the Premises in the amount of the full replacement cost of Tenant's interests. The proceeds of such insurance shall be used by Tenant for the replacement of personal property and fixtures, and the restoration of any Tenant owned alterations. Tenant shall provide Landlord with written evidence that such insurance is in force. Tenant hereby waives all rights of subrogation against Landlord including Tenant's rights of recovery against Landlord for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of Tenant.

15 **LIABILITY INSURANCE.**

- 15.1 **Compliance with Insurer Requirements.** Tenant shall, at Tenant's sole expense, comply with all requirements, guidelines, rules, orders, and similar mandates and directives pertaining to the use of the Premises and the Building, whether imposed by Tenant's insurers, Landlord's insurers, or both. If Tenant's business operations, conduct, or use of the Premises or the Building cause any increase in the premium for any insurance policies carried by Landlord, Tenant shall, within ten (10) business days after receipt of written notice from Landlord, reimburse Landlord for the increase. Tenant shall, at Tenant's sole expense, comply with all rules, orders, regulations, or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and of any similar body.
- 15.2 **Tenant's Liability Coverage.** Tenant shall, at Tenant's sole expense, maintain the coverages set forth in this section 15.
- 15.3 **Commercial General Liability Insurance.** Tenant shall obtain commercial general liability insurance written on an "occurrence" policy form, covering bodily injury, property damage, personal injury, and advertising injury arising out of or relating (directly or indirectly) to Tenant's business operations, conduct, assumed liabilities, or use or occupancy of the Premises or the Building.
- 15.4 **Broad Form Coverage.** Tenant's liability coverage shall include all the coverages typically provided by the Broad Form Comprehensive General Liability Endorsement to Insurance Services Office's 1973 commercial general liability form, including broad form property damage coverage (which shall include coverage for completed operations). Tenant's liability coverage shall further include premises-operations coverage, products-completed operations coverage, owners and contractors protective coverage (when reasonably required by Landlord), and the broadest available form of contractual liability coverage. It is the parties' intent that the Tenant's contractual liability coverage provide coverage to the maximum extent possible of Tenant's indemnification obligations under this Lease.
- 15.5 **Primary Insured.** Tenant shall be the first or primary named insured.
- 15.6 **Additional Insureds.** Landlord Parties shall be named by endorsement as additional insureds under Tenant's general liability coverage. The additional insured endorsement must be on ISO Form CG 20 11 11 85 or an equivalent acceptable to Landlord, with such modifications as Landlord may require.
- 15.7 **Cross-Liability: Severability of Interests.** Tenant's general liability policies shall be endorsed as needed to provide cross-liability coverage for Tenant and Landlord and to provide severability of interests.
- 15.8 **Primary Insurance Endorsements for Additional Insureds.** Tenant's general liability policies shall be endorsed as needed to provide that the insurance afforded by those policies to the additional insureds is primary and that all insurance carried by Landlord Parties is strictly excess and secondary and shall not

contribute with Tenant's liability insurance.

- 15.9 **Delivery of Certificate, Policy, and Endorsements.** Before the Lease Commencement Date, Tenant shall deliver to Landlord the endorsements referred to in this section 15 as well as a certified copy of Tenant's liability policy or policies and an original certificate of insurance, executed by an authorized agent of the insurer or insurers, evidencing compliance with the liability insurance requirements. If reasonably available, the certificate shall provide for no less than thirty (30) days' advance written notice to Landlord from the insurer or insurers of any cancellation, non-renewal, or material change in coverage or available limits of liability and shall confirm compliance with the liability insurance requirements in this Lease.
- 15.10 **Concurrency of Primary, Excess, and Umbrella Policies.** Tenant's liability insurance coverage may be provided by a combination of primary, excess, and umbrella policies, but those policies must be absolutely concurrent in all respects regarding the coverage afforded by the policies. The coverage of any excess or umbrella policy must be at least as broad as the coverage of the primary policy.
- 15.11 **Liability Limits.** Tenant's liability insurance coverage shall be in an amount not less than \$2,000,000.00 per occurrence, and a general aggregate limit of \$1,000,000.00.
- 15.12 **Survival of Insurance Requirements.** Tenant shall, at Tenant's sole expense, maintain in full force and effect the liability insurance coverages required under this Lease and shall maintain Landlord Parties as additional insureds, as required by this Lease, for a period of no less than one (1) year after expiration or earlier termination of this Lease.

