



BIG BEAR LAKE FIRE PROTECTION DISTRICT
SPECIAL MEETING AGENDA
FEBRUARY 14, 2023 – 4:30 P.M.
REVISED

BOARD OF DIRECTORS

Board Chair Bynette Mote
Vice Chair Kendi Segovia
Board Member Rick Herrick
Board Member Perri Melnick
Board Member Randall Putz

STAFF

Fire Chief Jeff Willis
Assistant Chief/Fire Marshal Mike Maltby
District Counsel Stephen Deitsch
Director of Business Services Kristin Mandolini
Interim Board Secretary Chardelle Smith

NOTICE IS HEREBY GIVEN, that the Big Bear Lake Fire Protection District will conduct a **Special** Meeting on Tuesday February 14, 2023, at 4:30 p.m. This meeting will be held in the Emergency Operations Conference Room at Big Bear Fire Department located at 41090 Big Bear Boulevard, Big Bear Lake, California; said meeting being called pursuant to Section **54956** of the Government Code of the State of California for the purpose of considering the following matters:

AGENDA

OPEN SESSION

CALL TO ORDER

MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE

ROLL CALL

Please Note: The Chair may, at his or her discretion, take items out of order at the meeting in order to facilitate the business of the Board and/or for the convenience of the public.

ANNOUNCEMENTS & UPCOMING EVENTS

- Monday, February 20, 2023 in observance of Presidents Day and will reopen on Tuesday, February 21, 2023.

PRESENTATIONS

None

GENERAL PUBLIC COMMENT: *Public comment is permitted at this time only on consent calendar items and other matters not listed on the posted agenda that are within the subject matter jurisdiction of the Fire District. Please note that State law prohibits the Fire District Board from*

taking any action on items not listed on the agenda. There is a three-minute maximum time limit when addressing the Board during this time period. Public comment on items listed on the posted agenda will be taken at the time each item is called for discussion.

CONSENT CALENDAR

- FP1. Approval of Meeting Minutes from the October 4, 2022, Regular Meeting of the Big Bear Lake Fire Protection District.**
- FP2. Receive and File the Lance, Soll & Lunghard, LLP, FY 2021-2022, Big Bear Lake Fire Protection District Audit reports.**

ITEMS REMOVED FROM THE CONSENT CALENDAR**PUBLIC HEARING**

None.

DISCUSSION/ACTION ITEMS**FP3. Resolution Re-Establishing the Date for Board Meetings**

Board consideration of adopting Resolution No. FP2023-01 re-establishing the date of its Regular Board Meetings to the second Tuesday of February, April, June, and October, rescinding Resolution No. FP2019-03.

FP4. Approval of Revised Lease Agreement with Snow Summit, LLC, for Use of Fire Protection District Parking Lot


Board consideration of approving the revised lease agreement and authorize the Fire Chief to sign the lease with Snow Summit, LLC, for the parking lot located at 42610 Rathbun Dr., Big Bear Lake, effective February 15, 2023 through October 31, 2027. The term of this lease shall have the option to automatically renew for four (4) additional one-year periods.

FP5. Approval of Possible Extension of a Lease Agreement with Verizon Wireless, for Use of Cell Tower at Moonridge Station

Board consideration of a possible extension to a lease agreement with Verizon Wireless and authorize the Fire Chief to sign the lease with Verizon Wireless, for the cell tower located at 42610 Rathbun Dr., Big Bear Lake.

ADJOURNMENT

I hereby certify under penalty of perjury, under the laws of the State of California, that the foregoing agenda was posted in accordance with the applicable legal requirements. Dated this 9th day of February 2023.



Chardelle Smith,
Interim Board Secretary

The Big Bear Lake Fire Protection District wishes to make all of its public meetings accessible to the public. If you need special assistance to participate in this meeting, please contact Interim Board Secretary Chardelle Smith at 909/866-7566, ext. 221. Notification 48 hours prior to the meeting will enable the Fire District to make reasonable arrangements to ensure accessibility to this meeting.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
MINUTES FOR THE MEETING OF
OCTOBER 4, 2022**

A Regular Meeting of the Big Bear Lake Fire Protection District was called to order by Board Vice Chair Putz at 4:30 p.m., Tuesday, October 4, 2022, at 41090 Big Bear Boulevard, Big Bear Lake, California.

Board Members Present: Vice Chair Randall Putz
Director Alan Lee
Director Rick Herrick
Director Bynette Mote

Absent: Board Chair Perri Melnick

Others Present: Jeff Willis, Fire Chief
Mike Maltby, Assistant Chief/Fire Marshal
Tiffany Swantek, Board Secretary

OPEN SESSION

CALL TO ORDER

Moment of Silence: Observed

Pledge of Allegiance: Led by Director Lee

ROLL CALL

Please Note: The Chair may, at his or her discretion, taken items out of order at the meeting in order to facilitate the business of the Board and/or for the convenience of the public.

ANNOUNCEMENTS

The Fire Protection District's Administrative Office will be closed on November 24, 2022 in observance of Thanksgiving, and will reopen on Monday, November 28, 2022 at 8:00 a.m.

PRESENTATIONS

None.

PUBLIC COMMUNICATIONS

None.

CONSENT CALENDAR

FP1. Approval of Meeting Minutes from the June 7, 2022, Regular Meeting of the Big Bear Lake Fire Protection District.

Action: Motion by Director Herrick, seconded by Director Mote, to approve the Consent Calendar as follows:

AYES: Lee, Herrick, Mote, Putz
NOES: None
ABSENT: Melnick
ABSTAIN: None

ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

PUBLIC HEARING

None.

DISCUSSION/ACTION ITEMS

None.

DIRECTORS CLOSING COMMENTS

None.

ADJOURNMENT

There being no further business to come before the Fire Protection District at this session, Vice Chair Putz adjourned the meeting at 4:33 p.m.

Tiffany Swantek
Board Secretary



AGENDA REPORT

Item No. FP2

MEETING DATE: February 14, 2023

TO: Board Chair and Directors of Big Bear Lake Fire Protection District

FROM: Jeff Willis, Fire Chief *JW*

PREPARED BY: Kristin Mandolini, Director of Business Services *KM*

SUBJECT: **FY 2021-2022 AUDIT REPORTS FOR BIG BEAR LAKE FIRE PROTECTION DISTRICT**

BACKGROUND

Auditing firm Lance, Soll & Lunghard, LLP was engaged to complete the 2021-2022 Financial Audit for Big Bear Lake Fire Protection District. Interim audit work and testing were completed in June and field work and testing were completed in September. The finalized audit was completed on December 14, 2022, and is included in the February 14, 2023, Board Packet for review.

DISCUSSION

No deficiencies or material weaknesses were identified in the Financial Statements or practices.

RECOMMENDATION

Staff recommends the Board members receive and file the Lance, Soll & Lunghard, LLP, FY 2021-2022, Big Bear Lake Fire Protection District Audit reports.

ATTACHMENT A: FY 2021-2022 Fire Protection District Audited Financials



BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE
CITY OF BIG BEAR LAKE, CALIFORNIA
JUNE 30, 2022

FINANCIAL STATEMENTS

Focused
on YOU



BIG BEAR LAKE FIRE PROTECTION DISTRICT

A COMPONENT UNIT OF THE
CITY OF BIG BEAR LAKE, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2022

PREPARED BY:

FINANCE DIVISION

BIG BEAR LAKE FIRE PROTECTION DISTRICT

A COMPONENT UNIT OF THE
CITY OF BIG BEAR LAKE, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position and Governmental Fund Balance Sheet	4
Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to Financial Statements.....	6
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	14
Notes to Required Supplementary Information	15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Big Bear Lake Fire Protection District
Big Bear Lake, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and general fund of Big Bear Lake Fire Protection District (the District), a component unit of the City of Big Bear Lake, California, (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, a component unit of the City, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, the financial statements present only the financial position of the District, and do not present, or purport to present fairly, the financial position of the City as a whole as of June 30, 2022, and its changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Directors
Big Bear Lake Fire Protection District
Big Bear Lake, California

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To the Board of Directors
Big Bear Lake Fire Protection District
Big Bear Lake, California

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule for the general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California
December 14, 2022

BIG BEAR LAKE FIRE PROTECTION DISTRICT
 A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA

STATEMENT OF NET POSITION AND
 GOVERNMENTAL FUND BALANCE SHEET
 JUNE 30, 2022

	General Fund	Reclassifications and Eliminations	Statement of Net Position
Assets:			
Capital assets, not being depreciated	\$ -	\$ 555,237	\$ 555,237
Capital assets, net of depreciation	-	2,154,432	2,154,432
Total Assets	\$ -	2,709,669	2,709,669
Fund Balance:			
Restricted for public safety	\$ -	-	
Total Fund Balance	\$ -	-	
Net Position:			
Investment in capital assets		2,709,669	2,709,669
Total Net Position		\$ 2,709,669	\$ 2,709,669

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**STATEMENT OF ACTIVITIES AND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Reclassifications and Eliminations	Statement of Activities
Revenues:			
Taxes	\$ 6,232,938	\$ -	\$ 6,232,938
Intergovernmental	400,000		400,000
Total Revenues	6,632,938	-	6,632,938
Expenditures:			
Current:			
Public safety	6,632,938	120,854	6,753,792
Total Expenditures	6,632,938	120,854	6,753,792
Net Change in Fund Balance/Net Position	-	(120,854)	(120,854)
Fund Balance/Net Position at the Beginning of the Year	-	2,830,523	2,830,523
Fund Balance/Net Position at the End of the Year	\$ -	\$ 2,709,669	\$ 2,709,669

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1: Reporting Entity and Significant Accounting Policies

a. Reporting Entity

The Big Bear Lake Fire Protection District (the District) was formed in 1927 under the laws of the State of California to provide fire protection and prevention services in the Big Bear Lake area of San Bernardino County.

