

**EMERALD BAY SERVICE DISTRICT BOARD OF DIRECTORS
SPECIAL MEETING
TUESDAY, JULY 14, 2026
EMERALD BAY COMMUNITY CENTER
600 EMERALD BAY, LAGUNA BEACH, CA 92651**

Join Zoom Meeting

<https://us02web.zoom.us/j/84722568529?pwd=vZXsb5MzryVjdxTnRGe2tKN3anG6Z.1>

Meeting ID: 847 2256 8529

Passcode: 661339

All documents available for public review are at www.ebservicedistrict.org or on file with the District's General Manager located at 600 Emerald Bay, Laguna Beach, CA 92651.

CALL TO ORDER 4:00 PM

PLEDGE OF ALLEGIANCE

A. CERTIFICATION OF POSTING	
B. Public Comments on non-agendized items. 1. Public comments are limited to three minutes. Public comments may be submitted via email to Mdunbar@ebservicedistrict.com or via telephone to (949) 494-8572 at least two hours prior to the start of the meeting.	
C. Finance Committee Report (Gary Pickett) 1. Discuss and direct staff to obtaining a second credit card 2. Review of Invoices for Payment – July 10, 2026 3. Recommended Action: Approve Invoices for Payment – Monthly List of Accounts Payable – July 10, 2026.	2 7
D. Action Items 1. Adopt Agreement for Collection of Special Taxes, Fees, Charges, and Assessments by County of Orange and Emerald Bay Service District.	10
E. Director's Comments	
F. Next Scheduled Meeting 1. Regular Board of Directors Meeting – Wednesday, August 19, 2026 at 3:00 pm.	
ADJOURN	

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the General Manager during regular business hours at 949-494-8572. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations. All accommodation requests will be processed swiftly and resolving any doubt in favor of accessibility.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed via Zoom and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended unless otherwise required by law, such as when a Director is attending the meeting virtually pursuant to certain provisions of the Brown Act.

OFFICERS

SUSAN THOMAS
PRESIDENT

JOHN MARCONI
VICE PRESIDENT

JOHN McDERMOTT
SECRETARY

GARY PICKETT
TREASURER

DANIEL HOFFFLIN
DIRECTOR

MICHAEL DUNBAR
GENERAL MANAGER



600 Emerald Bay
Laguna Beach, CA 92651
(949) 494-8571

DIRECTORS

DANIEL HOFFFLIN

JOHN MARCONI

JOHN McDERMOTT

GARY PICKETT

SUSAN THOMAS

STAFF REPORT

DATE: July 10, 2026

SUBJECT: Additional Credit Card

STAFF CONTACT: Michael Dunbar

FISCAL IMPACT: Yes. Dollar amount unknown at this time, but staff estimates the total annual amount to be under \$25,000.

PROJECT SUMMARY: As background information, the Service District currently banks with BMO for all of its banking needs (checking, money market and credit card). The credit card has a limit of \$35,000.

Recently, the District has experienced the denial of its credit card for purchases of landscape materials (approximately \$1,300.00). In addition, two recurring/monthly payments were also denied: Verizon (telemetry service for the sewer lift stations) and STARLINK (emergency communications). Staff contacted BMO to correct which was immediately resolved. Staff has directed that the Starlink and Verizon accounts be funded from ACH (automated clearinghouse).

Staff would like the Finance Committee to consider the District obtaining a second credit card as a backup to avoid future denial situations. There are several credit cards that are no fee with credit limits up to \$25,000. One of these is the Chase Business Card. Chase Business Cards offer several options. The best option appears to be the INK Business Unlimited Credit Card. Please find enclosed the rates and charges information.

Staff is seeking direction from the Committee. Staff would recommend applying for the Chase INK Business Unlimited Credit Card with a credit limit of \$25,000 as a secondary credit card.

RECOMMENDED ACTION: Committee discussion and direction to staff.

