

COMMUNITY FACILITIES LEASE

THIS LEASE, executed on January 20 2007, at Kernal County, is by and between THE BEAR VALLEY COMMUNITY SERVICES DISTRICT (the "District") and BEAR VALLEY SPRINGS ASSOCIATION (the "Association").

WITNESSETH

WHEREAS, the District owns unimproved and improved property in Bear Valley Springs, a common interest development, some of which has been acquired for the purpose of providing recreational opportunities for the community and for the benefit of all property within the development and their owners;

WHEREAS, the District owns all the Community Facilities and the real property as described in Exhibit A;

WHEREAS, the Association is legally empowered to lease and operate the real property and Community Facilities described in Exhibit "A";

WHEREAS, the District and Association Boards of Directors have a direct interest in ensuring the quality of the recreational programs and Community Facilities within the District;

WHEREAS, the District and Association desire the Association to manage, operate, maintain, and improve (and to develop new Community Facilities as required) all the Community Facilities described in Exhibit "A" attached to this Lease, and incorporated in it by this reference (hereinafter called the Community Facilities); and

NOW, THEREFORE, for and in consideration of the covenants and agreements contained in this Lease, the parties agree as follows:

Section 1. Facilities; Term; Review

a) District, for and in consideration of the rent to be paid by the Association and of the covenants and provisions to be kept and performed by the Association under this Lease, leases to the Association and the Association agrees to lease from the District, the real property and Facilities described in Exhibit "A". The term "Facilities" includes those described in Exhibit "A" and any additional Facilities developed by the Association during the term of this Lease.

b) The term of this Lease shall be forty (40) years commencing on 3-31-07.

c) The terms and conditions of the Lease shall be reviewed every five years and if they are acceptable to both parties the lease shall be automatically extended for an additional five years. The five year reviews shall occur on (or before) each and every five year anniversary date of the signing of this Lease. If the terms and conditions are not acceptable to the parties, they may amend the Lease as provided in Section 20(a). If agreement on an amendment cannot be reached within sixty (60) days, the terms and conditions shall continue as stated until the next five-year review.

Section 2. Services to be Performed by Association.

Section 2. Services to be Performed by Association.

a) During the term of this Lease, the Association shall operate, manage, maintain, repair, replace, restore, improve and develop the Facilities as required. The Association may contract for goods and services in the performance of its obligations as it deems necessary. Pursuant to Government Code section 61060, the District hereby grants and delegates to the Association the authority and responsibility necessary to permit the Association to perform its duties under the Lease. The District hereby grants the Association the authority to contract for any or all of the services it provides to its Members. Subletting of the Facilities shall not be done without specific permission from the District.

Section 3. Consideration.

As consideration for this Lease the Association will pay the District its actual costs for the annual premiums for the commercial property insurance required under Section 11 of this Lease and the sum of one dollar per year.

Section 4. Inspection and Maintenance.

a) Association Responsibilities. Association shall keep in good repair and maintain, repair, replace and restore the Facilities. "Good repair" for purposes of this section shall mean to maintain and improve the Facilities to meet the needs of the Association Membership, as determined by the Association Board of Directors. "Facility" for purposes of this section shall include any building structure, ground facility, utility system, or real property. "Maintain" for the purposes of this section shall mean the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of all Facilities including, but not limited to:

(1) Repair, removal, and/or replacement per section 16 (b) of all or any part of any Facility.

(2) Provision for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, and/or treatment for disease or injury.

(3) The removal of trimmings, rubbish, debris, and other solid waste.

(4) Maintenance of the parking areas, and the access roads to the parking areas, for any of the Facilities.

(5) Provision for all Custodial and Janitorial Maintenance for all of the Facilities.

b) District Right to Inspect. District reserves the right to enter on and inspect the Facilities upon reasonable notice at least annually, for the purpose of ensuring compliance with the terms of this Lease.

c) Failure to Maintain. If Association shall fail, neglect, or refuse to commence the repair or maintenance work required by this Lease within ninety (90) days after written notice has been served by District, or if Association fails, neglects or refuses to pursue the

repair or maintenance work with reasonable diligence to completion, District may, at its sole discretion, perform or cause to be performed the repair or maintenance work and the Association shall reimburse the actual costs to the District.

Section 5. Damage or Destruction of Facilities.

Should any of the Facilities be partially or totally destroyed, this Lease shall continue in full force and effect and the Association, at the Association's sole cost and expense, shall promptly commence the work of repairing and restoring those Facilities. Association may use any proceeds from the property insurance required under Section 11 of this Lease to repair and restore those Facilities. Nothing within this Section or any other provisions of this Lease shall require the Association, its officers, agents, representatives, or successors and assigns to repair and restore Facilities damaged or destroyed by any natural disaster in Bear Valley Springs or by any legal constraints. A "natural disaster" includes any emergency declared by the United States, either directly or through one of its agencies, such as the Federal Emergency Management Agency, for earthquake, flood, tornado, fire or any other occurrence that causes widespread damage or destruction in Bear Valley Springs. In the event of a natural disaster causing property damage to the Facilities, the District and Association shall cooperate in obtaining Federal and/or State funds to repair and restore the affected Facilities. Any repair or restoration that results in Facilities that are not the functional equivalent of the Facilities prior to the damage or destruction shall require District approval, which will not be unreasonably withheld, provided, however, the Association may, but shall not be required to, repair or restore the Facilities in a manner that results in Facilities that are the functional equivalent of the Facilities damaged or destroyed.