The basic criteria for including an organization in a primary governmental unit's financial statements is the exercise of oversight responsibility over the organization by the primary governmental unit's elected officials. The City of Big Bear Lake (City) is the primary governmental unit. The District is a component unit of the City. Component units are those entities which are financially accountable to the primary government, either because the primary unit appoints a voting majority of the component unit Board or because the component unit will provide financial benefit or impose a financial burden on the primary government. The specific criteria used in determining that the District was a component unit of the City was that the members of the City Council were the same as the members of the District Board of Directors.

The attached basic financial statements contain information relative only to the District as a component unit of the total reporting entity.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Big Bear Lake Fire Protection District.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources as they are needed.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

d. Assets, Liabilities and Net Position or Equity

Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits. As of June 30, 2022, the District does not hold any investments.

Receivables and Payables

No allowance for doubtful accounts has been established as all amounts are considered collectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The District defined capital assets as assets with an initial, individual cost of more than \$7,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of acquisition.

In accordance with GASB Statement No. 34, the District has reported its general infrastructure.

Addition of a major component (over \$7,500) to an existing fixed asset that increases its usability or value is considered to be a fixed asset addition to the original asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
General plant and equipment	5 - 50

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, government funds report the following fund balance classifications:

Non-spendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the Board of Directors or City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a minute action or a resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Director of Administrative Services is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 1: Reporting Entity and Significant Accounting Policies (Continued)

Functional Classifications

Expenditures of the governmental funds are classified by function. Functional classifications are defined as follows:

Public Safety - Fire Protection includes activities of the Fire Protection District involved in the protection of people and property from fire.

Property Tax

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the District. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Property taxes are passed from the District to the joint venture entity, Big Bear Fire Authority (the "Authority"), as a part of the merger between the two entities.

Note 2: Reconciliation of Government-Wide and Fund Financial Statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reclassifications and eliminations column between fund balance and net position as reported in the statement of net position. One element of that reconciliation is that capital assets used in governmental activities are not financial resources and, therefore, are not reported in the general fund. The District reported a total of \$2,709,669 in capital assets in the current period (refer to Note 3).

b. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reclassifications and eliminations column between the elements that comprise the changes in fund balance and the changes in net position as reported in the statement of activities. One element of that column is that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The District reported a total depreciation expense of \$120,854 in the current period (refer to Note 3).

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 2: Reconciliation of Government-Wide and Fund Financial Statements (Continued)

The final element of that column is that net position related to net effect of the beginning balances of the item described previously is not reported in the governmental fund statement of revenues, expenditures, and changes in fund balances. The net effect was \$2,709,669 for the current period.

Note 3: Capital Assets

A summary of changes in capital assets for fiscal year ended June 30, 2022, is as follows:

	Beginning Balance July 1, 2021	Increases	Decreases	Ending Balance June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 555,237	\$ -	\$ -	\$ 555,237
Total Capital Assets, Not Being Depreciated	555,237	-	-	555,237
Capital assets, being depreciated:				
Structures	3,232,152	-	-	3,232,152
Equipment	2,380,438	-	-	2,380,438
Total Capital Assets, Being Depreciated	5,612,590	-	-	5,612,590
Less accumulated depreciation:				
Structures	1,351,945	64,643	-	1,416,588
Equipment	1,985,359	56,211	-	2,041,570
Total Accumulated Depreciation	3,337,304	120,854	-	3,458,158
Total Capital Assets, Being Depreciated, Net	2,275,286	(120,854)	-	2,154,432
Governmental Activities Capital Assets, Net	\$ 2,830,523	\$ (120,854)	\$ -	\$ 2,709,669

Depreciation expense for the year was \$120,854, allocated to the public safety function of the statement of activities.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022**

Note 4: Liability, Workers' Compensation, and Purchased Insurance

The District is covered under the City of Big Bear Lake's insurance policies with the California Joint Powers Insurance Authority. Therefore, the limitation and self-insured retentions applicable to the City of Big Bear Lake also apply to the District. Additional information as to coverage and self-insured retentions can be obtained by contacting the City.

Note 5: Joint Venture Organization

The District is a member of the Big Bear Fire Authority (Authority). The Authority was formed in 2012 under the California Joint Exercise of Powers Act to merge the Big Bear Fire Protection District and the Big Bear City Community Services District's fire agencies under one umbrella and provide fire protection and prevention services in the Big Bear Valley area of San Bernardino County.

The Board consists of ten directors, including the elected or appointed members of the boards of directors of the participating agencies. The term of office of each director shall be concurrent with that director's term of office on the participating agency's board of directors.

The District does not have an equity interest in the Authority. However, the District passes through property tax assessments it receives to the Authority, for the Authority to provide fire safety services to the District.

Below are the most currently available condensed audited financial statements of the Authority as of June 30, 2022. Separate financial statements of the Authority are available from its offices at the Big Bear Fire Department located at 41090 Big Bear Blvd., Big Bear Lake, California, 92315.

	<u>Total</u>
Assets	\$ 9,951,474
Deferred Outflows of Resources	15,871,283
Liabilities	(22,116,226)
Deferred Inflows of Resources	<u>(16,263,836)</u>
Net Position	<u>\$ (12,557,305)</u>
Revenues	\$ 17,352,545
Expenses	<u>17,052,685</u>
Change in Net Position	299,860
Net Position - Beginning of Year	<u>(12,857,165)</u>
Net Position - End of Year	<u>\$ (12,557,305)</u>

Note 6: Commitments and Contingencies

The District is subject to litigation arising in the normal course of business. In the opinion of legal counsel there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

**REQUIRED SUPPLEMENTARY
INFORMATION**

BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	6,027,938	6,027,938	6,232,938	205,000
Intergovernmental	-	-	400,000	400,000
Amounts Available for Appropriations	6,027,938	6,027,938	6,632,938	605,000
Charges to Appropriations (Outflows):				
Public safety	6,027,938	6,027,938	6,632,938	(605,000)
Total Charges to Appropriations	6,027,938	6,027,938	6,632,938	(605,000)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

The notes to required supplementary information are an integral part of this schedule.

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
A COMPONENT UNIT OF THE CITY OF BIG BEAR LAKE, CALIFORNIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

Note 1: General Budget Policies

1. The annual budget adopted by the District Board of Directors provides for the general operation of the District. It includes proposed expenditures and the means of financing them.
2. The District Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. This appropriated budget covers District expenditures in the General Fund. Actual expenditures may not exceed budgeted appropriations at the function level. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations which are encumbered at year-end lapse, and then are added to the following years budgeted appropriations.
4. The budget for the General Fund is adopted on a basis substantially consistent with Generally Accepted Accounting Principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. Based on calculations by District Management, proceeds of taxes did not exceed related appropriations for the fiscal year ended June 30, 2022. Furthermore, Section 5 of Article XIII B allows the District to commit a portion of fund balance for general contingencies to be used in future years without limitation.



AGENDA REPORT

Item No. FP3

MEETING DATE: February 14, 2023

TO: Board Chair and Directors of Big Bear Lake Fire Protection District

FROM: Jeff Willis, Fire Chief *JW*

PREPARED BY: Chardelle Smith, Interim Board Secretary *CS*

SUBJECT: **RESOLUTION TO RE-ESTABLISH THE DATE FOR REGULAR BOARD MEETINGS AND RESCIND RESOLUTION NO. FP2019-03**

BACKGROUND

Big Bear Lake Fire Protection District (FPD) last established its Regular Board Meeting date and time on June 4, 2019, to be 4:30 p.m. on the first Tuesday of February, April, June, and October. This was done to align its meeting time to immediately precede the Regular Big Bear Fire Authority Board meetings in consideration of the best use of Board member and staff time. The location of all FPD meetings has been consistently held at Big Bear Fire Authority headquarters, 41090 Big Bear Blvd., Big Bear Lake.

DISCUSSION

Based on a Big Bear Fire Authority Board action on December 6, 2022, the Board approved the second Tuesday of February, April, June, August, October, and December. This change was brought forward due to a conflict in schedule with a Board member. To stay aligned with the Big Bear Fire Authority Regular Board meetings, staff is requesting the regular Fire Protection District Board meetings date be revised to the second Tuesday of February, April, June, and October.

Additionally, in accordance with the Ralph M. Brown Act and Public Resources Code, no such change shall be effective until after a notice of the change is published pursuant to Section 6061 of the Government Code in the principal county.

RECOMMENDATION

Staff recommends that the Fire Board adopt Resolution No. FP2023-01 (attachment A) re-establishing the meeting dates to the second Tuesday of February, April, June, and October, with no change to meeting times or location, rescinding Resolution FP2019-03. Staff also recommends the Fire Board approve the proposed 2023 meeting calendar (attachment B).

Attachment A: Resolution FP2023-01

Attachment B: Proposed 2023 Meeting Calendar

RESOLUTION NO. FP2023-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG BEAR LAKE FIRE PROTECTION DISTRICT, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RE-ESTABLISHING THE DATE FOR REGULAR BOARD MEETINGS AND RESCINDING RESOLUTION NO. FP2019-03

WHEREAS, the Big Bear Lake Fire Protection District became a subsidiary of the City of Big Bear Lake on November 28, 1980; and

WHEREAS, the Big Bear Lake Fire Protection District Board of Directors wish to conduct regular meetings to be held on the second Tuesday in February, April, June, and October; and

WHEREAS, in accordance with the Ralph M. Brown Act and Public Resources Code, no such change shall be effective until after a notice of the change is published pursuant to Section 6061 of the Government Code in the principal county; and

WHEREAS, the Board of Directors now deems it reasonable and appropriate to rescind Resolution No. FP2019-03, which had earlier set forth the day for regular Board meetings.

NOW, THEREFORE, the Board of Directors of the Big Bear Lake Fire Protection District resolves as follows:

1. The Fire Board hereby rescinds Resolution No. FP2019-03.
2. The days for regular Board meetings shall be on the second Tuesday in February, April, June and October.
3. This Resolution shall take effect after a notice of the change of date and time for regular Board meetings is published in accordance with law.

PASSED, APPROVED AND ADOPTED this 14th day of February, 2023.