PRICING INFORMATION

INTEREST RATES AND INTEREST CHARGES	
Purchase Annual Percentage Rate (APR)	0% fixed Intro APR for the first 12 months that your Account is open. After that, 16.74% to 24.74%, based on your creditworthiness and other factors. These APRs will vary with the market based on the Prime Rate.^a
My Chase LoanSM APR	16.74% to 24.74%, based on your creditworthiness and other factors. These APRs will vary with the market based on the Prime Rate.^a Promotional offers with fixed APRs and varying durations may be available from time to time on some accounts.
Balance Transfer APR	16.74% to 24.74% , based on your creditworthiness and other factors. These APRs will vary with the market based on the Prime Rate. ^a
Cash Advance APR	28.49% . This APR will vary with the market based on the Prime Rate. ^b
Default APR and When It Applies	Up to 29.99%. This APR will vary with the market based on the Prime Rate.^c We may apply the Default APR to your account if you: • fail to make a Minimum Payment by the date and time that it is due; or • make a payment to us that is returned unpaid. How Long Will the Default APR Apply: If an APR is increased for any of these reasons, the Default APR may apply indefinitely to all outstanding balances and future transactions on your Account.
Grace Period	Your due date will be a minimum of 20 days after the close of each billing cycle. We will not charge you interest on new purchases if you pay your entire balance or Interest Saving Balance by the due date each month. We will begin charging interest on balance transfers and cash advances on the transaction date.
Minimum Interest Charge	None

FEES	
Annual Membership Fee	None
Chase Pay Over TimeSM Fee (formerly My Chase Plan [®] Fee; a fixed finance charge)	Monthly fee of 0% of the amount of each eligible purchase transaction or amount selected to create a Chase Pay Over Time plan while in the 0% Intro Purchase APR period. After that, monthly fee of up to 1.72% of the amount of each eligible purchase transaction or amount you select to pay over time with no interest, just a fixed monthly fee. Promotional offers with lower monthly Chase Pay Over Time fees may be available from time to time on some accounts. The monthly Chase Pay Over Time fee will be determined each time a fee-based plan is created and will remain the same until the plan balance is paid in full.^d
Transaction Fees Balance Transfers	Either \$5 or 5% of the amount of each transfer, whichever is greater.

Cash Advances	Either \$15 or 5% of the amount of each transaction, whichever is greater.
Foreign Transactions	3% of the amount of each transaction in U.S. dollars.
Penalty Fees	
Late Payment	\$40
Return Payment	\$40
Return Check	None

Note: This account may not be eligible for balance transfers.

Loss of Intro APR: We will end your Introductory APR if you fail to make any required Minimum Payment by the date and time due and the Default APR will take effect.

How We Will Calculate Your Balance: We use the daily balance method (including new transactions).

Prime Rate: Variable APRs are based on the 6.75% Prime Rate as of 2/3/2026.

^aWe add 9.99% to 17.99% to the Prime Rate to determine the Purchase/My Chase Loan/Balance Transfer APR. Maximum APR 29.99%.

^bWe add 21.74% to the Prime Rate to determine the Cash Advance APR. Maximum APR 29.99%.

^cWe add up to 26.99% to the Prime Rate to determine the Default APR. Maximum APR 29.99%.

^dChase Pay Over Time Fee. The Chase Pay Over Time Fee (formerly called the My Chase Plan Fee) is calculated at the time each plan is created, and is based on the amount of each purchase transaction or account balance selected to create the plan, the number of billing periods over which you choose to pay the balance in full, and other factors. The monthly and aggregate dollar amount of your Chase Pay Over Time Fee will be disclosed during the activation of each plan. Chase Pay Over Time plan balances that have a Chase Pay Over Time Fee will not be subject to interest after plan activation.

TERMS & CONDITIONS

Authorization: When you ("you", "your" means the owner, officer, or partner of the company with the authority to bind the company to the terms & conditions of this offer and the Business Card Agreement, and who is agreeing to the terms on their own behalf and that of the company) respond to this credit card offer from JPMorgan Chase Bank, N.A., Member FDIC, a subsidiary of JPMorgan Chase & Co. ("Chase", "we", or "us"), you agree to the following:

1. You authorize us to obtain credit bureau reports, employment, and income information about you that we will use when considering your application for credit. We may obtain and use information about your accounts with us and others such as Checking, Deposit, Investment, and Utility accounts from credit bureaus and other entities. You also authorize us to obtain credit bureau reports and any other information about you in connection with: 1) extensions of credit on your account; 2) the administration, review or collection of your account; and 3) offering you enhanced or additional products and services. If you ask, we will tell you the name and address of the credit bureau from which we obtained a report about you.
2. If an account is opened, you will receive a Business Card Agreement with your card(s). You agree to the terms of this agreement by: using the account or any card, authorizing their use, or making any payment on the account.
3. By providing your mobile phone number, you are giving permission to be contacted at that number about all of your accounts by JPMorgan Chase and companies working on its behalf. Your consent allows the use of text messages, artificial or prerecorded voice messages and automatic dialing technology for informational and account servicing, but not for sales or telemarketing. Message and data rates may apply.

4. **Rates, fees, and terms may change:** We have the right to change the account terms (including the APRs) in accordance with your Business Card Agreement.
5. **You also certify you have the authority to permit us to issue your credit card containing the Company name if completed on the form.**

Individual and Company Liability: You understand that by responding to this offer you agree to be personally responsible, both individually and jointly with the Company, for payment of all balances incurred on all cards and accounts issued pursuant to this application now or whenever such additional accounts may be established in the future. You understand that if you leave the employment of the Company, you will continue to be responsible for the outstanding balances on the accounts. You must notify us immediately to close the accounts and prevent further usage.

Before we approve you for a credit card, we will review your credit report, information about the Company, including financial information, and the information you provide with your response to confirm that you and the Company meet the criteria for this offer. Based on this review, you may receive a card with different costs or you may not receive a card.

If an account is approved, all cardmembers will have access to 100% of the approved credit access line and any amount over the credit access line that we authorize. If you would like to set spending limits on any cardmembers, please contact our Cardmember Service Department after the account has been opened. By becoming a Visa Business Card cardmember, you agree that the card is being used only for business purposes and that the card is being issued to a public or private company including a sole proprietor or employees or contractors of an organization.

You must be at least 18 years old to qualify (19 in AL and NE).

We reserve the right to change the benefit features associated with your card at any time.

Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Balance Transfer Option

- Balance transfers are contingent upon issuance of your account with us.
- The total amount of your request(s) including fees and interest charges cannot exceed your available credit or \$15,000, whichever is lower.
- We will not process any balance transfer requests that are from any other account or loan that we (JPMorgan Chase Bank, N.A., Member FDIC) or any of our affiliates issued.
- Balance transfers are subject to the transaction fee shown in the enclosed "Pricing Information."
- We will evaluate your balance transfer requests in the order listed on your response. If your request(s) exceeds the amount that we approve, we may either decline the request or send less than the full amount requested to your designated payee.
- Each transfer will reduce your available credit just like any other transaction. You will see a payment for the amount transferred on the statement from your other accounts. It may take up to three weeks to set up your new account with us and process the balance transfer(s), so you may still need to make payments to your other accounts to keep them current.
- You agree that all transferred balances consist of business-related expenses.

Replying to this offer: If you omit any information on the form, we may deny your request for an account. Chase cardmembers who currently have or have had a Chase credit card in any Rewards Program associated with this offer, may not be eligible for a second Chase credit card in the same Rewards Program. Chase cardmembers currently receiving promotional pricing, or Chase cardmembers with a history of only using their current or prior Chase card for promotional pricing offers, are not eligible for a second Chase credit card with promotional pricing. You must have a valid permanent home address, and the Company must be

headquartered, within the 50 United States or the District of Columbia. All beneficial owners and employee cardmembers must have a residential address within the 50 United States, the District of Columbia, Guam, Puerto Rico, or the US Virgin Islands, or have a United States military address. The information about the costs of the card described in this form is accurate as of 2/3/2026. This information may have changed after that date. To find out what may have changed, write to us at Cardmember Service, P.O. Box 15043, Wilmington, DE 19850-5043.