Section 6. Lake-fill and Irrigation Water

a) Nonpotable Water. The Association is responsible for any and all bills accruing from the use of nonpotable water used for lake-fill and golf course irrigation. The District represents and warrants (to the best of its knowledge) that at all times prior to the effective date of this Lease that Four-Island Lake, Cub Lake and the water contained in those Lakes complied with all applicable Federal, State and local laws, rules and regulations pertaining to water quality and health and safety. Rates set by District will be established in accordance with American Water Works Association (A W W A) criteria and will reflect, as nearly as possible, the actual cost of providing the service. The District will not subsidize other water accounts with funds received from Association for lake-fill. The District will notify the Association by March 1st of each year of water rates anticipated for the upcoming fiscal year. The District will provide as much advance notification as possible in the event of the need for any unforeseen rate increase. The District reserves the right to limit or curtail water deliveries if, (in its sole discretion) the water delivery would unreasonably impact its ability to supply adequate water to residential customers.

b) Effluent. The Association agrees to use wastewater effluent that the District may produce (during months the golf course is being irrigated), preferentially to other sources of water for golf course irrigation; provided, however, the Association shall be relieved of that responsibility in the event the effluent fails to meet health and safety standards imposed by applicable laws, rules or regulations. Effluent will be provided at a cost not to exceed that of other potable or non-potable water.

Section 7. Termination Option.

The District Board of Directors shall have the option of terminating this Lease in the event of a default by the Association. In the event of a default, this Lease shall terminate immediately upon delivery of written notice from the District to Association of its election to terminate the Lease. The following shall constitute a default by the Association:

a) Voluntary Petition. The filing of a voluntary petition for protection under Federal bankruptcy laws, or the failure to obtain the dismissal of an involuntary petition under Federal bankruptcy laws within thirty (30) days after filing:

b) Discontinuance. A discontinuance by Association of its business or abandonment of its activities at the Facilities;

c) Failure to Fulfill Terms of Lease. Failure to fulfill any of the terms of this lease will constitute a default.

Section 8. Relationship of the Parties.

The Association shall not become or be deemed a partner or a joint venture with the District by reason of the provisions of this Lease, the Association having sole responsibility and control of the management of the Facilities. This provision does not preclude specific projects that may develop from time to time in which the District and the Association co-operate.

Section 9. Employee/Volunteer Background Investigations.

The Association is required to comply with the State of California State Law regarding the fingerprinting and background investigation of employees and/or volunteers who work with or around minors. If the District's Police Department is utilized in obtaining the fingerprinting and/or background investigations, the Association shall reimburse the District the actual direct costs incurred in providing the service.

Section 10. Indemnification.

a) To the fullest extent permitted by law, Association shall, at Association's sole expense and with Legal Counsel reasonably acceptable to District, defend, indemnify, and hold harmless District and District's officers, officials, employees and agents from and against all claims, (including demands, losses, actions, causes of action, damage; liabilities, expense; charge; assessments, fines or penalties of any kind, and costs including consultant and expert fees, court costs and attorney's fees) from any cause, arising out of or relating (directly or indirectly) to this Lease, the tenancy created under this Lease, or the Facilities; including without limitation

1) The use or occupancy, or manner of use or occupancy, of the Facilities or Building by Association;

2) Any act, error, omission, or negligence of Association or of any subtenant, invite; guest, contractor or licensee of Association or any subtenant in, on, or about the Facilities;

3) Association's conducting of its business;

4) Any alterations, activities, work, or things done, omitted, permitted, allowed, or suffered by Association in, at, or about the Facilities or Building including the violation of or failure to comply with any applicable laws, statute; ordinance; standards, rule; regulations, orders, decrees, or judgments in existence on the Lease Commencement Date or enacted, promulgated, or issued after the date of this lease; and

5) Any breach or default in performance of any obligation on Association's part to be performed under this Lease, whether before or during the Lease Term or after its expiration or earlier termination.

6) This indemnification extends to and includes, without limitation, Claims for:

a) Injury to any person(s) (including death at any time resulting from that injury);

b) Loss of, injury or damage to, or destruction of property (including loss of use at any time resulting from that loss, injury, damage, or destruction); and

c) All economic losses and consequential or resulting damage of any kind.

Association's indemnification obligation hereunder shall survive the expiration or earlier termination of this Lease until all claims against District involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

b) Notice of Claims. Association and District shall provide each other with prompt and timely notice of any event covered by the indemnity section of this Lease and in the event a claim or action is filed, each party- may employ attorneys of its own choosing to appear and defend the claim or action on its behalf.

Section 11. Insurance.

a) Property Insurance. District shall throughout the term of this Lease, maintain:

Commercial property insurance covering the leased premises, fixtures, equipment, building all property situated in, on, or constituting a part of the premises and any improvements. Coverage shall be at least as broad as the Insurance Services Offices broad causes of loss form CP 10 20, and approved of in writing by District. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, 100% rents coverage, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage.

Association agrees to reimburse the District for the expense of the cost premiums for the commercial property insurance on an annual basis. The District will mail to the

Association a billing for the cost of the insurance on or before June 1 of each year. In the event that the leased premises, fixtures, equipment, building, all property situated in, or constituting part of the premises and any improvements thereof are destroyed or damaged, and the District receives any proceeds from the above insurance coverage, the District shall transfer the funds to the Association for the purposes set for the in Section 5 of this Lease.

b) Liability Insurance. Association shall procure and maintain for the duration of the lease, insurance against claims for injuries to persons or damages to property. The type and amount of coverage to be obtained by Association shall be reviewed and adjusted as needed at least bi-annually, and shall be at least as broad as:

"TYPE"	"AMOUNT"
(1) Worker's Compensation and Employer's Liability	Statutory
(2) Comprehensive General (Public) with policy Liability (or its equivalent) to include (but not limited to the following):	General liability insurance coverage limits of \$1,000,000.00 primary and \$9,000,000.00 excess coverage, per occurrence, and directors and officers errors and omissions insurance with policy limits of \$1,000,000.00. (Section 1365.7 of the Civil Code)
(A) Premises/Operations	
(B) Independent Contractors	
(C) Personal Injury	
(D) Products/Completed Operations	
(3) Fidelity Insurance--covering all the employees and officers having access of an to monies collected.	Amount sufficient to protect the loss of largest dollar amount in the possession employee at any given time, but not less than \$100,000 or such other amount as requested by the District.
(4) Comprehensive Automobile Liability (or its equivalent) to include coverage for:	Bodily Injury: \$1,000,000 per person \$2,000,000 -per occurrence and Property Damage: \$250,000 -per occurrence or \$1,000,000 -Combined Single Limit for bodily injury and property damage.
(A) Owned/Leased Automobiles	
(B) Non-owned Automobiles	
(C) Hired Cars	

c) Deductibles. Any deductibles or self-insured retentions must be declared to and approved by the District. If the District considers the deductible amounts excessive, either the insurer shall reduce or eliminate the deductible or self-insurance retentions as respects the District, its officers, officials, employees, agents and volunteers; or the Association shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

d) Additional Insurance Requirements. All policies shall contain, or be endorsed to contain, the following provisions:

1) All policies of insurance, except Property Insurance, maintained by the Association pursuant to this Lease shall name the District as an additional named insured.