AYES:
NOES:
ABSENT:
ABSTAIN:

Bynette Mote, Board Chair

ATTEST:

Chardelle Smith, Interim Board Secretary

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF BIG BEAR LAKE)

I, Chardelle Smith, Interim Secretary of the Fire Protection District Board, do hereby certify that the whole number of members of the said Board is five; that the foregoing resolution, being Resolution No. FP2023-01 was duly passed and adopted by the said Board, approved and signed by the Board Chair of said Board, and attested by the Interim Secretary of said Board, all at a meeting of the said Board held on the 14th day of February, 2023, and that the same was so passed and adopted by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Witness my hand and the official seal of said District this 14th day of February, 2023.

Chardelle Smith
Interim Board Secretary

2023

Big Bear Lake Fire Protection District : 4:30 p.m. Big Bear Fire Authority: 5:00 p.m.

Big Bear Fire Authority Board Workshop: 4:30 p.m.

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

MAY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	24	23
24	25	26	27	28	29	30
31						

Fire Authority FA Board Workshop Fire Protection District Holidays



AGENDA REPORT

Item No. FP4

MEETING DATE: February 14, 2023

TO: Board Chair and Directors of Big Bear Lake Fire Protection District

FROM: Jeff Willis, Fire Chief

SUBJECT: **APPROVAL OF REVISED LEASE AGREEMENT WITH SNOW SUMMIT, LLC FOR USE OF FIRE PROTECTION DISTRICT PARKING LOT**

BACKGROUND

On October 24, 2017, the Fire Protection District entered into a lease agreement with Snow Summit, Inc., for the purpose of vehicle parking on District property adjacent to the Moonridge fire station during the ski season. Winter 2022/23 is the last ski season covered under the current lease agreement.

DISCUSSION

District legal counsel has provided the attached revised lease agreement commencing February 15, 2023 through October 31, 2027. The agreement includes automatic renewal for four (4) additional one-year periods. The lease can be terminated by either party in writing prior to October 1 of the year either party wishes to terminate.

Two new provisions have been added to the lease renewal:

1. A four percent (4%) increase to annual base is added each year.
2. Lease automatically terminates with any future Board encumbrance of property.

RECOMMENDATION

Approve and authorize the Fire Chief to enter into lease agreement with Snow Summit LLC effective February 15, 2023 and continuing to include four (4) consecutive extensions.

Attachment A: Lease Agreement with Snow Summit LLC

LEASE

Effective the 15th day of February, 2023, BIG BEAR LAKE FIRE PROTECTION DISTRICT, a public entity duly formed and existing under the laws of the State of California (hereinafter "Lessor") and SNOW SUMMIT, LLC, (hereinafter "Lessee") agree as follows:

1. Recitals

This Lease is made with reference to the following facts and objectives:

(a) Lessor is the owner of certain real property located at 42610 Rathbun Drive. On or adjacent to the street address is a fire station and unimproved land. Lessee desires to lease said property except a portion approximately 75' X 65' containing the fire station (hereinafter "leased premises"). Exhibit "A" is a map showing the approximate location of the leased premises.

(b) Lessee is willing to lease the premises from Lessor pursuant to the provisions stated herein.

2. Lease of Premises

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the leased premises.

3. Term

The term of this Lease shall commence on February 15, 2023, and shall continue through October 31, 2027. The term of this Lease shall automatically renew for four (4) additional one-year periods unless terminated in writing by either Lessee or Lessor by October 1st of the year either party wishes to terminate.

4. Rent

"Ski season" shall be defined to include November 15 of any year during the term of this Lease or any extensions thereof, commencing November 15, 2024, until the last day following that November 15 that Lessee is operating the ski resorts in Big Bear Lake for skiing purposes. Lessee shall pay to Lessor as rent the sum of Three Thousand Nine Hundred Dollars (\$3,900.00) on or before November 1, 2024. The lease amount will increase by four percent (4%) annually for each ski season year thereafter. Payment shall be made on or before November 1 preceding the applicable ski season.

5. Taxes

Lessee shall pay before delinquency all possessory interest and other taxes, assessments, and other charges that are levied against the leased premises.

6. Use of Premises

During ski season, Lessee shall use the leased premises for ski area parking and related uses, and for no other purpose. Lessee shall have the right to locate on said premises portable restroom facilities, including-a restroom trailer, in a location which is acceptable to Lessor, and in compliance with all applicable laws and regulations. Lessee shall have the right, at its own cost and expense, to provide to the leased premises all necessary utilities including, but not limited to, water and electricity. In any time period which is not part of the ski season, Lessor shall have the exclusive right to use the leased premises for any purpose it desires.

7. Maintenance

Lessee shall maintain the leased premises in good order and condition and maintain said leased premises with Class II base material.

8. Insurance

Lessee shall carry, at all times during the term of this Lease, public liability insurance covering the leased premises in an amount of at least One Million Dollars (\$1,000,000.00). Lessee shall provide continuing proof of insurance to the District at all times during the term of the agreement. Lessor will be named as an additional insured on all such coverage, and Lessee will provide to Lessor copies of policies, certificates of insurance or other evidence reasonably satisfactory to Lessor that such insurance coverage has been obtained and is in effect.

9. Late Charges

Lessee's failure to pay rent promptly may cause Lessor to incur unanticipated costs. The exact amounts of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Lessor by any ground lease, mortgage or trust deed encumbering the Leased premises. Therefore, if Lessor does not receive any rent payment within ten (10) days after it becomes due, Lessee shall pay Lessor a late charge equal to ten percent (10%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment.

Any amount owed by Lessee to Lessor which is not paid when due shall bear interest at the rate of eight percent (8%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Lessee under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Lessee under this Lease. If the interest rate specified in the Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

10. Assignment

This Lease cannot be assigned, sold or sublet by Lessee, in whole or in part, without the prior approval of Lessor.

11. Hazardous Materials

As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide; DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. Lessee shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Leased premises by Lessee, its agents, employees, contractors, sublessees or invitees without the prior written consent of Lessor. Lessor shall be entitled to take into account such other factors or facts as Lessor may reasonably determine to be relevant in determining whether to grant or withhold consent to Lessee's proposed activity with respect to Hazardous Material. In no event, however; shall Lessor be required to consent to the installation or use of any storage tanks on the Leased premises.

12. Indemnity

Lessee shall indemnify Lessor against and hold Lessor harmless from any and all costs, claims or liability arising from: (a) Lessee's use of the leased premises; (b) the conduct of Lessee's activities or anything else done or permitted by Lessee to be done in or about the leased premises, including any contamination of the Leased premises or any other property resulting from the presence or use of Hazardous Material caused or permitted by Lessee; (c) any breach or default in the performance of Lessee's obligations under this Lease; (d) any misrepresentation or breach of warranty by Lessee under this Lease; or (e) other acts or omissions of Lessee. Lessee shall defend Lessor against any such cost, claim or liability at Lessee's expense with counsel reasonably acceptable to Lessor or, at Lessor's election, Lessee shall reimburse Lessor for any legal fees or costs incurred by Lessor in connection with any such claim. As a material part of the consideration to Lessor, Lessee assumes all risk of damage to Leased premises or injury to persons in or about the Leased premises arising from any cause, and Lessee hereby waives all claims in respect thereof against Lessor, except for any claim arising out of Lessor's gross negligence or willful misconduct. As used in this Section, the term "Lessee" shall include Lessee's employees, agents, contractors, and invitees, if applicable.

13. Lessor's Access

Lessor or its agents may enter the Leased premises at all reasonable times to show the leased premises to potential buyers, investors or tenants or other parties; to do any other act or to inspect and conduct tests in order to monitor Lessee's compliance with all applicable environmental laws and all laws governing the presence and use of Hazardous Material; or for any other purpose Lessor deems necessary. Lessor shall give Lessee prior notice of such entry, except in the case of an emergency.

14. Existing Conditions

Lessee accepts the Leased premises in its condition as of the execution of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Lessee acknowledges that neither Lessor nor any agent of Lessor has made any representation as to the condition of the Leased premises or the suitability of the Leased premises for Lessee's intended use. Lessee represents and warrants that Lessee has made its own inspection of and inquiry regarding the condition of the Leased premises and is not relying on any representations of Lessor with respect thereto.

15. Exculpation of Lessor from Liability

Lessor shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Lessee, Lessee's employees, invitees, customers or any other person in or about the Leased premises, whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) conditions arising in or about the Leased premises or from other sources or places; or (d) any act or omission of any other lessee of the leased premises. Lessor shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Lessee.

16. Alterations, Additions, and Improvements

Lessee shall not make any structural alterations, additions or improvements to the Leased premises without Lessor's prior written consent. All alterations, additions, and improvements shall be done in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Lessor. Upon completion of any such work, Lessee shall provide Lessor with "as built" plans, copies of all construction contracts, and proof of payment for all labor and materials.

Lessee shall pay, when due, all claims for labor and material furnished to the Leased premises. Lessee shall give Lessor at least twenty (20) days prior written notice of the commencement of any work on the Leased premises, regardless of whether Lessor's consent to such work is required. Lessor may elect to record and post notices of non-responsibility on the Leased premises.

17. Termination

If Lessee shall violate or fail to comply with the provisions of this Lease, including the failure to make rental payments when due and if said nonfulfillment or nonperformance chart continue for a period of thirty (30) days after notice has been given to it by Lessor, then, upon expiration of said thirty (30) day period, such failure shall be grounds for termination. Said notice shall specify in detail the items of alleged nonperformance.

Notwithstanding any provision in this Lease to the contrary, this Lease may be terminated at any time by the Lessor upon the determination by the Lessor, in its sole discretion, and upon notice sent no later than

thirty (30) days following the conclusion of any Ski season, that conditions have changed with respect to the leased premises or the needs of the Lessor which require such termination, in which event the termination shall become effective prior to the following Ski season.