USA PATRIOT Act: Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. We require the following information or documents as a condition to your opening an account: your name, residential address, date of birth, Social Security number, driver's license or other identifying documents. Our policies may also require additional information about you or any person associated with you or with the account during application to assure that we comply with "Know Your Customer" requirements. We may decline your application if we are unable to obtain information in order to satisfy our "Know Your Customer" requirements. By opening an account with us, you confirm that neither you nor any beneficial owner of any account is covered by any sanctions programs administered or enforced by the U.S. Department of the Treasury, Office of Foreign Asset Control.

**Emerald Bay Service District
Check Register
July 1-13, 2026**

	Date	Transaction type	Transaction number	Memo/Description	Amount
Bay City Electric Works	07/13/2026	Bill Payment (Check)	10216		-2,662.70
	06/23/2026	Bill	W332363	Main Gate CAM Censor	2,662.70
Boyce Industries, Inc.	07/13/2026	Bill Payment (Check)	10217		-355.58
	06/30/2026	Bill	67527	Main Gate Powerwashing Degreaser	355.58
Clear Sky Landscape, Inc.	06/17/2026	Bill	2026-16163	Labor and equipment to remove weeds on PCH Slope	6,894.00
	07/13/2026	Bill Payment (Check)	10204		-6,894.00
County of Orange - Treasurer Tax Collecto	07/01/2026	Bill	GA26270042	FY 2026-27 Allocation LAFCO Costs	2,861.19
	07/13/2026	Bill Payment (Check)	10199		-2,861.19
Curtin Maritime Corp	07/13/2026	Bill Payment (Check)	10209		-42,000.00
	07/03/2026	Bill	Final 07.04.2026	2026 Fireworks Barge	42,000.00
David's Tree Service	07/13/2026	Bill Payment (Check)	10210		-840.00
	06/01/2026	Bill	1246297	Ficus - Soil Injection & Foliar Spray (8)	840.00
Dunbar, Michael	07/01/2026	Bill	07.08.2026	CASA Conference Fee Reimbursed	1,711.54
	07/13/2026	Bill Payment (Check)	10211		-1,711.54
EBCA - Management Services	06/30/2026	Bill	06.30.2026	Management Services Agreement June 2026	93,607.20
	07/13/2026	Bill Payment (Check)	10214		-93,607.20
Equipment Service Center	07/13/2026	Bill Payment (Check)	10215		-597.42
	06/21/2026	Bill	23499	Service to EBSD (Luis) Jetter trailer June 2026	597.42
HI-WAY SAFETY	07/13/2026	Bill Payment (Check)	10192		-308.50
	06/24/2026	Bill	188044	Gate Closed Exit Gate 6 w/ right arrow	308.50
Laguna Beach County Water District	04/22/2026	Bill	18110-07.01.2026	169-171 EB Water Meter - 4/22/26-6/22/26	59.68
	04/22/2026	Bill	18112-07.01.2026	18112 PS #6 - 4/22/26-6/22/26	51.23
	07/13/2026	Bill Payment (Check)	10195		-1,662.78
	04/22/2026	Bill	25064-07.01.2026	Main Gate Water Meter - 04/22/26-6/22/26	1,500.64
	04/22/2026	Bill	18070-07.01.2026	182 EB - 4/30/26-6/22/26	51.23
Larry's Building Materials	07/13/2026	Bill Payment (Check)	10194		-1,972.33
	06/16/2026	Bill	SA-28549	1 Gallon Masonry Impregnator	75.93
	06/26/2026	Bill	LB-64493	5 Gal Sealant - Impregnator	1,896.40
Long Beach Fire Department	07/04/2026	Bill	9406	Standby Fire Safety Officer Services for Pyro Spectaculars Inc.	130.00
	07/13/2026	Bill Payment (Check)	10191		-130.00