2) The Association's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, agents or volunteers shall be in addition to the Association's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies shall not affect coverage provided to the District, its officers, officials, employees, agents or volunteers.

4) Each insurance policy required by this Lease shall be with an insurance company licensed to do business in the State of California.

5) Each insurance policy required by this Lease shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested has been given to the District.

e) Verification of Coverage. Association shall furnish to the District Certificates of Insurance with original Endorsements affecting coverage required by this Lease. The Certificates and Endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All Certificates and Endorsements are to be received and approved by the District prior to their start date, and thereafter Association shall furnish new Certificates and Endorsements thirty (30) days prior to the expiration date of the ones replaced. The District reserves the right to require complete, certified copies of all required insurance policies at all times.

f) Reimbursement of Insurance. In the alternative to the above, the Association may request and District shall obtain liability insurance consistent with this lease and reimburse the District for the cost of the liability insurance required by this Lease.

Section 12. Notices. Notices given pursuant to the provisions of this Lease, or necessary to carry out its provisions, shall be in writing and delivered personally to the person to whom the notice is to be given, or mailed postage prepaid, addressed to that person. District's and Association's addresses for this purpose shall be:

District: Bear Valley Community Services District
28999 S. Lower Valley Road
Tehachapi, CA 93561

Association: Bear Valley Springs Association
29541 Rolling Oak Drive
Tehachapi, CA 93561

Section 13. Use. The Facilities shall be used by Association solely for the purpose of operating recreational programs.

Section 14. Nuisance or Unlawful Uses. Association shall not commit, nor allow others to commit, any waste on the premises, or nuisance, and it shall not use or allow the Facilities to be used in violation of Federal, State, County and/or local laws, ordinances or regulations.

Section 15. Holdover and Surrender.

a) Holdover. If Association holds over beyond the end of the term of this Lease provided with consent, express or implied of District, the tenancy shall be from month to month only subject to the terms and conditions of this Lease, but shall not be a renewal of the Lease, and the rent to be paid shall be at a price prevailing under the terms of this Lease at the time of the holdover.

b) Surrender. At the expiration of the Lease term, the Facilities and all improvements to the Facilities shall be turned over to the District in as good condition as they were at the commencement of the Lease, excluding reasonable wear and tear, but including repairs, improvements, restoration work and replacements required during the term of the Lease.

Section 16. Fixtures Improvements and Additions.

a) Removal of Improvements Association shall not remove at any time, any improvements but may remove equipment and other personal property placed or installed in or upon the Facilities by Association or under its authority; provided, however, that any damage resulting from removal in other than a good workmanlike manner shall be repaired by Association. For purposes of this Lease Agreement, "Improvements" shall include all buildings, structures and fences erected or affixed to the land. "Equipment and other personal property" shall mean all property except real property, improvements and fixtures.

b) Alteration of Premises. Association agrees that, except for required repairs, it will not alter or add to the Facilities or permit the Facilities to be altered or added to without having first obtained the written consent of District to the proposed alteration or addition, which consent will not be unreasonably withheld. This includes alterations to any open spaces or landscaped areas covered by the Lease. District will consent to the proposed new construction or alteration (hereinafter "project") by Association if the project meets all Kern County Building Codes, all required permits are obtained from the County, District and other Federal, State and public agencies, the project is consistent with and in compliance with the Covenants and Restrictions for Bear Valley Springs, and does not interfere with any present or planned Community Services District operations. The written consent required by the District shall be placed on the consent agenda, unless a member of the Board of Directors requests that the item be considered a regular agenda item for discussion and action.

Section 17. Utilities. Association agrees to pay for the furnishing of all utilities, including, but not limited to, water, gas, electricity, telephone service, and waste system or sewer service that may be used in or upon the Facilities during the term of this Lease or any extension or holdover period.

Section 18. Taxes The Association shall be responsible for the payment of any taxes on the Facilities.

Section 19. Venue: Governing Law. If either party initiates an action to enforce the terms, or declares rights under this Lease, the venue shall be the County of Kern, State of California. This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 20. Miscellaneous.

a) Entire Lease: Amendment. This Lease constitutes the entire agreement between the parties pertaining to its subject matter, and supersedes all prior letter agreements and correspondence with respect to its subject matter. This Lease may not be amended except by written agreement of the parties.

b) Headings. The headings used in this Lease are used for administrative purposes only, and do not constitute substantive matter to be considered in construing its terms.

c) Legal Construction. In case any provision of this Lease shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision, and this Lease shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in the Lease.

d) Legal Fees. If any dispute arising from this Lease results in civil litigation between the District and the Association, the prevailing party shall be entitled to reimbursement of legal fees and costs by the non-prevailing party.

Section 21. Waiver. Neither party's waiver of a breach of any term, covenant or condition of this Lease is a waiver of breach of the others. District's acceptance of consideration after breach is not a waiver of the breach, except to the extent that the consideration is accepted.


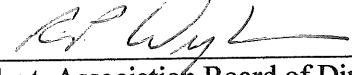
Section 22. Inurement. This Lease and its terms, covenants and conditions apply to and are binding upon and inure to the heirs, successors, executors, administrators and assigns of the parties.

