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AGENDA
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY,
HOUSING & ECONOMIC DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
January 13, 2026
Regular Meeting - 8:30 to 10:00 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 810 7698 2130
3. Passcode: 428870

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at [www.https://www.oxnard.org/city-meetings/](https://www.oxnard.org/city-meetings/).

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.
2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING
 - a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at www.oxnard.org/citymeetings.
 - b. Submit an email to cityclerk@oxnard.org by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
 - c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.
3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING
 - a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

- b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA AND NON-ACTION ITEMS

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body, and on non-action items. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Community Services, Public Safety, Housing and Economic Development Committee approve the minutes of the October 28, November 25 and December 9, 2025 regular meetings as presented.

Contact: Luly Lopez, (805) 385-7805

D. REPORTS

1. Housing Department

SUBJECT: Resolution Establishing Administrative Regulations regarding the Fair Rate of Return Petition Regulations to Implement the City's Rent Stabilization Ordinance.

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee review and recommend that the City Council approve the proposed resolution establishing administrative regulations to implement the provisions of the Rent Stabilization Ordinance regarding Fair Rate of Return Petition regulation.

Please click the following link to view the required Measure M pre-recorded presentation Video:
<https://youtu.be/pEgapMDBuIY>

Contact: Brenda Lopez, (805) 385-8092

2. Housing Department

SUBJECT: Lease Agreement with Teatro de las Américas.

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council:

1. Authorize the Mayor to execute a Lease Agreement (A-8604) with Teatro de las Américas for the use of property owned by the City located at 321 West Sixth Street for a term of three years with two one-year options to extend the Agreement, at the discretion of the City Manager, for a total of five years, at an annual fee of \$1 and quarterly rent up to \$2,970 of their quarterly gross revenues in excess of \$10,560; and
2. Authorize the Mayor to forgive past due rent to the City in the amount of \$15,690 for past due rent through January 2026, plus a daily pro-rata share through February 2026.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/EhWmUyks1Kc>

Contact: Brenda Lopez, (805) 385-8092

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT



**COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING &
DEVELOPMENT COMMITTEE AGENDA REPORT**

**CONSENT AGENDA
AGENDA ITEM NO. C.1**

DATE: January 13, 2026
TO: Community Services, Public Safety, Housing & Development Committee
FROM: Luly Lopez, City Clerk, (805) 385-7805, luly.lopez@oxnard.org
SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Community Services, Public Safety, Housing and Economic Development Committee approve the minutes of the October 28, November 25 and December 9, 2025 regular meetings as presented.

BACKGROUND

Approval of minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Luly Lopez, City Clerk

ATTACHMENTS

1. Minutes of Community Services, Public Safety, Housing and Development for October 28, 2025
2. Minutes of Community Services, Public Safety, Housing and Development for November 28, 2025
3. Minutes of Community Services, Public Safety, Housing and development for December 9 2025

MINUTES
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY,
HOUSING & ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
October 28, 2025

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 8:34 p.m., Chair Luis A. Mc Arthur called to order the regular meeting of the Oxnard City Council Community Services, Public Safety, Housing & Economic Development Committee in the City Hall Council Chambers at 305 West Third Street, Oxnard, California. Chair Luis A. Mc Arthur; Member Bert E. Perello and Member Michaela Perez were present. The City Clerk stated that the agenda was posted on Tuesday, October 21, 2025 at the Library, City Hall kiosk, City Administrative Offices and on the website. Member Perez led the flag salute.

Staff members present were Kenneth Rozell, Chief Assistant City Attorney; John Colamarino, Assistant Fire Chief; Jeff Pengilley, Community Development Director; Kathleen Mallory, Planning and Sustainability Manager and Lourdes A. López, City Clerk.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA AND NON-ACTION ITEMS

No public comments were received.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Community Services, Public Safety, Housing and Economic Development Committee approve the minutes of the June 24, July 8, July 22, September 9, September 23, and October 14, 2025 regular meetings as presented.

No public comments were received.

It was moved by Member Perello, seconded by Member Perez, to approve the Information/Consent item as presented. VOTE: Perez, Perello and Mc Arthur voted in favor; the motion carried 3-0.