16 **PERSONAL PROPERTY TAXES.** Tenant shall pay, or cause to be paid, before delinquency any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and any other personal property located in the Premises. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

17 **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with the rules and regulations that Landlord shall from time to time promulgate and/or modify. The rules and regulations shall be binding upon the Tenant upon delivery of a copy of them to Tenant. Landlord shall not be responsible to Tenant for the nonperformance of any said rules and regulations by any other tenants or occupants.

18 **HOLDING OVER.** If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental in the amount of the last Monthly Minimum Rent times 110%, plus all other charges payable hereunder, and upon all the terms hereof applicable to a month to month tenancy. If Tenant holds over after the expiration of the term hereof without express written consent of Landlord, Tenant shall be liable to Landlord for damages not less than 150 of the last Rent for each month Tenant holds over.

19 **ENTRY BY LANDLORD.** Landlord reserves the right to enter the Premises for any reason and shall give tenant 24 hours advance notice. Landlord may to the tenant, to submit said Premises to prospective purchasers or Tenants, to post notices of non-responsibility, to repair the Premises, to comply with any governmental or insurance requirements, to post ordinary signs advertising the Premises for lease during the last 120 days of the Lease term, and for any other lawful purpose relating to Landlord's rights and obligations under this Lease, and any portion of the Office Building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be unreasonably blocked thereby. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other

loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in a bona-fide emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

20 **TENANT'S DEFAULT.** The occurrence of anyone or more of the following events shall constitute a default and breach of this Lease by Tenant:

- 21.1 The vacating or abandonment of the Premises by Tenant.
- 21.2 The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof by Landlord to Tenant.
- 21.3 The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described in Article 21.2 above, where such failure shall continue for a period of five (5) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than five (5) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said five (5) day period and thereafter diligently prosecutes such cure to completion.
- 21.4 The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

21 **REMEDIES IN DEFAULT.** In the event of any such default or breach by Tenant, Landlord may at any time thereafter, in its sole discretion, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

- 21.1 Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant: (i) the worth at the time of the award of the unpaid rent which has been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expense of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of the leasing commission paid by Landlord applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the prior sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent. Efforts by Landlord to mitigate damages caused by Tenant's Default or Breach of this Lease shall not waive Landlord's right to recover damages under this Article 22.1. If termination of this Lease is obtained through the provisional remedy of

unlawful detainer, Landlord shall have the right to recover in such proceeding the unpaid rent and damages as are recoverable therein, or Landlord may reserve therein the right to recover all or any part thereof in a separate suit for such rent and/or damages. If a notice and grace period required under Article 21.2, 21.3, or 21.4., was not previously given, a notice to pay rent or quit, or to perform or quit, as the case may be, given to Tenant under any statute authorizing the forfeiture of Leases for unlawful detainer shall also constitute the applicable notice for grace period purposes required by Article 21.2, 21.3, or 21.4. In such case, the applicable grace period under Article 21.2, 21.3, or 21.4. and under the unlawful detainer statute shall run concurrently after the one such statutory notice, and the failure of Tenant to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Landlord to the remedies provided for in this Lease and/or said statute.