Section 23. Time of Essence. Time is of the essence in this Lease.



IN WITNESS WHEREOF, the parties have executed this Lease or caused it to be executed as of the day, month and year first above written.

DISTRICT:

ASSOCIATION:

By:  President, District Board of Directors
By:  President, Association Board of Directors

ATTEST:

By:  Secretary, District Board of Directors
By:  Secretary, Association Board of Directors

APPROVED AS TO FORM:

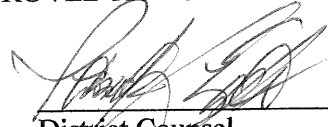
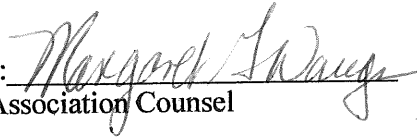
By:  District Counsel
By:  Association Counsel

EXHIBIT "A"

District facilities owned by the District and to be operated by the Bear Valley Springs Association.

FACILITY¹⁻²

LOCATION

Recreation Center	Lot 295 Tract 3431
Oak Tree Country Club	
Tennis Courts	
Swimming Pool	
Picnic Area	
Pavilion	
Association Office	Lot 295 Tract 3431
Golf Center	
Club House	Lots 442, 443 Tract 3431
Maintenance/Cart Barn	Lots 445, 446 Tract 3431
Driving Range	Lots 449-454 Tract 3557
Course	Lots 136-139 Tract 3557
Community Center (Whiting Center)	Parcel 1 Parcel Map 2653
Equestrian Center	Lot 200 Tract 3435
Lakes	
Cub Lake	Parcel 10 Parcel Map 215
Four-Island	Lot 138 Tract 3557
Marina & Common Areas	Lot 180, 181, 182, 183, 184 Tract 3557
Campgrounds	
Town Center	Parcel 3 Parcel Map 2653
Equestrian Center	Lot 200 Tract 3435
Water Canyon	Lot 222 Tract 3471
Rifle and Trap/Skeet Ranges ³	Lot I Tract 3461
Archery Range {inactive}	Lot 1 Tract 3461
Equestrian Trails	Easements -Various Tracts
Remote Control Model Facility	Parcel 6 Parcel Map 215
Facility Maintenance Shop	Parcel 6 Parcel Map 215
Multi-Purpose Athletic Complex	Lot 455 Tract 3431

District common areas and open spaces not specifically identified above are not covered by this Lease.

¹ Only the major components of Facilities are identified. Associated buildings, sheds, and miscellaneous improvements are not individually identified.

² All parking lots, roads (named or not), and other paved areas that are associated with the amenities and do not provide access to any residential lot are included.

³ Association shall be responsible for the operation and maintenance of the Rifle and Trap/Skeet Ranges, except that the District's Police Department is authorized to use the Rifle Range for training and qualifying of police personnel. The Police Department shall have a qualified range master on site at all times that the Rifle Range is being used by the Police Department or any of its personnel. The District shall exonerate, indemnify, defend

(at the written request of the Association) and hold harmless the Association, its officers, agents, representatives, successors, and assigns for any liability, judgments, damages, costs, expenses, suits or actions of every nature and kind that may be brought for or on account of any personal injury, death, or property damages arising or growing out of the Police Department's use of the Rifle Range.

**ADDENDUM NUMBER ONE TO AMENITY FACILITIES LEASE
BETWEEN BEAR VALLEY COMMUNITY SERVICES DISTRICT AND
BEAR VALLEY SPRINGS ASSOCIATION**

WHEREAS, the Bear Valley Community Services District and the Bear Valley Springs Association entered into an Amenity Facilities Lease, executed on January 20, 2007 and effective March 31, 2007; and

WHEREAS, the Agreement identifies within Exhibit "A" a "Facility Maintenance Shop" located on Parcel 6 of Parcel Map 215; and

WHEREAS, said "Facility Maintenance Shop" has been demolished and is no longer subject to this lease; and

WHEREAS, a "Community Storage Building" has been located within Parcel 6 of Parcel Map 215 for a substantial period of time and has been administered and maintained by the Association; and

WHEREAS, the parties desire to amend the lease to reflect the current status of the two facilities;

NOW, THEREFORE, the parties hereto agree as follows:

1. Exhibit "A" should be amended to delete reference to a "Facility Maintenance Shop" and add reference to a "Community Storage Building".
2. Except as modified herein, all other terms and conditions of the Amenity Facilities Lease Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to the Amenities Facilities Lease Agreement and caused it to be executed as of the day, month and year written below.

Dated: May 18, 2009

BEAR VALLEY COMMUNITY SERVICES DISTRICT

By: Eldon Kordes
Eldon Kordes, President

ATTEST:

Sandra L. Janzen
Sandra L. Janzen, District Secretary

LEGAL COUNSEL FOR BEAR VALLEY COMMUNITY SERVICES DISTRICT

By: Kristen K. Han

DATED: 6-2-09

BEAR VALLEY SPRINGS ASSOCIATION

By: Todd Landers
Todd Landers, President

Karen Zugmiller
Secretary, Board of Directors

LEGAL COUNSEL FOR BEAR VALLEY SPRINGS ASSOCIATION

By: Margaret I. Way

**ADDENDUM NUMBER TWO TO AMENITY FACILITIES LEASE
BETWEEN BEAR VALLEY COMMUNITY SERVICES DISTRICT AND
BEAR VALLEY SPRINGS ASSOCIATION**

WHEREAS, the Bear Valley Community Services District and the Bear Valley Springs Association entered into an Amenity Facilities Lease, executed on January 20, 2007 and effective March 31, 2007; and

WHEREAS, the Agreement identifies within Exhibit "A" those district facilities owned by the District and to be operated by the Bear Valley Springs Association; and

WHEREAS, four facilities currently operated by the Association are not listed in Exhibit "A"; and