18. Termination of Lease

Upon the termination of the Lease, Lessee shall surrender the Leased premises to Lessor, clean and in the same condition as received except for ordinary wear and tear which Lessee was not otherwise obligated to remedy under any provision of this Lease. In addition, Lessor may require Lessee to remove any alterations, additions or improvements (whether or not made with Lessor's consent) prior to the expiration of the Lease and to restore the Leased premises to its prior condition, all at Lessee's expense. All alterations, additions and improvements which Lessor has not required Lessee to remove shall become Lessor's property and shall be surrendered to Lessor upon the expiration or earlier termination of the Lease, except that Lessee may remove any of Lessee's machinery or equipment which can be removed without material damage to the Leased premises. Lessee shall repair, at Lessee's expense, any damage to the Leased premises caused by the removal of any such machinery or equipment. In no event, however, shall Lessee remove any of the following materials or equipment (which shall be deemed Lessor's property) without Lessor's prior written consent: any power, wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters, air conditioners or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment and decorations.

19. Signs

Lessee, at its sole cost and expense, shall have the right to place, construct and maintain on the leased premises one or more signs. If permits are required for such, Lessee shall secure and pay for such permits.

20. Inspection

During the term of this Lease, the duly authorized representative of Lessor shall be permitted to enter the leased premises for the purpose of inspection but shall enter said leased premises at Lessor's own risk and in the manner and. at such times as will not hinder the operation of Lessee. Lessor shall indemnify and hold Lessee harmless from any damage, claim, or demand by reason or injury to or the presence of Lessor or Lessor's representative on the leased premises or the approaches thereto.

21. Notice

All notices and other communications to either party required or permitted under this Lease shall be in writing and shall either be personally served or sent by first class mail, postage prepaid, addressed as hereafter set forth until either party shall give notice to the other of the change of such- party's address, by certified mail, return receipt requested, which change of address so communicated shall thereafter be treated as the address of the party who gave such notice. Notice shall be deemed delivered forty-eight (48) hours following the date of mailing.

LESSOR: BIG BEAR LAKE FIRE PROTECTION DISTRICT
P.O. Box 2830
Big Bear Lake, CA 92315

LESSEE: SNOW SUMMIT, LLC
P.O. Box 77
Big Bear Lake, CA 92315

22. Holding Over

Lessee shall vacate the Leased premises upon the expiration or earlier termination of this Lease. Lessee shall reimburse Lessor for and indemnify Lessor against all damages, which Lessor incurs from Lessee's delay in vacating the Leased premises. If Lessee does not vacate the Leased premises upon the expiration or earlier termination of the Lease and Lessor thereafter accepts rent from Lessee, Lessee's occupancy of the Leased premises shall be a "month-to-month" tenancy, subject to all of the terms of this Lease applicable to a month-to-month tenancy, except that the rent then in effect shall be increased by twenty-five percent (25%).

23. Attorneys' Fees

In the event that it becomes necessary to commence litigation to enforce or interpret any provision of this Lease, the prevailing party in such litigation shall be entitled to all reasonable costs of litigation, including reasonable attorneys' fees.

24. Waiver

Lessee waives the protection of any statute, code or judicial decision, which grants a Lessee the right to terminate a lease in the event of the substantial or total destruction of the leased premises.

25. Restrictions

Lessee shall not utilize parking at 42610 Rathbun Drive in any manner or fashion, which shall block, impede; restrict, or interfere with the passage of emergency vehicles in or out of the Fire Station.

26. Time is of the Essence

Time is of the essence with regard to this Lease.

27. Binding on Successors

This Lease and the covenants, conditions and limitations set forth herein shall be binding upon the parties hereto and their heirs, devisees, successors, and assigns.

28. Non-Discrimination

Lessee promises, and it is a condition to the continuance of this Lease, that there will

be no discrimination against, or segregation of, any person or group of persons on the basis of race, color, sex, creed, national origin or ancestry in the leasing, subleasing, transferring, occupancy, tenure or use of the leased premises or any portion thereof.

29. Severability

A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not cancel or invalidate the remainder of such provision or this Lease, which shall remain in full force and effect.

30. Interpretation

The captions of the Sections of this Lease are to assist the parties in reading this Lease and are not a part of the terms or provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine, and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Lessee, the term "Lessee" shall include Lessee's agents, employees, contractors, invitees, successors or others using the leased premises with Lessee's expressed or implied permission.

31. Incorporation of Prior Agreements: Modifications

This Lease is the only agreement between the parties pertaining to the Lease of the leased premises and no other agreements are effective. All amendments to this Lease shall be in writing and signed by all parties. Any other attempted amendment shall be void.

32. Waivers

All waivers must be in writing and signed by the waiving party. Lessor's failure to enforce any provision of this Lease or its acceptance of rent shall not be a waiver and shall not prevent Lessor from enforcing that provision or any other provision of this Lease in the future. No statement on a payment check from Lessee or in a letter accompanying a payment check shall be binding on Lessor. Lessor may, with or without notice to Lessee, negotiate such check without being bound to the conditions of such statement.

33. Force Majeure

If Lessor cannot perform any of its obligations due to events beyond Lessor's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Lessor's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction, and weather conditions.

34. Entire Agreement

This Lease and all terms and conditions set forth herein are deemed to be the complete and the unequivocal written agreement of the parties and no other agreement, either

written or oral, between the parties and relating to the leased premises shall be of any legal force or effect.

Date: February 14, 2023

BIG BEAR LAKE FIRE PROTECTION DISTRICT, a public entity duly formed and existing under the laws of the State of California,

By: _____
Its: Fire Chief

Date: February ____, 2023

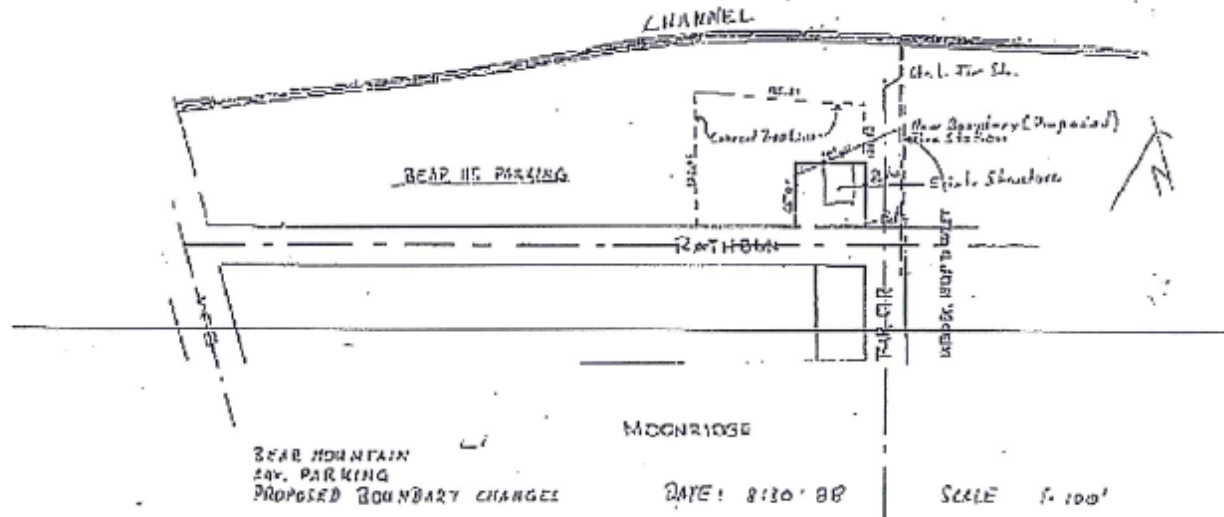
SNOW SUMMIT, LLC

By: _____
Its: _____

ATTEST:

Chardelle Smith, Interim Board Secretary

EXHIBIT "A"





AGENDA REPORT

Item No. FP5

MEETING DATE: February 14, 2023

TO: Board Chair and Directors of Big Bear Lake Fire Protection District

FROM: Jeff Willis, Fire Chief

SUBJECT: **APPROVAL OF REVISED LEASE AGREEMENT WITH VERIZON WIRELESS, FOR USE OF CELL TOWER AT MOONRIDGE STATION**

BACKGROUND

October 9, 2006, The Big Bear Lake Fire Protection District (BBLFPD) entered into a lease agreement with Verizon wireless to build and construct a cell tower located at 42610 Rathbun Road (Moonridge Station) for single payment of \$1,000. This lease agreement included multiple options that could be exercised to further extend the agreement over the course of time.

On October July 21, 2010, the Big Bear Lake Fire Protection entered in to a Five (5) year lease agreement with the ability for renewal for four (4) additional five (5) year terms. The annual lease amount at that time was \$9,600 annually, payable monthly at \$800.00 per month. There is clause in the lease agreement that allows for a 4% increase annually. This lease agreement is between BBLFPD and Royal Street Communications (Attachment A).

DISCUSSION

Staff has received a phone call regarding the current lease. There is a desire from caller to extend the current lease with additional years being added to the current lease agreement.

RECOMMENDATION

Discuss and provided direction to the Fire Chief

Attachment A: July 21, 2010, Lease Agreement with Verizon Wireless

FP 2010-02

**BIG BEAR LAKE FIRE PROTECTION DISTRICT
COMMUNICATIONS SITE LICENSE AGREEMENT
WITH ROYAL STREET COMMUNICATIONS**

1. PARTIES AND DATE.

This Communications Site License Agreement (“Agreement”) is made and entered into this 21st day of July, 2010 (“Effective Date”) by and between the Big Bear Lake Fire Protection District (hereinafter referred to as “District”), a political subdivision of the state of California, and Royal Street Communications California LLC (hereinafter referred to as “Licensee”), a Delaware limited liability company. The District and Licensee are sometimes collectively referred to herein as the “Parties.”

2. RECITALS.

2.1 Description of Leased Land and Existing Lease. The District is the owner of a piece of land generally located at 42610 Rathbun Drive, Big Bear Lake, California, 92315 identified as APN: 2328-383-02 (“District Property”). The District has previously entered into a “Land Lease Agreement” (“Verizon Lease”) with Los Angeles SMSA Limited Partnership d/b/a Verizon Wireless (“Verizon”), attached hereto as Exhibit “E” and incorporated herein by reference, and covering a portion of the District’s Property described therein (“Premises”). Pursuant to the Verizon Lease, Verizon operates communications facilities in the Premises.