D. REPORTS

1. Fire Department

SUBJECT: Closest Resource Automatic Aid Agreement between the City of Oxnard Fire Department, the City of Ventura Fire Department, and the Ventura County Fire Protection District. (5 minutes)

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee recommends that the City Council:

1. Approve the formal adoption of a Closest Resource Automatic Aid Agreement between the Oxnard Fire Department, the Ventura Fire Department, and the Ventura County Fire Protection District; and
2. Authorize the Fire Chief to execute the Closest Resource Automatic Aid Agreement.

Assistant Fire Chief Colamarino presented and answered the Committee's questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Chair Mc Arthur, seconded by Member Perez, to approve the recommended action as presented. VOTE: Perello, Perez and Mc Arthur, voted in favor; the motion carried 3-0.

2. Community Development Department

SUBJECT: Update to the City's Certified Local Coastal Program to fulfill the Requirements to Plan for Sea Level Rise. (30 minutes)

RECOMMENDATION: Receive a presentation from staff and the City's consultant on the City's Local Coastal Program update.

Community Development Director Pengilley stated that the presentation is to provide an update on the City's Local Coastal Program and no action is required.

The Planning and Sustainability Manager introduced Local Coastal Program Consultant Carolyn Groves with Dudek.

Ms. Groves presented and stated that the City's Local Coastal Program (LCP) was first certified by the California Coastal Commission in 1982 and has been amended several times. The LCP allows the City to regulate coastal development. Ms. Groves provided a summary of the vulnerable resources along the City's coastline and strategies the City can take to adapt to sea level rise and protect vulnerable resources. Ms. Groves stated that community meetings were held early last year and that additional community meetings about the vulnerability and adaptation plan are planned in early 2026. Staff will return to Committee/Council with financial impacts of the various hazard vulnerabilities by planning areas and the costs and benefits associated with adaptation strategies in mid 2026.

Staff and Consultant were available to answer the Committee's questions. No public comments were received.

E. ITEMS FOR FUTURE AGENDAS

No requests were made.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Mc Arthur adjourned the meeting at 9:40 p.m.

LOURDES A. LÓPEZ
City Clerk

LUIS A. MC ARTHUR
Mayor

MINUTES
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT
COMMITTEE
November 28, 2025

Because there were no items requiring consideration on this date, there was no regular meeting.

LOURDES A. LÓPEZ
City Clerk

LUIS A. MC ARTHUR
Chair

MINUTES
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT
COMMITTEE
December 9, 2025

Because there were no items requiring consideration on this date, there was no regular meeting.

LOURDES A. LÓPEZ
City Clerk

LUIS A. MC ARTHUR
Chair



**COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING &
DEVELOPMENT COMMITTEE AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.1**

DATE: January 13, 2026

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Brenda Lopez, Housing Director, (805) 385-8092, brenda.lopez@oxnard.org

SUBJECT: Resolution Establishing Administrative Regulations regarding the Fair Rate of Return Petition Regulations to Implement the City’s Rent Stabilization Ordinance.

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee review and recommend that the City Council approve the proposed resolution establishing administrative regulations to implement the provisions of the Rent Stabilization Ordinance regarding Fair Rate of Return Petition regulation.

Please click the following link to view the required Measure M pre-recorded presentation Video:
<https://youtu.be/pEgapMDBuIY>

BACKGROUND

On April 13, 2022, City Council approved the Just Cause Evictions and Tenant Protection (Just Cause) and Rent Stabilization Ordinances, which became effective on June 2, 2022. Key elements of the enacted ordinances include the limitation of annual rent increases, for specified properties to 4%, a mandate regarding tenant relocation assistance in cases of no-fault evictions of \$5,000 or two months of rent, whichever, is greater, and the authorization for the city to enforce the ordinances through civil citations, misdemeanor prosecutions or civil injunction. Ordinance amendments were passed by City Council on January 25, 2024, and July 30, 2024, to provide additional tenant protections and provide clarifications on the Ordinances.

On March 25, 2025, staff introduced amendments to the Just Cause Ordinance and four administrative regulations applicable to the Just Cause and Rent Stabilization Ordinances to the Community Services, Public Safety, Housing & Development Committee (“Committee”). The intent of the administrative regulations is to provide clarity, while the proposed amendments closed loopholes making it easier for tenants, landlords, and City staff to implement the ordinances.