- 21.2 Continue the Lease and Tenant's right to possession in effect after Tenant's breach and abandonment and recover the rent as it becomes due pursuant to the remedy described in California Civil Code §- 1951.4, provided Tenant has the right to sublet or assign, subject only to reasonable limitations, which Landlord and Tenant agree are reasonable. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver to protect the Landlord's interest under the Lease, shall not constitute a termination of the Tenant's right to possession.
- 21.3 If Landlord has paid Tenant an allowance for Tenant's work or a Lease commission to a broker for Tenant's entering into this Lease, Tenant agrees that if this Lease is terminated by Landlord because of default by Tenant in the performance of Tenant's obligations under this Lease, Tenant shall promptly pay to Landlord the entire portion of the allowance and/or leasing commission, amortized on a straightline basis over the Lease term, applicable to the period from the termination through the Expiration Date.
- 21.4 Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of California.
- 21.5 The expiration or termination of this Lease and/or the termination of Tenant's right to possession shall not relieve Tenant from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Tenant's occupancy of the Premises.

22 **DEFAULT BY LANDLORD.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease or offset any rent due as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction. The entire Community Center requires a roof replacement that may take up to 120 days to complete. If construction has an effect of ingress or egress the tenant will be notified in advance.

23 **RECONSTRUCTION.** In the event the Premises are damaged by fire or other perils covered by insurance, Landlord agrees to repair same, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall interfere with the business carried on by the Tenant in the Premises. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of rent.

- 23.1 In the event the Premises are damaged as a result of any cause other than the perils covered by insurance, then Landlord shall repair the same, provided the extent of the destruction be less than ten (10) percent of the then full replacement cost of the Premises. In the event the destruction of the Premises is to an extent of ten (10) percent or more of the full replacement cost then Landlord shall have the option: (1) to repair or restore such damage, this Lease continuing in full force and effect, but the rent to be proportionately reduced as hereinabove in this Article provided; or (2) give notice to Tenant at any time with sixty (60) days after such damage, terminating this Lease as of the date specified in such notice,

which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving such notice, this Lease shall terminate and all interest of the Tenant in the Premises shall terminate on the date so specific in such notice and the rent, reduced by a proportionate reduction, based upon the extent, if any, to which such damage interfered with the business carried on by the Tenant in the Premises, shall be paid up to date of said such termination

- 23.2 Notwithstanding anything to the contrary contained in this Article, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty occurs during the last twenty-four months of the term of this Lease or any extension thereof.
- 23.3 Landlord shall not be required to repair any injury or damage by fire or other cause, or to make any repairs or replacements, of any leasehold improvements, fixtures, or other personal property of Tenant.
- 23.4 In the event that the Premises are destroyed within the last six months of this Lease or during the Option Period, Landlord shall have the option to either repair the Premises or terminate this Lease. Landlord shall notify Tenant within thirty (30) days of the date that the Premises are destroyed, Landlord's decision whether to rebuild the Premises or terminate the Lease.

24 **EMINENT DOMAIN.** If more than twenty-five (25) percent of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, either party hereto shall have the right, at its option, within sixty (60) days after said taking, to terminate this Lease upon thirty (30) days written notice. If either less than or more than 25 of the Premises are taken (and neither party elects to terminate as herein provided), the rent thereafter to be paid shall be equitably reduced. If any part of the Office Building other than the Premises may be so taken or appropriated, Landlord shall within sixty (60) days of said taking have the right at its option to terminate this Lease upon written notice to Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards, payments and/or settlements which may be given, including any compensation for the goodwill of Tenant's business, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

25 **PARKING.**

- 25.1 **Parking Spaces.** Tenant is assigned up to 2 parking spaces.
- 25.2 **General Parking Provisions.** Landlord shall at all times have the right and privilege of determining the nature and extent of the parking facilities and of making changes thereto from time to time which in its opinion are deemed to be desirable and for the best interest of all persons using the same, including the location and relocation of driveways, entrances, exits, automobile parking spaces, the direction and flow of traffic, installation of prohibited areas, and all other facilities thereof.
- 25.3 Landlord shall have the right to establish, and from time to time change, alter or amend, and to enforce against Tenant and the other users of the parking facilities, such rules and regulations (including the exclusion of employees' parking therefrom) as Landlord in its sole discretion deems are necessary or advisable for the proper and efficient operation and maintenance of the parking facilities. The rules and regulations provided may include, without limitation, the hours during which the parking facility shall be open for use, the establishment of a system of validation or other type operation, including a system of charges against non-validated parking checks of users, and Tenant agrees to conform to and abide by all such rules and regulations in its use and the use of its customers with respect to the parking facilities.
- 25.4 Landlord may cause the parking facilities to be closed at any time and from time to time when reasonably deemed necessary by Landlord to avoid the acquisition by anyone of prescriptive rights therein. The parking facilities may also be closed from time to time for repairs, improvements, maintenance or by reason of matters beyond reasonable control of Landlord, including, but not limited to, labor disputes, governmental orders, civil unrest, and acts of God. No closure by Landlord pursuant to Article 26 hereof shall be deemed a violation of this Lease by Landlord or give rise to any right on the part of Tenant to terminate this Lease or to recover damages from Landlord.
- 26.5 Landlord shall, at all times, have the right to designate where the Tenant's parking space(s) shall be located, and such locations may be changed from time to time, upon thirty (30) days' prior written notice.