2.1.1 For the purposes of this License, the “Wireless Communications Tower,” shall refer to the Wireless Communications Tower constructed by Verizon pursuant to the Verizon Lease. The Wireless Communications Tower is a monopine that is part of the “Carrier’s Facilities” as defined in the Verizon Lease.

2.1.2 Licensee desires to use and District grants Licensee the right to use: (1) ground space measuring approximately 12’ x 18’ (216) square feet of the District Property within which Licensee will install its electrical equipment; (2) the right to collocate communications equipment on the Wireless Communications Tower; and (3) such other property as is necessary for access and utility easements, if any, all of which are more particularly depicted on Exhibit “A” attached hereto and incorporated herein by reference (“Licensed Land”), at Licensee’s sole cost and expense.

2.1.3 Prior to collocating any equipment on the Wireless Communications Tower, Licensee shall execute an agreement with Verizon to collocate Licensee’s communications facilities on the Wireless Communications Towers in the Premises. Licensee shall comply with all terms and conditions of Verizon’s consent to its collocation.

2.2 Purpose of License. District desires to allow Licensee to use the Licensed Land and Licensee desires to use the Licensed Land in exchange for due and adequate consideration, the receipt and sufficiency of which are acknowledged by the Parties and further described and set forth in this License.

3. Terms.

3.1 Licensed Land. District hereby grants Licensee a license in, on, across and over the Licensed Land, on the terms hereinafter set forth, for the purpose of constructing and operating Licensee Facilities, as defined below. The grant of this License shall not relieve Licensee from the requirement to obtain, at its expense, any land use permits or other approvals for the installation and operation of the Licensee Facilities. In addition, Licensee acknowledges that Verizon may impose conditions on Licensee's right to use the Licensed Land. Licensee's right to use the Licensed Land is expressly conditioned on the Licensee obtaining and maintaining Verizon's assent to its collocation and use of the Premises. It is expressly understood that all rights granted to Licensee under this License are irrevocable until this License expires or is sooner terminated according to the provisions of this License.

3.2 Term. The term ("Term") of this Agreement shall be five (5) years and shall commence on the date (a) Licensee begins construction of Licensee's Facilities on the Licensed Land or (b) one hundred twenty (120) days from the last date of execution by a party to this License Agreement as reflected on the signature page below, whichever occurs first ("Commencement Date"). Licensee shall promptly deliver written notice to Licensor of the Commencement Date. This License may also be terminated in accordance with the provisions of Section 3.8 herein. Notwithstanding the foregoing, this Agreement shall terminate upon the expiration or termination of the Verizon Lease, if such expiration or termination occurs prior to the Term of this Agreement or any Renewal Term hereof.

3.3 Renewal Terms. Licensee shall have the right to extend the Term of this License for four (4) additional terms (each a "Renewal Term") of five (5) years each. The terms and conditions for each Renewal Term shall be the same terms and conditions as in this License. This License shall automatically be extended for each successive five (5) year Renewal Term, subject to earlier termination pursuant to Section 3.2, unless Licensee notifies Licensor in writing of Licensee's intention not to extend this License at least thirty (30) days prior to the expiration of the first Term or any Renewal Term.

3.4 Facilities; Utilities; Access.

3.4.1 Subject to the provisions of this License, Licensee has the right to erect, maintain and operate on the Licensed Land those communications facilities, utility lines, transmission lines, electronic equipment, transmitting and receiving antennas, supporting equipment and structures thereto including batteries, back-up generators, storage facilities, telephone facilities, microwave equipment, and related equipment as Licensee deems necessary for the operation of its wireless communications site at the Licensed Land ("Licensee Facilities"), provided that such equipment and facilities are listed or depicted in Exhibit "C" attached hereto. In connection therewith, Licensee has the right to do all work necessary to prepare, maintain and alter Licensed Land for Licensee's business operations and to install transmission lines connecting the antennas to the transmitters and receivers. All of Licensee's construction and installation work shall be performed at Licensee's sole cost and expense, in a good and workmanlike manner, and according to plans and specifications approved by District. Title to the Licensee Facilities shall be held by Licensee, subject to Section 3.4.5. All Licensee Facilities shall remain Licensee's personal property and are not fixtures. Licensee shall remove all Licensee Facilities, at its sole

expense, and shall repair any damage to the District Property or the Licensed Land caused by such removal in accordance with Sections 3.11 and 3.12 below. District acknowledges that Licensee may enter into financing arrangements including promissory notes and financial and security agreements for the financing of the Licensee Facilities (the "Collateral") with a third party financing entity and may in the future enter into additional financing arrangements with other financing entities. In connection therewith, District (i) consents to the installation of the Collateral to the extent that the Collateral is part of the approved Licensee Facilities; (ii) disclaims any interest in the Collateral, as fixtures or otherwise, whether arising at law or otherwise, including, but not limited to any statutory landlord's lien ; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any License Payment due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

3.4.2 Licensee shall pay for the electricity it consumes in its operations at the rate charged by the servicing utility company. Licensee shall draw electricity and other utilities from separate utility service than District's from any utility company that will provide service to the Licensed Land. District agrees to sign such documents or easements as may be required by said utility companies to provide such service to the Licensed Land, including the grant to Licensee or to the servicing utility company at no cost to Licensee of an easement in, over across or through the Licensed Land as required by such location acceptable to District and the servicing utility company.

3.4.3 Licensee, Licensee's employees, agents, subcontractors, lenders and invitees shall have access to the Licensed Land without notice to District twenty-four (24) hours a day, seven (7) days a week, at no charge, as specified in Exhibit "B" attached hereto. District grants to Licensee, and its agents, employees, contractors, guests and invitees, a non-exclusive right and easement for pedestrian and vehicular ingress and egress across the District Property.

3.4.4 District shall maintain all existing access roadways from the nearest public roadway to the Licensed Land in a manner sufficient to allow pedestrian and vehicular access at all times under normal weather conditions. District shall be responsible for maintaining and repairing such roadway, at its sole expense, except for any damage caused by Licensee's use of such roadways.

3.5 Use. Subject to the provisions of this License, including, but not limited to, Sections 3.10 and 3.17, the Licensed Land may be used for any activity directly connected with the provision of communication services and the operation of the Licensee Facilities, provided that Licensee shall not construct or operate any Licensee Facilities in addition to those depicted or listed in Exhibits "A" and "C" without District's consent. Licensee's use of the Licensed Land shall comply with all applicable laws, ordinances and regulations. Licensee shall not interfere with the communications operations of any other persons or entities who may have a lease or other entitlement with District and operate equipment on the District Property which pre-dates this License, including Verizon, as discussed in more detail in Section 3.10.

3.6 Consideration.

3.6.1 License Payments. As consideration for the issuance of this License, Licensee shall pay to the District the annual amount of Nine Thousand and 600/100 Dollars (\$9,600.00), payable in monthly installments of Eight Hundred and no/100 Dollars (\$800.00) ("License Payment"). The first installment of the License Payment shall be due within thirty (30) days following the Commencement Date and shall be prorated based on the days remaining in the month following the Commencement Date, and thereafter the License Payments will be payable monthly in advance by the fifth day of each month to District. The License Payments shall increase by four percent (4%) each year, effective on the anniversary of the Commencement Date. All payments shall be made payable to: Big Bear Lake Fire Protection District, 41090 Big Bear Road, Big Bear Lake, CA 92315. Licensee's obligations under this paragraph shall be separate and independent from Licensee's obligations to Verizon, if any, and shall not be reduced or offset by any payments made by Licensee to Verizon.

3.7 Late Payment Charges. Licensee hereby acknowledges that late payment by Licensee to District of License Payments and other sums due hereunder will cause District to incur costs not contemplated by this License, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of consideration or any other sum due from Licensee shall not be received by District within ten (10) business days after such amount is due, Licensee shall pay to District a late charge equal to ten percent (10%) of such overdue amount, as well as interest on the outstanding amount which shall accrue at the rate of ten percent (10%) per annum. In no event shall the late charge or interest exceed the maximum allowable by law. The Parties hereby agree that such late charge will automatically accrue by reason of any late payment by Licensee. Acceptance of such late charge by District shall in no event constitute a waiver of Licensee's default with respect to such overdue amount, nor shall it prevent District from exercising any of the other rights and remedies granted hereunder.

3.8 Termination. In the event this License is terminated by either Party between the anniversary dates, there shall be a pro rata refund of any consideration paid in advance for the remaining term.

3.8.1 Termination By Licensee. This License may be terminated upon sixty (60) days prior written notice at any time during this License if Licensee is (i) unable to occupy or utilize Licensed Land due to ruling or directive of the FCC or other governmental agency other than District, which cannot be reasonably corrected by Licensee, including but not limited to, a take back of channels or roadways or change in frequencies. (ii) if Licensee does not obtain licenses, permits or other approvals necessary to the construction or operation of Licensee's Facilities ("Permits"); or; (iii) by Licensee if Licensee makes an objectively reasonable determination that the Premises are not appropriate or suitable for its operations for environmental or technological reasons, including, without limitation, signal strength or interference, provided that Lessee provides Licensor with a written explanation of Licensee's determination and documentation of the claimed environmental or technological basis for the termination. In the event that Licensee exercises its option to terminate this License, pursuant to 3.8.1(iii), then Licensee shall pay District the equivalent of six (6) months then current rent, but shall not be subject to any penalty or further liability beyond this payment.

3.8.2 Termination By District. Violation of any term, covenant, condition or provision contained herein shall be cause for immediate termination of the License by District, unless corrected within thirty (30) days after Licensee's receipt of District's written request to do so. If such violation cannot reasonably be corrected within such thirty (30) day period, the District shall not have the right to terminate this License if Licensee commences correction of the violation within such thirty (30) day period and thereafter diligently pursues such correction to completion. Notwithstanding the foregoing, any instance of late payment is cause for immediate termination, as described in this Section 3.8, at the sole discretion of District, unless payment is made along with all applicable penalties and interest within thirty (30) days after District notifies Licensee in writing of the late payment.

