



September 30, 2025

Sent Via Email & US Mail

Dr. Beverli A. Marshall, ICMA-CM, CSDM
General Manager
Bear Valley Community Services District
28999 S. Lower Valley Road
Tehachapi, CA 93561

RE: Lease Violation Notice

Dear Dr. Marshall:

This letter serves as the Bear Valley Springs Association's ("Association") formal response to your correspondence dated September 26, 2025, alleging violations of the Lease Agreement between the Association and the Bear Valley Community Services District ("District"), last amended December 1, 2020.

The accusations contained in the District's letter are incomplete, inaccurate, and in some cases, misrepresent both the facts and the Association's ongoing actions. Moreover, the assertion that these matters constitute willful "defaults" under the Lease is both premature and unfounded.

We would like to address each of the claims as follows:

1. Trail and Facility Maintenance – Section 4

The District's claim that the Association has failed to maintain the trail system in "good repair" is not supported by the facts but merely the opinion of one resident who was a previous employee of the Association. The Association actively maintains all common areas under its responsibility, including trails, and has prioritized trail maintenance projects based on use, safety, and resource availability. The work at Goat Springs Trailhead and Sycamore Canyon Trail was one of several projects started this year but was delayed due to fire danger. Additional work is scheduled as part of a multi-phase plan that we prioritize every year.

With respect to the Rolling Oak Drive drainage, the District's statement is both misleading and contradictory. The drainage infrastructure, including any historic concrete work, was in place well before current Association leadership and without documented objection from the District at the time. The suggestion that the Association both performed this work without permission and is now solely responsible for the resulting erosion, without any shared assessment or engineering input, is not a fair or cooperative approach. We also are of the opinion that the Districts storm drain systems and runoff from rain on Lower Valley Road are being diverted to this area and has had a drastic impact on the area in questions for many years. We believe that the District should share in the responsibility of correcting the erosion issue.

2. Insurance Documentation – Section 11

Contrary to the District’s assertion, the Association has at all times maintained the insurance coverages required under the Lease. Any difficulty the District experienced obtaining certificates from the carrier was the result of procedural safeguards and not lapses in coverage or compliance. At no time in the past 10 years has the District asked the Association for any insurance documentation which is also sent out to all residents in our Annual Disclosure.

The Association will provide the District current Certificates of Insurance and endorsements, including naming them as an additional insured. The District is encouraged to communicate directly with the Association regarding any future documentation requests rather than implying noncompliance without first attempting resolution.

3. Alterations, Permitting, and Environmental Compliance – Section 16

The District continues to raise dated and previously addressed matters—some as far back as 2013—as the basis for a current notice of default. This approach lacks proportionality and fails to acknowledge the significant strides the Association has made to modernize its processes and comply with permitting requirements under current leadership.

Cattail Removal

The Association has relied on expert consultation and historical practice in conducting vegetation management. Our position, based on professional advice, is that the prior Lake Alteration Agreements (LAA) were not renewed because they were no longer required under the revised scope of work. That said, we have been in constant contact with the California Department of Fish and Wildlife and are in the process of applying for a 10-year routine maintenance agreement for the lakes at the suggestion of the California Department of Fish and Wildlife. This permit will eliminate any further questions in the future. The Association will provide documentation to the District upon receipt.

Pickleball Courts

The District’s characterization of the pickleball courts issue is exaggerated. The Association has been transparent in its efforts to accommodate community amenities and was responsive—even if not perfectly aligned with the new District’s approval process which was changed without the Associations knowledge. Once the need for additional County documentation was identified, the Association acted promptly. There was no intent to circumvent District authority, and the statement that we placed the District in legal jeopardy is speculative and unsupported. We also believe that the resident involved in the dispute has a business relationship with the District as a Consultant for the Bear Valley Police Department which is a conflict of interest and has affected the Districts decision process with the approval of the new Pickleball Court.

Equestrian Center Outdoor Kitchen

This project was submitted for permitting through the County with the understanding that the District, as landowner, would be consulted through the normal approval process and was presented to the Liaison Committee last year and approved, however, the District did not add it to their Board meeting Agenda. Once it became clear that further District review was required, the Association paused all permitting activity until the District approved the project. Once it was approved the Outdoor Kitchen was constructed and built. To suggest this constitutes a “default” under the Lease is disproportionate to the nature and timing of the project.

4. Intent to Terminate the Lease – Section 7

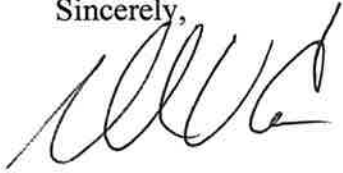
The Association categorically rejects the implication that these matters rise to the level of default sufficient to trigger unilateral termination of the Lease. The Lease does not provide for termination based on minor, disputed, or historical issues that are either resolved, under discussion, or being actively addressed. The District's threat to terminate the Lease without reasonable opportunity to cure—particularly when a meeting was only just proposed—is not only unwarranted but inconsistent with principles of good faith and fair dealing.

While we strongly disagree with the District's characterization of these issues and the appropriateness of invoking the termination clause, we remain willing to engage in a focused and productive discussion to clarify expectations, resolve any confusion, and, if appropriate, negotiate improvements to the Lease structure moving forward including the Recreation Credit in the amount of \$339,018.96 that is owed to the Association.

Accordingly, we accept your invitation to meet and will coordinate availability based on your schedule next week, as requested. The Association is requesting that President Frevert, Vice President Paparella, President Munday and Vice President Gadzia be in attendance for the meeting. Please let me know when all of you are available to meet next week. We will host the meeting at the Bear Valley Springs Association Board Room.

We urge the District to approach this matter in a spirit of partnership, rather than conflict. However, let me be clear: the Association will not accept unilateral termination of the Lease based on mischaracterizations, procedural disputes, or outdated claims that lack legal or factual merit. The Association has a fiduciary and contractual responsibility to its residents and will take all appropriate steps to protect its rights under the Lease and applicable law.

Sincerely,



Don Ciota, CMCA
General Manager / COO
Bear Valley Springs Association

cc:

Guy Munday, President
Jeff Gadzia, Vice President
Fred Hicks, Treasurer
June Burcham, Director
David Burchard, Director