Landlord may from time to time, as often as Landlord deems desirable, upon thirty (30) days' prior written notice, change the nature of the parking spaces from reserved to unreserved, or vice versa.

- 26.6 Landlord shall not be responsible to or have any liability for any party parking on the Premises' parking facilities concerning any loss or damage which may be occasioned by or arising out of such parking, including but not limited to loss of property or damage to person from any cause whatsoever.
- 26.7 Tenant, in consideration of the parking privileges hereby conferred, waives any and all future claims of any kind or nature as against Landlord by reason of any acts, omissions or occurrences within the Premises' parking facilities and the driveway exits and entrances thereto. Tenant shall have no parking rights other than those set forth in Article 26.

27 **SIGNS.** Tenant may not affix or maintain upon the glass panes or supports of the show windows or within twelve (12) inches of any window or upon the exterior walls of the Premises any signs, advertising placards, names, insignia, trademarks or descriptive material, nor shall Tenant affix any sign to the roof. Tenant may, place one sign on the front door of the Premises in accordance with a design to be prepared by Tenant and approved in writing by Landlord and any other paragraph of this Lease that may relate to signs. Landlord may, at Tenant's cost, remove any item installed or maintained by Tenant that fails to comply with this paragraph. At termination of lease, Tenant shall remove its signs or Landlord shall remove at Tenant's cost.

28 **DISPLAYS.** Tenant may not display or sell merchandise or allow grocery carts or other similar devices within the control of Tenant to be stored or to remain outside the defined exterior walls and permanent doorways of the Premises. Tenant further agrees not to install any exterior lighting, amplifiers or similar devices or use in or about the Premises any advertising medium which may be heard or seen outside the Premises, such as flashing lights, searchlights, loudspeakers, phonographs or radio broadcasts.

29 **AUCTIONS.** Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the Premises whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

30 **GENERAL PROVISIONS.**

- 30.1 **Plats, Riders, and Exhibits.** All plats, riders, exhibits and addendums, if any, affixed to this Lease are a part hereof.
- 30.2 **Waiver.** The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent occasion or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding default at the time of the acceptance of such rent.
- 30.3 **Joint Obligation.** If there be more than one Tenant designated, the obligations hereunder imposed shall be joint and several.
- 30.4 **Marginal Headings.** The marginal headings and article titles to the Articles of this Lease are for convenience only and shall have no effect upon the construction or interpretation of any part hereof.
- 30.5 **Time.** Time is of the essence of this Lease and each and all of its provisions.
- 30.6 **Successors and Assigns.** The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators, personal representatives and assigns of the parties hereto.
- 30.7 **Recordation.** Neither Landlord nor Tenant shall record this Lease, but a short form memorandum hereof may be recorded at the request of the Landlord.