3.9 Improvements. Except as otherwise provided herein, no improvements, including the Licensee Facilities, shall be constructed and/or maintained on the Licensed Land without District's prior written approval of plans and specifications, including the aesthetic and visual nature of the Licensee Facilities. District shall endeavor to approve or request changes to the plans and specifications within fifteen (15) days of receipt of such plans. The aesthetic and visual nature of the Licensee Facilities, including color and composition, shall complement and blend into the District Property, the Wireless Communications Tower and surrounding community to the extent reasonably feasible. All work done by Licensee shall be performed in accordance with the approved plans unless otherwise approved in writing by the District. Licensee shall not change the existing grade or otherwise modify the topography of the Licensed Land or District Property affected by this License without prior written consent of District, which shall not be unreasonably withheld, conditioned or delayed. Subject to approval by District, Licensee may traverse District Property in order to connect to public utilities.

3.10 Interference.

3.10.1 Licensee shall operate the Licensee Facilities in a manner that will not cause interference to other licensees or lessees of District property provided that the installations of such licensees' facilities predate that of the Licensee Facilities, and in a manner that will not cause interference with communications systems operated by District, regardless of when such systems are installed or their use commences.

3.10.2 In the event that the Licensee Facilities cause interference with District's public safety communications equipment, and such interference is not cured within ten (10) business days after Licensee's receipt of notice from District, District may require relocation of the interfering Licensee Facilities or a redesign of such facilities to reduce or eliminate interference. Any interference in violation of this Section 3.10 shall be deemed a material breach by the interfering Party, who shall, upon written notice from the other, be responsible for terminating said interference. In the event any such interference does not cease promptly, the Parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured Party shall have the right, in addition to any other rights that it may have at law or in equity, to bring a court action to enjoin such interference or to terminate this License immediately upon written notice. The Parties agree to cooperate in developing solutions to interference problems, including determining which design changes may be necessary to end the interference. The Parties agree to cooperate in good faith to eliminate or minimize any potential for interference by

District's non-public safety communications equipment that District desires to install after installation of the Licensee Facilities. If relocation or redesign is deemed necessary by District due to interference with District's public safety communications caused by Licensee, Licensee shall redesign or relocate any or all of its Wireless Communications Tower-mounted equipment to alternate tower locations acceptable to District, at Licensee's sole cost and expense, or if such redesign or relocation is not acceptable to Licensee, Licensee may terminate this License.

3.10.3 Except in emergencies as agreed to by District, Licensee shall not perform or have performed any tests, construction, installation, operation, maintenance or repair activities on the District Property which will likely interfere with District's quiet enjoyment of the District Property not licensed to Licensee. All operations by Licensee shall be in compliance with all Federal Communications Commission ("FCC") requirements, as well as other applicable Federal, State and local laws, rules and regulations.

3.11 Vacating the Property.

3.11.1 At the expiration of the term or at any sooner termination of this License, Licensee shall quit and surrender possession of the Licensed Land and District Property to District in as good order and condition as they were delivered to Licensee on the Commencement, reasonable wear and tear and damage by the elements excepted. Within thirty (30) days of the expiration or termination of this License, Licensee shall remove all Licensee Facilities from Licensed Land and District Property, provided that Licensee shall be deemed to remain in possession of the Licensed Land for purposes of Section 3.3 until all Licensee Facilities have been removed. Licensee agrees to pay any costs incurred by District if Licensee fails to comply with this provision, including reasonable attorneys' fees and costs expended on any action by District to compel removal by Licensee or collect the liquidated damages described in this section. If Licensee does not restore the District Property and Licensed Land as required, District may remove the Licensee Facilities and dispose of or store them at Licensee's sole cost and expense.

3.11.2 In addition and not in lieu of the foregoing, Licensee agrees that the inconvenience and other damage to District in the event of Licensee's failure to timely remove Licensee Facilities is impossible to measure precisely, but agrees that five hundred dollars (\$500) per day is a reasonable estimate of District's damages. To this end, if Licensee does not restore the District Property and Licensed Land as required, Licensee shall pay to District the sum of five hundred dollars (\$500) as liquidated damages for each day following expiration or termination of this License on which Licensee Facilities are present on District Property.

3.12 Maintenance. Licensee shall, at its sole cost and expense, keep the Licensed Land free of noxious weeds and trash, and in good and proper condition in compliance with all applicable laws and regulations concerning the use of Licensed Land. Licensee shall also not cause trash or other debris to be placed on the District Property. All Licensee Facilities shall be maintained in good and workable order and good appearance, provided that any noticeable degradation or discoloration of the Licensee Facilities in comparison with their original appearance shall be deemed not to constitute "good appearance" for purposes of this section, in accordance with District's written direction which may be provided from time to time, including but not limited to, painting and screening. In addition, Licensee shall make any repairs to the Licensed Land or

District Property caused by or incident to Licensee's use of the Licensed Land or implementation of this License.

3.13 Hazardous Substances.

3.13.1 For purposes of this License, the term "Hazardous Substances" means: (a) any substance, products, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 United States Code Section 9601 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Hazardous Materials Transportation Conservation and Recovery Act, 42 United States Code Section 1801 et seq.; the Clean Water Act, 33 United States Code Section 1251 et seq.; the Toxic Substances Control Act, 15 United States Code Section 2601 et seq.; the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq.; the Hazardous Substance Account Act, Health and Safety Code Section 25330 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Section 25249.5 et seq.; California Health and Safety Code Section 25280 et seq. (Underground Storage of Hazardous Substances); the California Hazardous Waste Management Act, Health and Safety Code Section 25170.1 et seq.; California Health and Safety Code Section 25501 et seq. (Hazardous Materials Release Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code Section 13000 et seq., all as amended (the above cited California state statutes are hereinafter collectively referred to as "the State Toxic Substances Law"); or any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, now or at any time hereinafter in effect; (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (c) petroleum or crude oil, other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (d) asbestos.

3.13.2 District makes no warranty or representation whatsoever concerning the Licensed Land or District Property, including without limitation, the condition, fitness or utility for any purpose thereof, of any improvements thereto with applicable laws, ordinances or governmental regulations. Licensee's right to use the Licensed Land and District Property is strictly on an "as is" basis with all faults. District hereby disclaims all warranties whatsoever, express or implied, regarding the condition of the soil (or water), geology, and any warranty of merchantability or habitability or fitness for a particular purpose.

3.13.3 Except as otherwise specifically permitted under the terms of this License, Licensee shall not use, create, generate, store, deposit, dispose of or allow any Hazardous Substances on, under, about or within the District Property or Licensed Land in violation of any federal, state, or local law, rule, regulation, order, decree or other requirement listed in sub-section 3.13.1. Storage of batteries for emergency power, fuel for temporary generators to be used during power outages, and ordinary paints, solvents and similar substances commonly used in small quantities and necessary for maintenance of the Licensee's Facilities are excepted from the preceding

prohibition of use by Licensee of Hazardous Substances on the Licensed Land, so long as Licensee complies with all applicable federal, state and local laws rules and regulations governing the use of such items.

3.13.4 No permanent underground or above ground storage tanks shall be installed on the Licensed Land or District Property.

3.13.5 District or its officers, employees, contractors, or agents shall at all times have the right to go upon and inspect the Licensed Land and the operations conducted thereon to assure compliance with the requirements herein stated. This inspection may include taking samples for chemical analysis of substances and materials present and/or testing soils on the Licensed Land and taking photographs.

3.13.6 Licensee shall, within forty-eight (48) hours of the discovery by Licensee of the presence of, or believed presence of, a Hazardous Substance as defined herein, give written notice to District in the event that Licensee knows or has reasonable cause to believe that any release of Hazardous Substance has come or will come to be located on, under, about or within the Licensed Land or District Property. The failure to disclose in a timely manner the release of a Hazardous Substance, including but not limited to, an amount which is required to be reported to a state or local agency pursuant to law (e.g., California's Hazardous Materials Storage and Emergency Response Act, Health and Safety Code Section 25550 et seq.) shall be grounds for termination of this License by District in addition to actual damages and other remedies provided by law. Licensee shall immediately clean up and completely remove all Hazardous Substances placed by Licensee on, under, about or within the Licensed Land or District Property, in a manner that is in all respects safe and in accordance with all applicable laws, rules and regulations.

3.13.7 In the event Hazardous Substances are discovered, Licensee shall disclose to District the specific information regarding Licensee's discovery of any Hazardous Substances placed on, under, about or within the Licensed Land or District Property by Licensee or its employees or agents, and provide written documentation of its safe and legal disposal.

3.13.8 Breach of any of the covenants, terms, and conditions contained in this Section 13, and Licensee's failure to cure within thirty (30) days of Licensee's receipt of written notice from District, shall give District the authority to either immediately terminate this License or to require the shutdown of Licensee's operations thereon, at the sole discretion of District. In either case, Licensee will continue to be liable under this License to remove and mitigate all Hazardous Substances placed by Licensee on, under, about or within Licensed Land or District Property. Licensee shall be responsible for, and bear the entire cost of removal and disposal of, all Hazardous Substances introduced to the Licensed Land and District Property by Licensee during Licensee's period of use and possession of the Licensed Land or District Property. Upon termination of this License, Licensee shall, in accordance with all laws, remove from the Licensed Land or District Property any equipment or improvements placed on the Licensed Land or District Property by Licensee that may be contaminated by Hazardous Substances.