**Emerald Bay Service District
Check Register
July 1-13, 2026**

	Date	Transaction type	Transaction number	Memo/Description	Amount
MNWD	06/24/2026	Bill	7577947	RTP FY 24/25 Audit Payable	276.33
	07/13/2026	Bill Payment (Check)	10213		-276.33
National Construction Rentals, Inc.	07/21/2026	Bill	8252779	Restroom Trailer Rental 6/24/26-7/21/26	1,815.50
	07/13/2026	Bill Payment (Check)	10196		-4,455.38
	07/02/2026	Bill	8264401	Restroom Trailer Rental Concert at the Park July 2026	2,639.88
Olmstead-Bowen, Susan	07/13/2026	Bill Payment (Check)	10198		-6,981.98
	06/30/2026	Bill	06.30.2026	Professional Finance Services for June 2026	6,981.98
Peak Global Solutions	06/30/2026	Bill	10386	June 2026 IT Services & Software Subscriptions	484.80
	07/13/2026	Bill Payment (Check)	10202		-484.80
Pyro-Spectaculars	07/04/2026	Bill	Final 07.04.2026	Final Payment Fourth of July Fireworks	37,972.00
	07/13/2026	Bill Payment (Check)	10203		-37,972.00
RRLA	06/01/2026	Bill	2602-03	PCH Landscape Architecture Services 6/1-6/9/26	3,650.54
	07/13/2026	Bill Payment (Check)	10190		-3,650.54
Rumblefish	07/13/2026	Bill Payment (Check)	10201		-2,500.00
	07/04/2026	Bill	014	2026 Fourth of July Chase Boat Service	2,500.00
SDRMA	06/23/2026	Bill	80677	Prepaid Insurance - Property, Contractors Equipment, General, Auto, Collision	141,515.44
	07/13/2026	Bill Payment (Check)	10205		-141,515.44
SoCalGas	07/02/2026	Bill	07.07.2026	6/3/26-7/2/26 Non-residential Charges	14.30
	07/13/2026	Bill Payment (Check)	10200		-14.30
South Coast AQMD	06/16/2026	Bill	4713997	AQMD Hot Spot Fee - July 2025-June 2026 Emergency Generator Diesel	181.11
	07/13/2026	Bill Payment (Check)	10206		-181.11
Steven Andrews Engineering	06/30/2026	Bill	28001-71	Plan Check Fees_ 936, 154, 156 EB	1,790.00
	07/13/2026	Bill Payment (Check)	10207		-1,790.00
Stradling Yocca Carlson & Rauth	05/31/2026	Bill	432552	Legal Services Special Litigation May 2026	50.00
	05/31/2026	Bill	432551	Professional Services (General Litigation) rendered thru 05.31.2026	3,640.00
	04/30/2026	Bill	431836	Legal Services General Litigation April 2026	4,000.00
	07/13/2026	Bill Payment (Check)	10193		-7,690.00

**Emerald Bay Service District
Check Register
July 1-13, 2026**

	Date	Transaction type	Transaction number	Memo/Description	Amount
TOAL ENGINEERING	05/28/2026	Bill	65078	Topography & Boundary Survey along PCH 4/15	13,407.50
	07/13/2026	Bill Payment (Check)	10212		-13,407.50
Triple A Pumping & Jetting Services	06/26/2026	Bill	170876	Lift Station 3 Pumping, Lift Station 4 pumping, Fuel/Insurance Charge	2,535.00
	07/13/2026	Bill Payment (Check)	10208		-2,535.00
US Ocean Safety Lifeguard	07/01/2026	Bill	EB04-26	July 2026 - Lifeguard Services	49,104.00
	07/13/2026	Bill Payment (Check)	10197		-49,104.00
Total					<u><u>428,161.62</u></u>

OFFICERS

SUSAN THOMAS
PRESIDENT

JOHN MARCONI
VICE PRESIDENT

JOHN McDERMOTT
SECRETARY

GARY PICKETT
TREASURER

DANIEL HOFFFLIN
DIRECTOR

MICHAEL DUNBAR
GENERAL MANAGER



600 Emerald Bay
Laguna Beach, CA 92651
(949) 494-8571

DIRECTORS

DANIEL HOFFFLIN

JOHN MARCONI

JOHN McDERMOTT

GARY PICKETT

SUSAN THOMAS

STAFF REPORT

DATE: July 10, 2026

SUBJECT: Laguna Beach County Water District
County of Orange
Agreement for Collection of Special Taxes, Fees,
Charges and Assessments

STAFF CONTACT: Michael Dunbar

FISCAL IMPACT: None.