- 30.8 **Quiet Possession.** Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Lease. However, nothing herein shall prevent Landlord from erecting any signs or billboards on or about the roof or other portions of the Office Building. Landlord also reserves the exclusive use of the exterior walls (other than the storefronts), the space above the interior surfaces of the ceilings, the roof, the airspace above the roof, the space below the floor slab, and the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires in the space above the interior surfaces of the ceilings, below the finished floor and inside and along the demising walls of the Premises.
- 30.9 **Late Charges.** Tenant hereby acknowledges that late payment by Tenant to Landlord of rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult for Landlord to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any payment of rent due from Tenant is not actually received by Landlord or Landlord's designee within three (3) days after the amount becomes due, then a late charge of 10% of the amount due shall be additionally due as additional rent from Tenant to Landlord. Tenant shall pay said late charge to Landlord immediately after it becomes due. The parties agree that such late charge represents fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment by Tenant. Acceptance of such late Charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any other rights or remedies granted hereunder. The late charge provisions of this paragraph shall apply each time any payment of rent due under this Lease remains due and unpaid by Tenant to Landlord for a period of three days after it becomes due. However, any delayed payment of a late charge shall not itself bear a late charge.
- 30.10 **Prior Understandings.** Tenant acknowledges that neither Landlord nor anyone representing Landlord has made statements of any kind whatsoever on which Tenant has relied in entering into this Lease, including, without limitation (a) warranties or representations that are not contained in this Lease concerning the physical condition or suitability for Tenant's use and business of the Premises or the Office Building, and (b) statements to the effect that any number of Tenants or any specific Tenant or Tenants will operate in the Office Building during the Lease term. Tenant further acknowledges that Tenant has made a thorough inspection of the Premises and the Office Building and has relied solely on Tenant's independent investigation and its own business judgment in entering into this Lease. Landlord and Tenant agree that: This Lease supersedes all prior and contemporaneous understandings and agreements; the provisions of this Lease are intended by them as the final expression of their agreement; this Lease constitutes the complete and exclusive statement of its terms; and no extrinsic evidence whatsoever may be introduced in any judicial proceeding contradicting this Lease. No provision of this Lease may be amended except by an agreement in writing Signed by the parties hereto or their respective successors in interest, whether or not such amendment is supported by new consideration.
- 30.11 **Inability to Perform.** This Lease and the obligations to Tenant hereunder shall not be affected or impaired because Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, civil unrest or any other cause beyond the reasonable control of Landlord.
- 30.12 **Partial Invalidity.** Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.
- 30.13 **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.
- 30.14 **Choice of Law.** This Lease shall be governed by the laws of the State of California. In the event that any action or proceeding is brought under this Lease, the parties agree that Ventura County shall be the only location of proper venue.
- 30.15 **Attorney's Fees.** In the event any action or proceeding is brought by either party against the other to

enforce or construe this Lease, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

- 30.16 **Sale of Premises by Landlord.** In the event of any sale of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors-in-interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.
- 30.17 **Subordination, Attornment.** This Lease shall be subordinate to the lien of any present or future mortgage or deed of trust encumbering the Premises and to all advances made or to be made upon the security thereof, and upon request of Landlord, Tenant will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the Premises, and to all advances made or hereafter to be made upon the security thereof. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, Tenant shall, at the option of the purchaser, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.
- 30.18 **Notices.** All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by Landlord to Tenant shall be sent by United States Mail, postage prepaid, addressed to Tenant at the Premises or to such other place as Tenant may from time to time designate in a notice to Landlord. All notices and demands by Tenant to Landlord shall be sent by United States Mail, postage prepaid, addressed to Landlord at Landlord's address set forth herein, and to such other person or place as Landlord may from time to time designate in a notice to the Tenant.
- 30.19 **Estoppel Certificate.** Tenant shall at any time and from time to time, upon not less than three (3) days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of rents and expiration of the term hereof, and (d) setting forth any other accurate information concerning this Lease as requested by Landlord. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant agrees to consent to and to execute immediately any amendment of this Lease that may be requested by a lender; provided that the term hereof shall not be changed and that the amount or proportionate share of rent, taxes, insurance or other charges shall not be increased or any of Tenant's rights decreased. If Tenant fails to consent to any such amendment, Landlord, at its option, may terminate this Lease on 30 days' notice to Tenant without liability to Tenant.
- 30.20 **Authority of Tenant.** If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with the bylaws of said corporation, and that this Lease is binding upon said corporation.
- 30.21 **Surrender of Premises.** Tenant shall peacefully surrender the Premises to Landlord upon the termination or expiration of the Lease in broom-clean condition and in as good condition as when Tenant took possession, except for (a) reasonable wear and tear, (b) loss by fire or other casualty, and (c) loss by condemnation. Concurrently therewith, Tenant shall remove all of Tenant's personal property from the Premises, Office Building, and surrounding common areas and promptly repair all damage to the Premises, Office Building and common areas caused by such removal. If Tenant abandons or surrenders