3.13.9 Licensee shall defend, indemnify and hold District and its officials, officers, employees, contractors and agents free and harmless from any and all claims, liability, injury, damage, costs, or expenses (including, without limitation, the cost of attorney's fees) arising as a result of the presence of use of any Hazardous Substances placed or caused to be placed by Licensee or its partners, affiliates, agents, officials, officers, contractors or employees on the District Property or Licensed Land. The foregoing indemnity is intended to operate as an agreement pursuant to, among other requirements, Section 107, subdivision (e) of CERCLA, 42 United States Code Section 9607, subdivision (e), and California Health and Safety Code Section 25364, to insure, protect, hold harmless and indemnify each Party from any liability created by the other Party pursuant to such sections.

3.14 Entry by Owner. Licensee shall permit District, together with an escort of Licensee, to enter upon the Licensed Land at a mutually convenient time, for the purpose of a visual inspection of the site, provided that District shall be liable for any damage caused to Licensee's personal property in the course thereof, but only to the extent that damage was caused by the negligence of District or its personnel. Notwithstanding the foregoing, Licensee shall be permitted to enter upon the Licensed Land without an escort of Licensee if Licensee is unwilling or unable to provide such an escort upon not less than forty-eight (48) hours notice.

3.15 Previous Licenses. In the event there is an existing license between Licensee and District (or its predecessor-in-interest) covering the Licensed Land, it is agreed and understood that this License shall cancel, supersede and terminate said prior license as of the Effective Date of this License.

3.16 Subordinate Rights.

3.16.1 This License is subject and subordinate to the prior and future rights and obligations of District, its successors and assigns, to use the District Property in the exercise of its powers and in the performance of its duties. Accordingly, there is reserved and retained unto District, its successors, assigns, grantees, and permittees, the right to construct and reconstruct facilities and appurtenances in, upon, over, under, across, and along the District Property, and in connection therewith, the right to grant and convey to others, rights and interests to the District Property, provided that the foregoing not unreasonably interfere with Licensee's use of the Licensed Land as provided in this License. In the event of interference to Licensee's operations, District agrees to take all reasonable steps necessary to eliminate such interference promptly. If District cannot eliminate such interference, Licensee shall have the right to terminate this License pursuant to Section 3.8.2 and 3.10.

3.16.2 This License is subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, claims, and other matters of title ("Title Exceptions") which may affect the Licensed Land now or hereafter. So long as Licensee is not in default under this License, Licensee shall be entitled to quiet enjoyment of the Licensed Land during the term of this License or any Renewal Term, and Licensee shall not be disturbed in its use or occupancy thereof.

3.17 Assignment or Subletting. Licensee shall not assign this License without the prior express written consent of the District; provided, however, Licensee may assign this License, or sublicense the Licensed Land, without increasing the number or substantially changing the type of facilities on Licensed Land, to any of its subsidiaries or successor legal entities, or to any entity acquiring substantially all of the assets of Licensee. Except as set forth in the preceding sentence, Licensee shall not sublicense all or any portion of the Licensed Land without the express written consent of the District, which consent may be withheld in the District's sole discretion, notwithstanding sections 1995.260 and 1995.270 of the California Civil Code as they may be amended. Licensee acknowledges that District may refuse to consent to any proposed sublicense that involves the collocation of another carrier's facilities unless Licensee and/or the sublicensee agree to pay increased License Payments in an amount acceptable to District. Any unauthorized assignment or sublicense shall be void and District shall have the right to immediately terminate this License. Notwithstanding anything to the contrary contained in this License, Licensee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this License to any financing entity, or agent on behalf of any financing entity to whom Licensee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by loans, bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof; provided that any such transferee shall be bound by the provisions of this License, including but not limited to the restrictions on transfers, assignments, sublicensing, and collocation.

3.18 Taxes. The possessory property interest created by this License may be subject to property taxation, and Licensee may be subject to the payment of property taxes levied on such interest by the appropriate taxing authority. Licensee is required to pay any such tax directly to the appropriate taxing authority. In addition, if personal property taxes are assessed, Licensee shall pay any portion of such taxes directly attributable to the Licensee Facilities. District shall pay all real property taxes, assessments and deferred taxes on the Licensed Land.

3.19 Mechanic's Liens. Licensee shall keep the Licensed Land and District Property free from any liens arising out of any work performed, material furnished, or obligations incurred by Licensee, or any tenant or subtenant thereof. Licensee shall not be considered in violation of this provision if it provides a bond in lieu of the lien which is in conformance with applicable law and which is in an amount and form reasonably acceptable to the District.

3.20 Waiver. The waiver by District or Licensee of any breach of any term, covenant, condition or provision contained herein ("Terms"), shall not be deemed to be a waiver of such Terms for any subsequent breach of the same or any other Terms contained herein. The subsequent acceptance of consideration by District shall not be deemed to be a waiver of any preceding breach by Licensee of any Terms of this License, other than the failure of Licensee to pay the particular consideration so accepted, regardless of District's knowledge of such preceding breach at the time of acceptance of such consideration.

3.21 Attorneys' Fees. The prevailing party in any action brought by either Party hereto, based on any claim arising under this License, shall be entitled to reasonable attorneys' and/or consultants' fees.

3.22 Insurance.

3.22.1 Types; Amounts. License shall obtain, and shall require any subcontractor to obtain, insurance in the amounts described below unless specifically altered or waived by District (“**Required Insurance**”). If any of the Required Insurance contains a general aggregate limit, such insurance shall apply separately to this License or be no less than two times the specified occurrence limit.

(i) *General Liability Insurance.* Licensee shall maintain occurrence version general liability insurance, or an equivalent form, with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence, which limit may be satisfied by a combination of primary and umbrella policies.

(ii) *“All Risk” Property Insurance.* Licensee shall maintain a policy of property insurance for perils usual to a standard “all risk” insurance policy on all its improvements or alterations in, on, or about the Licensed Land, with limits equal to the value of all such improvements or alterations.

3.22.2 General Provisions. The general liability insurance policy shall name District, its elected officials, officers, employees, agents, and volunteers as additional insureds. The Required Insurance shall be primary as to Licensee’s defense and indemnification obligations herein with respect to any insurance or self-insurance programs covering District, its elected officials, officers, employees, agents, and volunteers, or if in excess stand in an unbroken chain of coverage in excess of Licensee’s scheduled underlying coverage. The Required Insurance shall contain blanket additional insureds provisions, and shall contain no special limitations on the scope of its protection to District, its elected officials, officers, employees, agents, and volunteers. Licensee shall provide District with proof of the required insurance before the District executes this License, and annually thereafter by providing a Certificate of Insurance to District, and thereafter upon renewal or replacement of all such required policies or within thirty (30) days after written request by District.

3.22.3 Certificates; Insurer Rating; Cancellation Notice. Prior to the Commencement Date, Licensee shall furnish to District properly executed certificates of insurance which evidence all Required Insurance. Licensee shall maintain the Required Insurance at all times while this License is in effect, and shall replace any certificate, policy, or endorsement which will expire prior to that date. District shall be provided thirty (30) days prior written notice of cancellation, termination, material change in terms, and/or non-renewal of any such policy. Licensee shall provide District written notice of any suspension of any such policy as soon as practicable following Licensee’s notice of the suspension, but in no event more than ten (10) days following Licensee’s receipt of notice. Unless approved in writing by District, Licensee shall place the Required Insurance with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least A-:VII.

3.22.4 Waiver of Subrogation. District and Licensee release each other and their respective officials, directors, employees, representatives, and agents from any claims for damage or harm to any person, Licensed Land, or Licensee’s Facilities caused by, or which

result from, risks insured under any insurance policy carried by the Parties at the time of such damage or harm. District and Licensee shall cause each insurance policy obtained by them to provide the insurance company waives all right of recovery by way of subrogation against the other in connection with any damage or harm covered by such policy.

3.23. Indemnity. Licensee hereby agrees to defend, indemnify and hold District and its directors, officials, officers, agents and employees free and harmless from and against any and all claims, demands, causes of action, costs, liabilities, expenses, losses, damages or injuries of any kind in law or equity, to persons or property, including wrongful death, in any manner to the extent caused by the negligence or willful misconduct of Licensee, its partners, affiliates, agents officials, officers or employees in performance of this License or use of the Licensed Land or District Property. Licensee shall defend, with counsel selected by District, at Licensee's sole expense, any and all aforesaid suits, actions or proceedings, legal or equitable, that may be brought or instituted against District, its directors, officials, officers, agents or employees. Licensee shall pay and satisfy any judgment, award or decree that may be rendered against District, its directors, officials, officers, agents or employees. Licensee shall reimburse such parties for any and all legal expenses and costs incurred by one or all of them in connection with this License or the indemnity herein provided. Licensee's obligation shall survive termination or expiration of this License, and shall not be restricted to insurance proceeds, if any, received by District or its directors, officials, officers, agents or employees.

3.24 Amendments. The provisions of this License may be amended only by mutual written consent of the Parties.

3.25 No Relocation Assistance. Licensee acknowledges that Licensee is not entitled to relocation assistance or any other benefits under the Uniform Relocation Assistance Act or any other applicable provision of law upon termination of this License.

3.26 Time. Time is of the essence of this License.

3.27 Notices. All notices permitted or required under this License shall be given to the respective parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

Licensee:

Royal Street Communications California, LLC
2913 El Camino Real # 561
Tustin, CA 92782
Attn: Property Manager
Telephone: (714) 730-3100
Facsimile: (714) 730-3201

With a copy to:
Royal Street Communications California, LLC
2435 N. Central Expressway, Suite 1200

Richardson, Texas 75080
Attn: John R. Lister

District:

Big Bear Lake Fire Protection District
41090 Big Bear Blvd.
Big Bear Lake, CA 92315
Telephone: (909) 866-4668
Attn: Fire Chief

Such notice shall be deemed made when personally delivered or forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.28 Entire Agreement. This License constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this License must be in writing and executed by both parties.

3.29 Invalidity. If any provision of this License is invalid or unenforceable with respect to either party, the remainder of this License or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this License shall be valid and enforceable to the fullest extent permitted by law.

3.30 Successors and Assigns. This License shall be binding on and inure to the benefit of the successors and permitted assignees of the respective Parties.