WHEREAS, the Recreation Center; Golf Pro Shop, Mulligan Café, Golf Maintenance/Cart Barn and Gold Driving Range reflect an incorrect tract/lot number; and

WHEREAS, the parties desire to amend the lease to reflect these changes to Exhibit "A";

NOW, THEREFORE, the parties hereto agree as follows:

1. Exhibit "A" should be amended to add:
 - a. High Country Campground: tract/lot 3471-287
 - b. Ball fields: 3451-455
 - c. Rifle & Trap/Skeet Ranges & Archery Range: 3461-001
 - d. Golf chipping area: tract/lot 3431-448
2. Exhibit "A" should be amended to reflect the correct tract/lot numbers as follows:
 - a. Recreation Center (Association offices, Oaks Tree Country Club (The Oaks Restaurant, Oak Branch Saloon), Picnic Area, Swimming Pool, Tennis Courts, Tennis Pavilion: tract/lot 3431-295
 - b. Golf Pro Shop & Mulligan Café: parcel map 3644 lot 001
 - c. Golf Maintenance/Cart Barn: parcel map 3644 lot 001
 - d. Golf Driving Range: tract/lot 3431-449 thru 454
3. Whiting Center: parcel #s 1, 2 & 4 parcel map 2653
4. Exhibit "A" should be amended to remove/change:
 - a. Remove Facilities Maintenance Shop
 - b. Change "Tennis Pavilion" to "Williams Pavilion"
5. Except as modified herein, all other terms and conditions of the Amenity Facilities Lease Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to the Amenities Facilities Lease Agreement and caused it to be executed as of the day, month and year written below.

Dated: 9/19/2010

BEAR VALLEY COMMUNITY SERVICES DISTRICT

By: Eldon Kordes
Eldon Kordes, President

ATTEST:


S. Janzen
Sandra L. Janzen, District Secretary

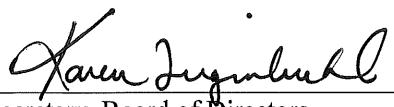
LEGAL COUNSEL FOR BEAR VALLEY COMMUNITY SERVICES DISTRICT

By: Kurt A. Ha

DATED: 10/19/10

BEAR VALLEY SPRINGS ASSOCIATION

By: 
Todd Lander, President


Secretary, Board of Directors

LEGAL COUNSEL FOR BEAR VALLEY SPRINGS ASSOCIATION

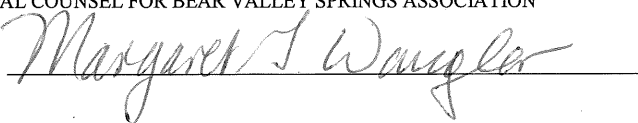
By: 

EXHIBIT "A"

District facilities owned by the District and to be operated by the Bear Valley Springs Association.

<u>FACILITY</u> ¹⁻²	<u>LOCATION</u>
Recreation Center	Lot 295 Tract 3431
Association Office	
Oak Tree Country Club	
The Oaks Restaurant	
Oak Branch Saloon	
Picnic Area	
Swimming Pool	
Tennis Courts	
Williams Pavilion	
Golf Center	
Chipping Area	Lot 448 Tract 3431
Course	Lots 136-139 Tract 3557
Driving Range	Lots 449-454 Tract 3431
Golf Pro Shop & Mulligan Cafe	Parcel 001 Parcel Map 3644
Maintenance/Cart Barn	Lot 1 Tract 3466
Community Center (Whiting Center)	Parcel 1, 2, & 4 Parcel Map 2653
Equestrian Center	Lot 200 Tract 3435
Lakes	
Cub Lake	Parcel 10 Parcel Map 215
Four-Island	Lot 138 Tract 3557
Marina & Common Areas	Lot 180,181,182, 183,184 Tract 3557
Campgrounds	
Equestrian Center	Lot 200 Tract 3435
High Country	Lot 287 Tract 3471
Town Center	Parcel 3 Parcel Map 2653
Water Canyon	Lot 222 Tract 3471
Rifle and Trap/Skeet Ranges ³	Lot 1 Tract 3461
Archery Range	Lot 1 Tract 3461
Equestrian Trails	Easements -Various Tracts
Remote Control Model Facility	Parcel 6 Parcel Map 215
Ball Fields	Lot 455 Tract 3451

District common areas and open spaces not specifically identified above are not covered by this Lease.

¹ Only the major components of Facilities are identified. Associated buildings, sheds, and miscellaneous improvements are not individually identified.

² All parking lots, roads (named or not), and other paved areas that are associated with the amenities and do not provide access to any residential lot are included.

³ Association shall be responsible for the operation and maintenance of the Rifle and Trap/Skeet Ranges, except that the District's Police Department is authorized to use the Rifle Range for training and qualifying of police personnel. The Police Department shall have a qualified range master on site at all times that the Rifle Range is being used by the

Police Department or any of its personnel. The District shall exonerate, indemnify, defend (at the written request of the Association) and hold harmless the Association, its officers, agents, representatives, successors, and assigns for any liability, judgments, damages, costs, expenses, suits or actions of every nature and kind that may be brought for or on account of any personal injury, death, or property damages arising or growing out of the Police Department's use of the Rifle Range.

**ADDENDUM NUMBER THREE TO AMENITY FACILITIES LEASE
BETWEEN BEAR VALLEY COMMUNITY SERVICES DISTRICT AND
BEAR VALLEY SPRINGS ASSOCIATION**

WHEREAS, the Bear Valley Community Services District and the Bear Valley Springs Association entered into an Amenity Facilities Lease, executed on January 20, 2007 and effective March 31, 2007; and

WHEREAS, the Agreement identifies within Exhibit "A" those district facilities owned by the District and to be operated by the Bear Valley Springs Association; and

WHEREAS, the District currently owns property identified as APN #323-091-03-3 which is unusable due to high groundwater issues; and

WHEREAS, the property identified as APN #323-091-03-3 is adjacent to the Oak Tree Country Club and poses a drainage nuisance for the golf course; and

WHEREAS, the parties desire to include APN #323-091-03-3 in the lease so that the Bear Valley Springs Association can maintain appropriate drainage;


NOW, THEREFORE, the parties hereto agree as follows:

1. Exhibit "A" should be amended to add APN #323-091-03-3.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to the Amenities Facilities Lease Agreement and caused it to be executed as of the day, month and year written below.