the Premises, or is dispossessed by process of law or otherwise, any of Tenant's personal property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's property, the cost of removal, including repairing any damage to the Premises, Office Building or common areas, caused by such removal shall be paid by Tenant. At the termination or expiration of this Lease, Tenant shall immediately deliver to Landlord all keys to the Premises and the Office Building.

31 **DESCRIPTION OF LEASEHOLD IMPROVEMENTS BY TENANT.** All improvements shall be made by Tenant, and Tenant is accepting the Premises in its current condition. All plans and specifications, for work that Tenant desires, must be by licensed architect and must first be submitted to Landlord for Landlord's approval and/or Bell Canyon Architectural Committee approval. Any approval by Landlord must be in writing, prior to the commencement of any work. Landlord to have the right but not the obligation to inspect building work progress and verify that work meets all applicable codes, and Landlord's Standards. Tenant drawings shall include details and finishes of cabinetry, flooring, wall coverings, and furniture. All improvements made by Tenant shall be pursuant to Building Permits obtained and paid for by Tenant.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease the day and year first written above.

LANDLORD:

Bell Canyon Community Center, Inc.

Kevin Keegan, President

Date: _____

TENANT:

Bell Canyon Community Service District

Michael Robkin, President

Date: _____

AUTHORIZED SIGNERS

Current Authorized Signers:

- 1. Peter Machuga, Board Member
- 2. Walter Kelly, General Manager and Treasurer

If there is a conflict with the CSD by-laws and State law, the State law applies.

Government Code § 61040.

(a) A legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district. The board of directors shall provide for the implementation of those policies, which is the responsibility of the district's general manager.

(b) No person shall be a candidate for the board of directors unless he or she is a voter of the district or the proposed district. No person shall be a candidate for the board of directors that is elected by divisions or from divisions unless he or she is a voter of that division or proposed division.

(c) All members of the board of directors shall exercise their independent judgment on behalf of the interests of the entire district, including the residents, property owners, and the public as a whole in furthering the purposes and intent of this division. Where the members of the board of directors have been elected by divisions or from divisions, they shall represent the interests of the entire district and not solely the interests of the residents and property owners in their divisions.

(d) Service on a municipal advisory council established pursuant to Section 31010 or service on an area planning commission established pursuant to Section 65101 shall not be considered an incompatible office with service as a member of a board of directors.

(e) A member of the board of directors shall not be the general manager, the district treasurer, or any other compensated employee of the district, except for volunteer firefighters as provided by Section 53227.

Bell Canyon Community Services District
General Manager Office Access Policy
Proposal Date: December 20, 2024
Approval Date:

GENERAL MANAGER OFFICE ACCESS POLICY

Purpose:

To explain District policy regarding who has access to the office of the General Manager.

Scope:

This Policy applies to all District personnel and elected officials.

Policy:

The General Manager is responsible and accountable for the office facilities and District files. The office must be secured to assure proper accountability. The Board requires the office to be organized, and all files updated, reviewed and digitized. This may require many hours of time and effort. Board members are willing and able to support.

The General Manager, Board and Staff are permitted to use the office to perform BCCSD work only. The General Manager may permit others to utilize the office when performing Board approved functions provided that the GM approves the day and time and a log be maintained including time entered, time left, and work performed. The General Manager shall not be responsible for any destruction of property or records that occur outside of the presence of the General Manager.

Any other access as required by the lease, given proper notification to the General Manager.