3.31 Governing Law and Venue. This License shall be governed by the laws of the State of California. Any action to interpret or enforce this License shall be brought and maintained exclusively in the courts of and for San Bernardino County, California.

3.32 Execution of License. This License may be executed in duplicate counterparts, each of which shall be deemed an original.

3.33 Survival. All obligations of Licensee hereunder not fully performed as of the completion or termination of this License shall survive such completion or termination, including without limitation all payment obligations and all obligations concerning the condition of the Licensed Land and District Property.

3.34 Nondiscrimination. Licensee certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies and any of its contractors retained with respect to this License are and shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all federal and state laws prohibiting discrimination in employment.

3.35 Authority to Enter Agreement. Both Parties represent to the other that they have the requisite power and authority to conduct their business and to execute, deliver, and perform the requirements of, this License. Each Party warrants that the individuals who have signed this License have the legal power, right, and authority to enter into this License and bind each respective Party.

3.36 Recordation. District acknowledges that a memorandum of this License in the form of Exhibit "D" may be recorded by Licensee, at its sole cost and expense, in the official records of the County of San Bernardino. District agrees to execute such memorandum at the request of Licensee.


3.37 Estoppel Certificate. At any time upon not less than ten (10) days' prior written notice by Licensor, Licensee shall execute, acknowledge and deliver to Licensor or any other party specified by Licensor a statement in writing certifying that this License is in full force and effect, if true, and the status of any continuing defaults under this License.

[Signature Page Follows]

The effective date of this License is the date of execution by the last party to sign (the "Effective Date").

**BIG BEAR LAKE FIRE
PROTECTION DISTRICT,
a political subdivision of the
State of California**

By:



Rodney S. Ballard
Fire Chief

**ROYAL STREET COMMUNICATIONS
CALIFORNIA LLC, a Delaware limited
liability company**

By:



Print Name Susan Delmer
Print Title Assistant Manager
of Network Development

Attest:



Kathy Jeffries
Board Secretary

Approved as to Form:



Best Best & Krieger LLP
General Counsel

Exhibit "A"

General Description of Licensed Land Site Plan of Licensee Facilities

All that certain real property situated in the County of San Bernardino, State of California, described as follows:

All that portion of the North ½ of the Southwest Quarter of Section 22, Township 2 North, Range 1 East, San Bernardino Base and Meridian, County of San Bernardino, State of California, according to Government Survey, described as follows:

Beginning at a point on the Northeasterly line of 40 foot wide Rathbun Drive, said point lies North 14° 32' 3 40.00 feet from the Northeasterly corner of Lot 17, Tract No. 3050, Moonridge Mountain Estates, Unit No. 9, as per plat recorded in Book 41, Page(s) 77 and 78, of Maps, in the Office of the County Recorder of said County;
Thence along said Northeasterly line of Rathbun Drive North 75° 28' West 175.00 feet;
Thence North 14° 32' East 133.26 feet;
Thence South 71° 45' East 175.37 feet;
Thence South 14° 32' West 121.89 feet to the point of beginning.

Assessors Parcel Number: 2328-383-02-0-000

Exhibit "B"
Special Conditions or Requirements

[reserved]

Exhibit "C"

Plans of Licensee Facilities

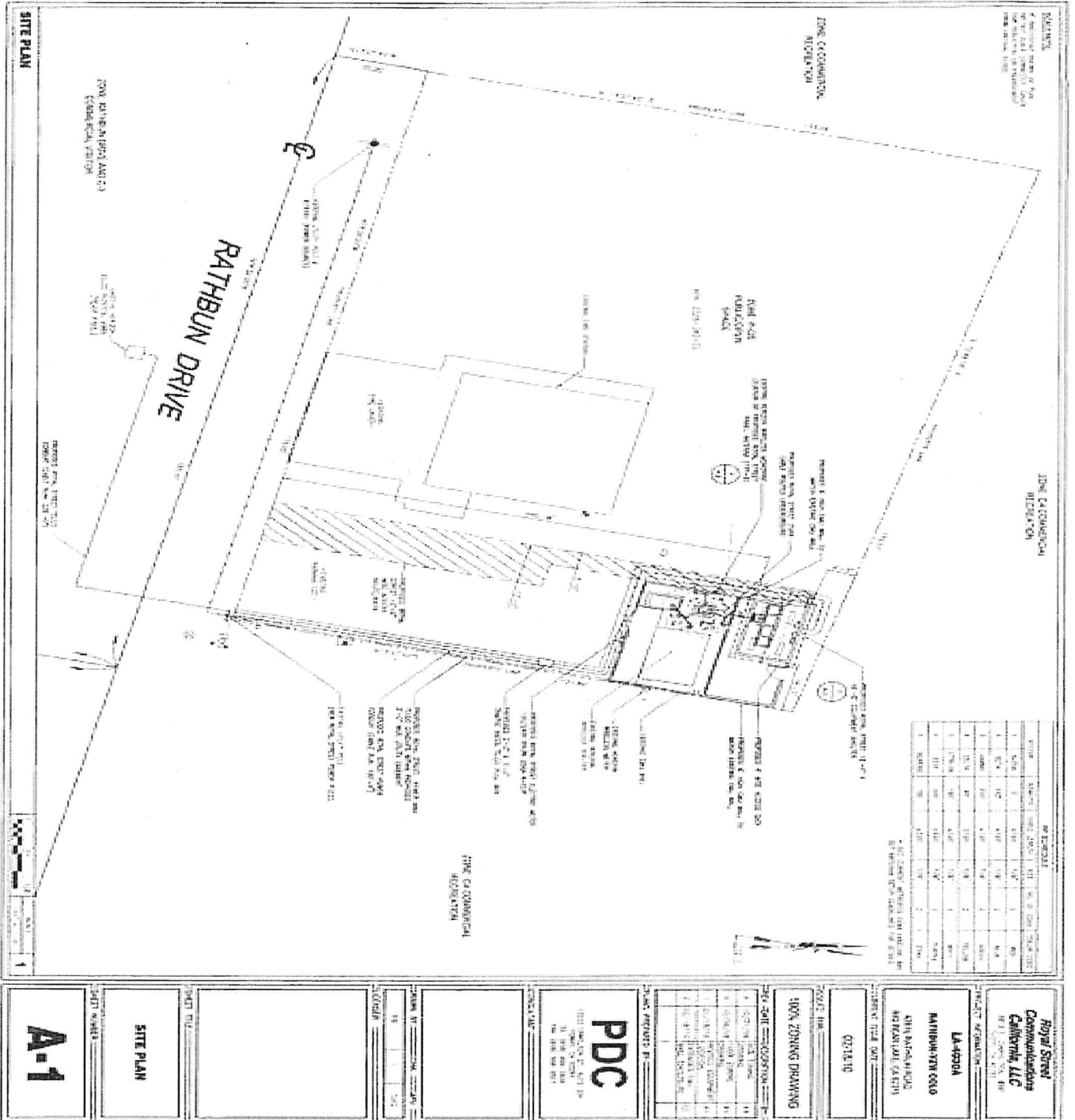


Exhibit "D"

Memorandum of License

[attached on following page]

**RECORDING REQUESTED BY:
WHEN RECORDED, RETURN TO:**

APN: 2328-383-02

MEMORANDUM OF LICENSE

THIS MEMORANDUM OF LICENSE ("Memorandum") dated as of _____ between BIG BEAR LAKE FIRE PROTECTION DISTRICT, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA ("District"), and ROYAL STREET COMMUNICATIONS CALIFORNIA LLC, A DELAWARE LIMITED LIABILITY COMPANY ("Licensee").

RECITALS

WHEREAS, District and Licensee have executed that certain Communications Site License Agreement ("License") dated as of _____, covering certain premises ("Premises") situated on certain real property located in the County of San Bernardino, State of California, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, District and Licensee desire to record notice of the License in the Official Records of San Bernardino County, California;

NOW, THEREFORE, in consideration of the foregoing, District and Licensee hereby declare as follows:

1. **Demise.** District has Licensed the Premises to Licensee (together with access rights), and Licensee has hired the Premises from District, subject to the terms, covenants and conditions contained in the License.

2. **Expiration Date.** The term of the License ("Term") is scheduled to commence on the Commencement Date (as that term is defined in the License) and shall expire as provided for in section 3.2 of the License.

3. **License Controlling.** This Memorandum is solely for the purpose of giving construction notice of the License. In the event of conflict between the terms of the License and this Memorandum, the terms of the License shall control.

IN WITNESS WHEREOF, District and Licensee have executed this Memorandum of License as of the date and year first written above.

(Signatures on next page)

DISTRICT:

**BIG BEAR LAKE FIRE PROTECTION
DISTRICT, a political subdivision of the State of
California**

By: _____
Rod Ballard
Fire Chief

LICENSEE:

**ROYAL STREET COMMUNICATIONS
CALIFORNIA LLC, a Delaware limited liability
company**

By: _____
Print Name _____
Print Title _____

[ACKNOWLEDGMENTS FOLLOW]

EXHIBIT A TO THE MEMORANDUM OF LICENSE

LEGAL DESCRIPTION OF DISTRICT PROPERTY

APN: 2328-383-02

All that certain real property located in the County of San Bernardino, State of California, described as follows:

All that portion of the North 1/2 of the Southwest Quarter of Section 22, Township 2 North, Range 1 East, San Bernardino Base and Meridian, County of San Bernardino, State of California, according to Government survey, described as follows:

Beginning at a point on the Northeasterly line of 40 foot wide Rathbun Drive, said point lies North 14° 32' 3 40.00 feet from the Northeasterly corner of Lot 17, Tract No. 3050, Moonridge Mountain Estates, Unit No. 9, as per plat recorded in Book 41, Page(s) 77 and 78, of Maps, in the Office of the County Recorder of said County;

Thence along said Northeasterly line of Rathbun Drive North 75° 28' West 175.00 feet;

Thence North 14° 32' East 133.26 feet;

Thence South 71° 45' East 175.37 feet;

Thence South 14° 32' West 121.89 feet to the point of beginning.

Exhibit "E"

Verizon Lease