Dated: 11/20/11

BEAR VALLEY COMMUNITY SERVICES DISTRICT

By: 
Rick Zanutto, President

ATTEST:


Sandra L. Janzen, District Secretary

LEGAL COUNSEL FOR BEAR VALLEY COMMUNITY SERVICES DISTRICT

By: 

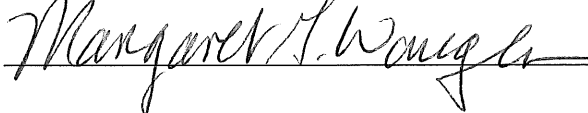
DATED: 1 Nov 2011

BEAR VALLEY SPRINGS ASSOCIATION

By: 
Terry Quinn, President


Secretary, Board of Directors

LEGAL COUNSEL FOR BEAR VALLEY SPRINGS ASSOCIATION

By: 

**ADDENDUM NUMBER FIVE TO COMMUNITY FACILITIES LEASE
BETWEEN BEAR VALLEY COMMUNITY SERVICES DISTRICT AND
BEAR VALLEY SPRINGS ASSOCIATION**

WHEREAS, the Bear Valley Community Services District ("District") and the Bear Valley Springs Association ("BVSA") entered into that certain Community Facilities Lease, dated January 20, 2007 ("Lease"), effective March 31, 2007; and

WHEREAS, Section 6 of the Lease establishes the parties agreement with respect to the provision and payment of nonpotable water used for lake fill purposes; and

WHEREAS, by way of formal action taken by the District's Board of Directors on September 12, 2013, the Board authorized the expenditure of certain funds earmarked for park and recreational purposes to supplement the cost to the BVSA to purchase nonpotable water to fill the lakes for which it is responsible for maintaining under the Lease; and

WHEREAS, the parties desire amend the Lease to carry out the Board's action in this regard and clarify the parties' understanding regarding the responsibility of BVSA to purchase water for lake fill purposes.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 6 of the Lease shall be amended, in its entirety, to read as set forth in the attached Exhibit "A," incorporated herein by reference.
2. All remaining provisions of the Lease, including all provision that have otherwise been duly modified, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to the Lease and caused it to be executed as of the day, month and year written below.

Dated: 4-24-2014

BEAR VALLEY COMMUNITY SERVICE DISTRICT

By: [Signature]
Bill Mason, President

ATTEST: Kristy McEwen
Kristy McEwen, District Secretary

LEGAL COUNSEL FOR BEAR VALLEY COMMUNITY SERVICE DISTRICT

By: [Signature]

Dated: 4-24-2014

BEAR VALLEY SPRINGS ASSOCIATION

By: [Signature]
Terry Quinn, President

ATTEST: Kristy McEwen
Secretary, Board of Directors

LEGAL COUNSEL FOR BEAR VALLEY SPRINGS ASSOCIATION

By: [Signature]

[Signature]
BVSA BOARD SECRETARY
JEANNE GRAY

EXHIBIT A

Section 6. Lake-fill and Irrigation Water

a) Non-potable Water. The Association shall be responsible for any and all bills accruing from the use of potable and non-potable water used for lake-fill and golf course irrigation purposes. The District shall annually off-set the cost incurred by the Association for the purchase of non-potable water only used for lake-fill and golf course irrigation purposes with tax revenue received by the District and set aside for park and recreation purposes ("Detachment Funds"). The District's commitment of Detachment Funds to off-set the Association's cost of non-potable water for any given year is conditioned on the District's estimated tax revenue, excluding Detachment Funds, being greater than 95% of the average tax revenue, excluding Detachment Funds, received for the previous five year period. In the event the District's anticipated tax revenue for any given year is ninety-five percent (95%) or less of the average tax revenue received for the previous five year period, the District shall retain that portion of the Detachment Funds received for that given year necessary to achieve a realization of tax revenue greater than the ninety-five percent (95%) threshold. The District shall inform the Association by no later than September 30th of each year whether and to what extent the District will be committing Detachment Funds to off-set the cost incurred by the Association for the purchase of non-potable water for the following fiscal year.

Any off-set by the District shall not exceed ninety-five percent (95%) of the amount of Detachment Funds received by the District for any given year. Any amount of Detachment Funds not otherwise appropriated and utilized to off-set the cost of lake-fill and irrigation water during any given year shall not accumulate and carryover to the next year for purposes of calculating the annual ninety-five percent (95%) expenditure cap. In the event the Detachment Funds committed by the District do not fully cover the cost of non-potable water supplied to the Association for lake-fill and golf course irrigation purposes for any given year, the Association shall be held responsible for the difference calculated at the applicable rates set by the District for that given year. Rates set by the District will be established in accordance with American Water Works Association ("AWWA") criteria and will reflect, as nearly as possible, the actual cost of providing service. The District will not subsidize other water accounts with funds received from the Association for the purchase of lake-fill and irrigation water. The District will notify the Association by March 1st of each year of the water rates anticipated for the upcoming fiscal year. The District will provide as much advance notification as possible in the event of the need for any unforeseen rate increase. The District reserves the right to limit or curtail water deliveries if, in its sole discretion, the water delivery would unreasonably impact its ability to supply adequate water to residential customers.

The District represents and warrants, to the best of its knowledge, that at all times prior to the effective date of this Lease that Four-Island Lake, Cub Lake and the water contained in those lakes complied with all applicable Federal, State and local laws, rules and regulations pertaining to water quality and health and safety.