PROJECT SUMMARY: As background information, the Service District adopted Resolution No. 26-06-17-03, A Resolution of the Board of Directors of the Emerald Bay Service District Approving a Report on Fixed Cost of Water Charges. Basically, the resolution directed the County of Orange Auditor to add a portion of the water rate to the property tax roll. That amount is \$288.76 for each and every parcel with the Emerald Bay Community.

Staff received a call from Laguna Beach County Water District (LBCWD) informed staff that the County of Orange is requiring an agreement (copy enclosed) for the collection of water charges on the property tax rolls. The agreement must be approved by each Board of Directors.

The funds would be deposited by the County with the District. The District would reimburse LBCWD for those funds when they arrive.

Staff and Legal Counsel have reviewed the agreement and find it acceptable.

RECOMMENDED ACTION: That the Board of Directors approve the "Agreement for Collection of Special Taxes, Fees, Charges and Assessments" and direct President Thomas to sign on behalf of the District.

**AGREEMENT FOR COLLECTION OF SPECIAL
TAXES, FEES, CHARGES, AND ASSESSMENTS**

THIS AGREEMENT FOR COLLECTION OF SPECIAL TAXES, FEES, CHARGES, AND ASSESSMENTS ("Agreement") is made and entered into this ____ day of _____, 2026, by and between the COUNTY OF ORANGE, a political subdivision of the State of California ("County"), and Emerald Bay Service District ("District"), which may sometimes be referred to individually as a "party" or collectively as the "parties."

RECITALS

WHEREAS, the District is a city or special district located in the County of Orange; and

WHEREAS, the parties desire to enter into an agreement whereby taxes, fees, charges, and/or assessments for the District (collectively "Assessments") will be collected by the County at the same time and in the same manner as County taxes are collected, and the District will pay to the County the fees for collection hereinafter set forth; and

WHEREAS, the statutes that authorize the County to collect Assessments for local agencies such as the District, including Sections 29142, 29304 and 51800 of the Government Code and Sections 5473 of the Health and Safety Code, provide that the County and District shall enter into an agreement regarding the amount of compensation to be paid to the County for the collection of such Assessments; and

WHEREAS, when requested by District, it is in the public interest that the County collect on the County tax rolls the Assessments as provided by this Agreement.

NOW, THEREFORE, IT IS AGREED by and between the parties as follows:

AGREEMENT

1. **Recitals.** The parties agree that the reference to the statutes in the Recitals set forth above do not constitute an admission that the statutes are applicable to any of District's Assessments, which the County will collect pursuant to this Agreement.

2. **Collection Services.** County agrees, when requested by District as hereinafter provided, or as required by law, to collect on the County tax rolls the Assessments of District, and of each zone or improvement district thereof.

3. **Transmission of Information.** When County is to collect District's Assessments, District agrees to notify the Orange County Auditor-Controller of the Assessor's parcel numbers and the amount of each Assessment.

4. **Computation by the County.** The District shall certify to the County Auditor: (1) the *ad valorem* rates to be applied to the assessed value of property within an established tax rate area or the tax requirements for which the *ad valorem* rates must be computed as herein provided; and (2) the fixed charge Assessments in a dollar amount to be applied on each parcel of real property which parcel shall be designated by the assessment (i.e., parcel) number shown on the County Secured

Assessment Roll for the year in which the Assessment is to be collected. The County will not be required to make any computation other than the application of an *ad valorem* rate to the assessed value of property within a tax rate area. District is solely responsible for the validity and accuracy of the amount of any Assessment as well as the parcel number to which it is being charged regardless of whether such data is submitted to County by District or by a third-party consultant or contractor on its behalf.

5. Verification by District. It shall be the obligation of the District prior to the time of delivery to the Orange County Auditor-Controller of the Assessment data to review the County Secured Assessment Roll after it is filed by the Orange County Assessor with the Orange County Auditor-Controller to verify that the parcel numbers on the assessment roll for Assessments certified by the District correspond with the assessment (i.e., parcel) numbers shown on the County Secured Assessment Roll. Any changes in Assessment data previously certified to the Orange County Auditor-Controller by the District, which changes occur as a result of such verification, shall be certified by the District to the Orange County Auditor-Controller.

