

Eleventh Amendment to Lease Agreement

THIS ELEVENTH AMENDMENT TO ORIGINAL LEASE AGREEMENT (the "Amendment") is made as of July 1, 2021, by Three Arch Bay Association, a non-profit California corporation (the "Association"), and Three Arch Bay Community Services District, a community services district organized under the laws of the state of California (the "District"). The Association and the District are collectively referred to herein as the "Parties."

- A. WHEREAS, the Parties entered into a Lease Agreement dated April 10, 2000 and amended the same on February 28, 2007, March 9, 2009, July 1, 2010, July 1, 2011, July 1, 2012, July 1, 2015, July 1, 2018, July 1, 2019, July 1, 2020 and March 1, 2021 (collectively, the "Lease").
- B. WHEREAS, the Parties desire to further modify and amend the Lease by this Amendment.

NOW THEREFORE, the Parties hereby agree as follows:

1. The District shall be responsible for rental office and facility space with a current monthly lease amount of \$4,685.09. The District shall also be responsible for the cost of the recreational expenses identified in the spreadsheet attached hereto as Exhibit A and incorporated by reference herein. Such recreational expenses include certain maintenance, beach, community function, and utility expenses and services to be performed by the Association and reimbursed by the District pursuant to its recreation powers, for a total estimated amount of \$486,550.00, to be paid in monthly installments of \$40,545.84. The total monthly amount for rental space and recreational expenses shall be \$45,230.92.

2. Pursuant to Section 2.1 of the Lease, the Association shall continue to be responsible for maintenance and repair of the Leased Premises, subject to reimbursement by the district of those certain specified maintenance expenses that the District agrees to pay pursuant to paragraph 1 of this Amendment.

3. Pursuant to Section 2.3 of the Lease, the Association shall continue to pay for utilities, subject to reimbursement by the district of those certain specified utility expenses that the District agrees to pay pursuant to paragraph 1 of this Amendment.

4. Section 2.6 of the Lease is hereby deleted in its entirety and replaced with the following:

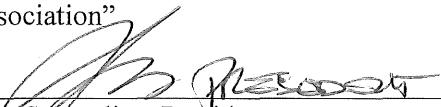
"2.6 Insurance. Each Party shall keep and maintain at all times during the Term hereof liability insurance in the minimum sums of \$1,000,000.00 per person and \$2,000,000.00 in aggregate per occurrence for personal injury and \$2,000,000.00 per occurrence for property damage. The Association shall further secure and maintain casualty and/or property damage insurance for the purpose of covering the Leased Premises. Each Party shall secure additional insured certificate(s) naming and endorsing the other as an additional insured on their respective insurance policies. If and to the extent the Association contracts with any third party to perform all or part of the services and/or activities identified in Exhibit A hereto, the Association shall require such third

parties to name the District as an additional insured on such third parties' insurance policies and obtain additional insured certificate(s) naming and endorsing the District as an additional insured on such policies. The Parties hereto shall indemnify, defend and each hold the other harmless from all costs, loss and expense, including, but not by way of limitation, attorney's fees and court costs arising out of any liability or claim of liability for injury, damage, or loss sustained or claimed to have been sustained arising out of or incidental to the other party's negligent, reckless, and/or intentional acts or failures to act."

5. All other provisions of the Lease remain unchanged and in full force and effect, including, without limitation, the 3% rental space escalation effective each anniversary of the Lease, as set forth in Section 1.5(b) of the Lease. Recreational expenses will be re-evaluated on an annual basis and adjusted as needed.

IN WITNESS WHEREOF, the Parties agree to the foregoing.

"Association"

By: 
Steve Samuelian, President
Three Arch Bay Association, a non-profit California corporation
Date: 7-12-21

"District"


By: 
Gary Rubel, President
Three Arch Bay Community Services District, a community services district under the laws of California
Date: 6-23-21

Exhibit A
Recreational Expenses to be paid by District 2021/2022:

MAINTENANCE

| | | |
|--|----|-----------|
| Landscape Maintenance Park/Clubhouse | \$ | 52,200.00 |
| Landscape Extras & Irrigation Park/Clubhouse | \$ | 13,750.00 |
| Landscape Tree Maintenance Park/Clubhouse | \$ | 15,000.00 |
| Janitorial Service/Supplies Park/Clubhouse/Beach | \$ | 20,000.00 |
| Clubhouse Maint | \$ | 1,000.00 |
| Tennis Courts Maint | \$ | 6,600.00 |
| Park/Patio Maint | \$ | 4,500.00 |
| General Repair & Maint Rec | \$ | 12,500.00 |
| Pest Control Park/Clubhouse/Beach | \$ | 12,000.00 |
| Golf Cart Maint | \$ | 2,500.00 |
| Electrical Lighting Park/Clubhouse/Beach | \$ | 5,000.00 |

BEACH

| | | |
|------------------------------|----|-----------|
| Beach Lifeguard Service | \$ | 73,500.00 |
| Beach Cleanup Maint Contract | \$ | 82,000.00 |
| Beach Walkway/Restrooms | \$ | 50,000.00 |
| Beach Misc. | | |

COMMUNITY FUNCTIONS

| | | |
|-----------------------------|----|-----------|
| Christmas Event | \$ | 25,000.00 |
| Easter Event | \$ | 1,500.00 |
| Halloween Event | \$ | 6,000.00 |
| July 4th Event/Fireworks | \$ | 58,000.00 |
| Labor Day Event | \$ | 10,000.00 |
| Labor Day Pancake Breakfast | \$ | 2,000.00 |
| Park Night Event | \$ | 2,500.00 |
| Misc Community Events | \$ | 7,500.00 |

UTILITIES

| | | |
|------------------------------|----|-----------|
| Electricity Park/Patio/Beach | \$ | 6,000.00 |
| Water Park/Patio/Beach | \$ | 17,500.00 |

| | | |
|--|----|------------|
| | \$ | 486,550.00 |
|--|----|------------|

Eleventh Amendment to Management Agreement

THIS ELEVENTH AMENDMENT TO MANAGEMENT AGREEMENT (the "Amendment") is entered into as of July 1, 2021 by and between the Three Arch Bay Association, a non-profit California corporation (the "Association"), and the Three Arch Bay Community Services District, a community services district organized under the laws of the State of California (the "District"). The Association and the District are collectively referred to herein as the "Parties".

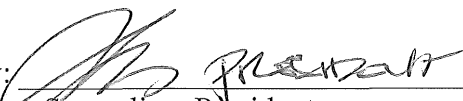
- A. WHEREAS, the Parties entered into a Management Agreement dated March 1, 2007 (the "Agreement").
- B. WHEREAS, the Parties desire to modify and amend the Agreement by this Amendment.

NOW THEREFORE, the Parties hereby agree as follows:


1. Original Sum: Paragraph 11 of Agreement provides for modification of the monthly sum that the District pays to the Association, initially set at \$7,900.17 per month, and subsequently modified in the First Amendment to Management Agreement.
2. Staff: Effective March 1, 2020, going forward the Three Arch Bay Security Staff Patrol and Management Employees are the financial responsibility of the Three Arch Bay Community Services District.
3. New Sum: The new total monthly sum the District will pay the Association effective July 1, 2021 is \$35,283.29. All calculations for amounts payable are attached to this agreement, and marked Exhibit A.
4. All other provisions of the Agreement remain unchanged and in full force and effect, including without limitation of the increases in number two and three, above.
5. Invoices for actual time worked for the hourly security patrol employees not included in the total in number three above will be submitted to the Three Arch Bay Community Services District by the Three Arch Bay Association on a reoccurring monthly basis.

IN WITNESS WHEREOF, the Parties agree to the foregoing.

Three Arch Bay Association,
a California Non-Profit Organization

By: 
Steve Samuelian, President
Date: 7-12-21

Three Arch Bay Community Services District,
a community services district organized under
the laws of the State of California

By: 
Gary Rubel, President
Date: 6-23-21

TAB / CSD Management Agreement
Exhibit A

| | | |
|------------------------|----|-------------------|
| Payroll | \$ | 670,124.00 |
| Payroll Taxes | \$ | 50,518.00 |
| Benefits | \$ | 109,494.00 |
| Workers Comp Insurance | \$ | 16,663.00 |
| TOTAL | \$ | <u>846,799.00</u> |
| CSD 50% split | \$ | 423,399.50 |
| CSD Monthly | \$ | 35,283.29 |