At that meeting, staff received input from the Committee, public, and various community stakeholders. There were a number of changes discussed to the ordinance and regulations, which are further described below. Based on the feedback received, consensus was reached on the proposed ordinance amendments and three of the four administrative regulations: (1) Registration, (2) Right of First Refusal, and (3) Ellis Act regulations went forward and were approved by City Council on April 29, 2025. Staff did not advance the Fair Rate of Return Petition regulation, which was referred to as Exhibit B in the March 25, 2025 agenda item. Instead, staff proposed to collaborate with community stakeholders to further refine the regulation and bring it back to Committee at a later date.

In the months following the March 25, 2025 Committee meeting, staff worked closely with CAUSE, Attorney

at Law Barbara Macri-Ortiz, and the Ventura County Association of Realtors (community stakeholders) to revise the regulations and achieve compromise and consensus. This process included online meetings with the community stakeholders on April 18, 2025, and July 17, 2025, each lasting several hours, ongoing internal staff meetings, and follow-up dialogue with the community stakeholders. This process continued through October, at which time common understanding and consensus was achieved.

DISCUSSION

Adoption of Fair Rate of Return Petition Regulation

During the past three years, staff have observed emerging issues that hinder the effectiveness of the Rent Stabilization Ordinance (Ord. No. 3013), specifically, the Fair Rate of Return Petition process. In response, staff recommends enacting the Fair Rate of Return Petition Regulation to create consistency for all applications received and establish a clear process for processing Fair Rate of Return Petitions which will benefit both tenants and landlords.

Changes to Fair Rate of Return Petition Regulation:

During the March 25, 2025 Committee meeting, the community stakeholders identified drafting errors throughout the entire Fair Rate of Return Petition Regulation Exhibit, which have been corrected. Attachment 1 is a redline copy of the corrections made and Attachment 2 is a clean copy.

In addition, clarification was requested regarding the usage of the Consumer Price Index “Inflation” for the region of Anaheim-Los Angeles versus a closer region. Staff clarified that the state does not provide such a number for the City of Oxnard or Ventura County. Therefore, staff utilized the closest region that fit our demographics.

Additionally, staff in order to maintain the concise and precise language utilized Fair Rate of Return Petition throughout the document.

Lastly, the following changes were agreed upon:

1. Regulation 1.02: Definitions

-Section 4 and 6: added language to define timeframe (base year).

-Section 7: added language which expands the definition of operating income and added detailed steps on how to determine a fair return.

2. Regulation 1.03: Petition, Initial Petition Review; Petitioner Payment of Costs

-Section 1(b): added details on what a financial report should demonstrate and added a clause which gives the presiding Hearing Officer the ability to request additional supporting information needed to make a determination.

-Section 1(c) and Section 2(a): the original language specified dates by which an owner must provide a copy of the petition submitted to the City for review to the tenant(s). The dates were based on the date of submission. This inferred that the petition submitted is “complete” and therefore, that the tenant received all of the relevant information and set up an expectation on when a decision would be rendered. Since petitions are usually incomplete the language was modified to ensure that the tenant receives a copy of the complete petition and provides a better timeframe on when a response can be expected.

-Section 3: new language was added to detail timeframes for a withdrawal of petition (cancellation of a hearing) to be filed by an owner in order to avoid cancellation charges for fees incurred by the City.

-Section 4: section was revamped to outline what documentation is needed for a petition to be considered complete and establishes timelines.

3. Regulation 1.04: Decision by Hearing Officer

-Further expands on Regulation 1.03, Sections 1 through 3 updated to thoroughly outline the Hearing Officer’s

and the City’s timeframe for deeming the Fair Rate of Return Petition complete and the timeframe to issue a decision.

4. Regulation 1.07: Hardship Appeal (originally titled Limitation on Rent Increases Granted Under this Part)

-The original naming convention for this section caused confusion. It was simplified and renamed “Hardship Appeal”. In addition, language was added informing low or moderate income households of the timeline, documentation, and steps to file a claim of severe economic hardship resulting from an approved rent increase.