6. Collection Fee. County will charge the sum of three tenths of one percent (0.30%) of the original value for each Assessment that is to be collected on the County tax rolls by the County for the District.

7. Charge for Revision of Assessment. After the tax roll has been delivered by the Orange County Auditor-Controller to the Orange County Tax Collector, the County will charge the District for each fixed charge Assessment changed or deleted. Said charge shall be fifteen dollars (\$15.00) for each Assessment or parcel number placed on the County Secured Assessment Roll. Payment shall be submitted to the Orange County Auditor-Controller with the request for the change or deletion.

8. Modification of Collection Fees and Charges. The County reserves the right to increase or decrease any charges herein provided in proportion to any changes in costs incurred by the County in providing the services described herein, provided that written notice of any increase or decrease in charges shall be given by the County to the District at least 30 days prior to the date notice is required to terminate this Agreement pursuant to the "Term of Agreement" section of this Agreement.

9. Authority for Levy and Compliance with Law.

a. District warrants that all Assessments imposed by District and collected pursuant to this Agreement comply with all laws, including but not limited to Articles XIII C and XIII D of the California Constitution, as applicable. District agrees that the County is not obligated under this Agreement to collect or place any Assessment that has been determined to apply to the secured tax bills of government-owned parcels.

b. If District has reason to believe (1) that an Assessment placed on the tax roll on its behalf violates federal or state law; or (2) that information it provided to the County concerning a special tax, fee, charge or assessment placed on the tax roll on its behalf is inaccurate in any respect, District will notify County within one business day of the discovery.

c. Notwithstanding any provision of law, the County may remove from the tax roll (1) any Assessment that is deemed to violate federal or state law or (2) that is affected by

inaccuracy, and withhold monies in the amount of such levies from future property tax distributions. This provision is intended to avoid all County liability for such Assessments under the Teeter Plan by allowing the Auditor-Controller to reverse and charge back Teeter Plan advances for such Assessments.

10. Release. District hereby releases and forever discharges County and its officers, agents, employees, and those entities for which County's Board of Supervisors acts as governing body from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of District's responsibilities under this Agreement, or other action taken by District in establishing or collecting any Assessment, including but not limited to any required remedial action in the case of delinquencies in such Assessment payments or the issuance, sale, or administration of any bonds issued in connection with the District's program.

11. Indemnification. District agrees to indemnify, defend with counsel approved in writing by County, which approval shall not be unreasonably withheld, and hold County and its officers, agents, employees, and those entities for which County's Board of Supervisors acts as governing body (collectively "County Indemnitees") harmless from and against any and all claims, demands, liabilities, damages, causes of action, judgments, and costs and expenses, including reasonable attorneys' fees, in any manner arising out of any of District's responsibility under this Agreement, or other action taken by District in establishing or collecting any Assessment, including but not limited to any required remedial action in the case of delinquencies in such Assessment payments or the issuance, sale, or administration of any bonds issued in connection with the District's program.

12. Cooperation. District agrees that its officers, agents, and employees will cooperate with County by answering inquiries made by any person concerning District's Assessments, and District agrees that its officers, agents, and employees will not refer such individuals making inquiries to County officers or employees for response.

13. Assignment. District shall not assign or transfer this Agreement or any interest herein, and any such assignment or transfer or attempted assignment or transfer of this Agreement or any interest herein shall be void and shall immediately and automatically terminate this Agreement.

14. Term of Agreement. All prior or existing agreements between the County and District pertaining to collection of any tax, fee, charge, or assessment by the County for the District are terminated. This Agreement shall continue from year to year and shall be subject to cancellation by either party by giving written notice to the other party of cancellation on or prior to April 30 to take effect in the subsequent fiscal year.

15. Waiver. Either party's waiver of breach of any term, covenant, or other provision of this Agreement is not a waiver of breach of any other term, covenant, or provision, nor subsequent breach of the term, covenant, or provision waived.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have made and entered this Agreement as of the day and year first written above.

DISTRICT

By: _____

Its: _____

COUNTY OF ORANGE

By: _____

Its: _____

APPROVED AS TO FORM:

By: _____
_____, Counsel to District

By: _____
_____, Deputy County Counsel