**ADDENDUM NUMBER SIX
TO
COMMUNITY FACILITIES LEASE**

This FIRST AMENDMENT TO COMMUNITY FACILITIES LEASE ("Addendum Number Six"), is effective as of August 9, 2018 ("Effective Date"), and is between THE BEAR VALLEY COMMUNITY SERVICES DISTRICT, a California community services district ("District") and THE BEAR VALLEY SPRINGS ASSOCIATION, a California nonprofit corporation ("Association").

RECITALS

A. District and Association have entered into that certain Community Facilities Lease dated January 20, 2007 and effective as of March 31, 2007 as amended by Addendums Numbers One to Five (collectively, "Lease") pursuant to which District leased to Association certain real property and facilities owned by District as described in the Exhibit "A" of the Lease.

B. District desires to lease certain additional facilities and real property to Association and Association is willing to maintain such additional facilities and real property subject to the terms and conditions of the Lease.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained in this Addendum Number Six, the parties agree as follows:

Section 1. Revisions to Exhibit "A." Exhibit "A" of the Lease as referenced in Section 1(a) is amended and restated as set forth in the Exhibit "A" attached to this Addendum Number Six.

Section 2. Ratification of Lease. Except as amended by this Addendum Number Six, District and Association hereby ratify that the remaining provisions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum Number Six as of the Effective Date.

DISTRICT:

By: 
President, District Board of Directors

ASSOCIATION:

By: 
Vice President, Association Board of Directors

ATTEST:

By: 
Secretary, District Board of Directors

By: 
Secretary, Association Board of Directors

APPROVED AS TO FORM:

By: 
District Counsel


By: 
Association Counsel

EXHIBIT "A"

District facilities owned by the District and to be operated by the Bear Valley Springs Association.

FACILITY ¹²	LOCATION
Recreation Center Association Office Oak Tree Country Club The Oaks Restaurant Oak Branch Saloon Picnic Area Swimming Pool Tennis Courts Williams Pavilion Drainage Area	Lot 295 Tract 3431 APN: 323-091-03-3
Golf Center Chipping Area Course Driving Range Golf Pro Shop & Mulligan Cafe Maintenance/Car Barn	Lot 448 Tract 3431 Lots 136-139 Tract 3557 Lots 449-454 Tract 3431 Parcel 001 Parcel Map 3644 Lot 1 Tract 3466
Community Center (Whiting Center)	Parcel 1, 2, & 4 Parcel Map 2653
Equestrian Center	Lot 200 Tract 3435
Lakes Cub Lake (including walking path) Four-Island Marina & Common Areas	Parcel 10 Parcel Map 215 Lot 138 Tract 3557 Lot 180,181,182, 183,184 Tract 3557
Campgrounds Equestrian Center High Country Town Center Water Canyon	Lot 200 Tract 3435 Lot 287 Tract 3471 Parcel 3 Parcel Map 2653 Lot 222 Tract 3471
Rifle and Trap/Skeet Ranges³	Lot 1 Tract 3461

¹ Only the major components of Facilities are identified. Associated buildings, sheds, and miscellaneous improvements are not individually identified.

² All parking lots, roads (named or not), and other paved areas that are associated with the amenities and do not provide access to any residential lot are included.

3 The District shall exonerate, indemnify, defend (at the written request of the Association) and hold harmless the Association, its officers, agents, representatives, successors, and assigns for any liability, judgments, damages, costs, expenses, suits or actions of every nature and kind that may be brought for or

Archery Range	Lot 1 Tract 3461
Equestrian Trails	Easements -Various Tracts
Remote Control Model Facility	Parcel 6 Parcel Map 215
Ball Fields	Lot 455 Tract 3451
Kawalisu Preserve	APN: 344-241-16-1 (24981 Sunset Way)
Historic School House	APN: 319-021-16-8

District common areas and open spaces not specifically identified above are not covered by this Lease.

on account of any personal injury, death, or property damages arising or growing out of the Police Department's use of the Rifle Range.

**ADDENDUM NUMBER SEVEN
TO
COMMUNITY FACILITIES LEASE**

This SEVENTH ADDENDUM TO COMMUNITY FACILITIES LEASE ("**Addendum Number Seven**"), is effective as of December 1, 2020 ("**Effective Date**"), and is between THE BEAR VALLEY COMMUNITY SERVICES DISTRICT, a California community services district ("**District**") and THE BEAR VALLEY SPRINGS ASSOCIATION, a California nonprofit corporation ("**Association**").

RECITALS

A. District and Association have entered into that certain Community Facilities Lease dated January 20, 2007 and effective as of March 31, 2007 as amended by Addendums Numbers One to Six (collectively, "**Lease**") pursuant to which District leased to Association certain real property and facilities owned by District as described in the Exhibit "A" of the Lease.

B. District desires to lease certain additional facilities and real property to Association and Association is willing to maintain such additional facilities and real property subject to the terms and conditions of the Lease and this Addendum Number Seven.

C. District and Association also desire to amend Section 6 of the Lease that addresses lake-fill and irrigation water.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained in this Addendum Number Seven, the parties agree as follows:

Section 1. Revisions to Exhibit "A." Exhibit "A" of the Lease as referenced in Section 1(a) is amended and restated as set forth in Attachment 1 to this Addendum Number Seven.

Section 2. Special Maintenance and Use Requirements for Jack's Hole. In addition to the standard maintenance requirements under Section 4 of the Lease, with respect to the detention basin known as Jack's Hole that is being transferred to BVSA under Section 1 above, the parties agree as follows:

A. Fencing. District will construct a fence to separate a portion of the detention basin from the District's adjacent property and facilities. Upon completion of the fencing, District will invoice Association for one half of the cost of the fencing, and Association will pay such invoice within 30 days' of receipt.

B. Pump. Association agrees to purchase and install a pump of sufficient size to allow for the pumping of water from the detention basin for use by the Association for lake-fill and irrigation purposes. Association will be responsible for all operation and maintenance costs of the pump.

C. Use of Water. Except for the costs associated with the pump and pumping activities, Association will be entitled to use all water in the detention basin for such lake-fill and irrigation purposes as deemed necessary and desirable by Association.

Section 3. Amendment to Section 6. Section 6 of the Lease is amended and restated as provided in Attachment 2 of this Addendum Number Seven.

Section 4. Ratification of Lease. Except as amended by this Addendum Number Seven, District and Association hereby ratify that the remaining provisions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum Number Seven as of the Effective Date.

DISTRICT:

By: Steve Roberts
President, District Board of Directors

ASSOCIATION:

By: M. Hurst
President, Association Board of Directors

ATTEST:

By: Kristy McEwen
Secretary, District Board of Directors

By: Arita Bauer
Secretary, Association Board of Directors

APPROVED AS TO FORM:

By: Donald M. Davis
District Counsel

By: _____
Association Counsel

ATTACHMENT 1

EXHIBIT "A"

District facilities owned by the District and to be operated by the Bear Valley Springs Association.

FACILITY ¹²	LOCATION
Recreation Center Association Office Oak Tree Country Club The Oaks Restaurant Oak Branch Saloon Picnic Area Swimming Pool Tennis Courts Williams Pavilion Drainage Area	Lot 295 Tract 3431 APN: 323-091-03-3
Golf Center Chipping Area Course Driving Range Golf Pro Shop & Mulligan Cafe Maintenance/Cart Barn	Lot 448 Tract 3431 Lots 136-139 Tract 3557 Lots 449-454 Tract 3431 Parcel 001 Parcel Map 3644 Lot 1 Tract 3466
Community Center (Whiting Center)	Parcel 1, 2, & 4 Parcel Map 2653
Equestrian Center	Lot 200 Tract 3435
Lakes Cub Lake (including walking path) Four-Island Marina & Common Areas	Parcel 10 Parcel Map 215 Lot 138 Tract 3557 Lot 180,181,182, 183,184 Tract 3557
Campgrounds Equestrian Center High Country Town Center Water Canyon	Lot 200 Tract 3435 Lot 287 Tract 3471 Parcel 3 Parcel Map 2653 Lot 222 Tract 3471
Rifle and Trap/Skeet Ranges³	Lot 1 Tract 3461

¹ Only the major components of Facilities are identified. Associated buildings, sheds, and miscellaneous improvements are not individually identified.

² All parking lots, roads (named or not), and other paved areas that are associated with the amenities and do not provide access to any residential lot are included.

³ The District shall exonerate, indemnify, defend (at the written request of the Association) and hold harmless the Association, its officers, agents, representatives, successors, and assigns for any liability, judgments,

Archery Range	Lot 1 Tract 3461
Equestrian Trails	Easements -Various Tracts
Remote Control Model Facility	Parcel 6 Parcel Map 215
Ball Fields	Lot 455 Tract 3451
Kawaiisu Preserve	APN: 344-241-16-00-1 (24981 Sunset Way)
Historic School House	APN: 319-021-16-8
Fickert Family Cemetery	APN: 323-040-23-8
Retention Basin (commonly known as "Jack's Hole")	APN: PARCEL MAP 215

District common areas and open spaces not specifically identified above are not covered by this Lease.

damages, costs, expenses, suits or actions of every nature and kind that may be brought for or on account of any personal injury, death, or property damages arising or growing out of the Police Department's use of the Rifle Range.

Lease Addendum 7

Attachment 2

Section 6. Lake-fill and Irrigation Water

a) **Use of Park & Recreation Funds.** The parties acknowledge and agree that the District receives annually from Kern County a small percentage of its portion of allocated property taxes (approximately 7%) that is associated with the provision of park and recreational facilities and services by the District resulting from the District's detachment from the County's park and recreation district ("Park & Recreation Funds"). The District's commitment of Park & Recreation Funds for any given year is conditioned on the District's estimated tax revenue, excluding Park & Recreation Funds, being greater than 95% of the average tax revenue, excluding Park & Recreation Funds, received for the previous five-year period. In the event the District's anticipated tax revenue for any given year is ninety-five percent (95%) or less of the average tax revenue received for the previous five-year period, the District shall retain that portion of the Detachment Funds received for that given year necessary to achieve a realization of tax revenue greater than the ninety-five percent (95%) threshold. The parties desires to prioritize the annual allocation of available Park & Recreation Funds as follows:

1. Well rehabilitation and maintenance. The first priority for the funds (not to exceed \$75,000 in any one fiscal year unless approved to use roll over funds from a prior year or a future year) will be the on-going rehabilitation and maintenance of the wells that service Cub Lake (#7 and #8) and Four _Island (#9, #19, #11 and #33). On or before March 30 of each year, District will provide BVSA with an estimate and schedule of proposed rehabilitation and maintenance work for the next fiscal year, and will within 90 days of the close of that fiscal year provide a statement to BVSA of all such expenditures for the prior fiscal year.

2. Offset the cost of non-potable and potable lake-fill and irrigation water. To the extent any available Park & Recreation Funds are not used for well rehabilitation and maintenance as provided in subsection (1), above, available Funds will be used to offset the cost of non-potable and potable lake-fill and irrigation water provided by the District.

b) **Non-potable and Potable Water.** The Association shall be responsible for any and all bills accruing from the use of potable and non-potable water used for lake-fill and golf course irrigation purposes. To the extent there are available Park & Recreation Funds, the District will annually off-set the cost incurred by the Association for the purchase of non-potable water only used for lake-fill and golf course irrigation purposes with such Funds. The District shall inform the Association by no later than March 30th of each year whether and to what extent the District will be applying available Park & Recreation Funds to off-set the cost incurred by the Association for the purchase of non-potable water for the following District fiscal year.

c) **Water Levels.** Association agrees to change its standard operating procedures (SOP) to maintain the water levels at the lakes at a level that is between 12 to 18 inches below the top of the spillway or overflow channel so as to keep the lakes at full a level.