STRATEGIC PRIORITIES

This agenda item supports the Quality-of-Life strategy. The purpose of the Quality-of-Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Brenda Lopez, Housing Director

ATTACHMENTS

1. Attachment 1- Redline Copy_Fair Rate of Return Petition Regulation Final
2. Attachment 2 - Clean Copy_Fair Rate of Return Petition Regulation
3. Attachment 3 - Fair Rate of Return Regulation Resolution
4. Attachment 4- Presentation (1)

EXHIBIT D

EXHIBIT DB

Part 1: ~~Fair Rate of Return Petition Regulations~~ ~~Petition by Owner for~~

~~Rent Increase to Achieve a Fair Return~~ Regulation 1.01. Purpose

1. ~~Pursuant to Oxnard City Code Section 27-23, a rental property owner Under Rent Stabilization Ordinance Section 27-23, an owner~~ may petition the city for an increase in rents, so that the owner may obtain “a fair and reasonable return.” The Petition for Fair Rate of Return process stated in section 27-23 and further defined by these regulations are ordinance provides for this process in conformity with the California Supreme Court’s opinion in *Birkenfeld v. City of Berkeley*, ~~but sets forth no standard by which an owner’s receipt, or nonreceipt, of a fair return is to be determined.~~
2. This regulation works in conjunction with the Section 27-23 of Chapter 27 of the Oxnard City Code as follows: fills in this gap left by Rent Stabilization Ordinance Section 27-23 in the following two ways:
 - a. ~~It~~ establishes the formula that must be used by the City Manager, or their designee, to determine whether a petitioning owner is receiving a fair and reasonable return; and
 - b. ~~It~~ establishes a mandatory petition and decision-making process.

Regulation 1.02. Definitions

1. *Base Year*. “Base year” means 12-month period preceding May 2022.
2. *Current Year*. “Current year” means the 12-month period preceding the date on which the owner files a Fair Rate of Return Petition with the city.
3. *Fair and Reasonable Return*. A “fair and reasonable return” means an increase in the owner’s net operating income as of the current year equal to 100 percent of the percentage increase in the Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim area over the owner’s net operating income for the base year. (For example, if the Consumer Price Index has increased by ten percent since the base year, the owner receives a fair and reasonable return if the owner’s net operating income for the current year has also increased by at least ten percent above the base year level).
 - a. Net operating income generated by a property in the base year is presumed to have generated a fair and reasonable return because rents established that year were established by the owner free of substantial limitations beyond market forces.
 - b. A petitioning owner may rebut the presumption that base year net operating income generated a fair return by submitting with his or her Fair Rate of Return Petition proof by a preponderance of evidence that the net operating income yielded in the base year did not generate a fair rate of return. Base year net operating expense may be found to not to have generated a fair rate of return only if:

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- i. The landlord's operating and maintenance expenses in the base year were unusual in comparison to other years, in which case base year operating expenses shall be adjusted to reflect average expenses for the property over a reasonable period or, in the discretion of the City Manager or his or her designee, another year shall be designated the base year for purposes of the Fair Rate of Return petition. In considering whether the base year operating and maintenance expenses were unusual, the City Manager or their designee shall consider the following factors:
 1. Whether the owner made substantial capital improvements during the base year that were not reflected in the base year rent levels;
 2. Whether substantial and necessary repairs were made due to damage caused by uninsured disaster or vandalism; or
 3. Whether other expenses were unreasonably high or low, notwithstanding prudent business practice.
- ii. The property's rental income for the base year was disproportionately low. Under this circumstance, the City Manager or his or her designee shall designate the Fair Rate of Return Petition a "Vega Petition" and shall follow the procedures set forth herein in Regulation 1.06. In accordance with the Under the California Court of Appeal opinion *Vega v City of West Hollywood*, such a petition for a rent increase may be granted only if base year rents were disproportionately low because:
 1. ~~T~~here existed between the tenant and the owner a family relationship or close friendship;
 2. ~~T~~he rent had not been increased for several years prior to the base date~~basedate~~ while rents in the community generally were increased;
 3. ~~T~~he tenant or tenants performed services for the owner;
 4. ~~T~~here was low maintenance of the property by the owner in exchange for low rent increases or no rent increases; or
 5. ~~T~~here existed any other special circumstances which affected the rent level outside of market factors.

4. *Gross Income*. "Gross income" means:

- a. Gross rents, computed on the basis of one hundred percent occupancy, with fair market rent attributed to any vacant unit, within the timeframe of the Current Year which is the 12-month period preceding the date on which the owner files a Fair Rate of Return Petition with the city, plus plus
- b. Interest from security and cleaning deposits (unless the interest is payable to the tenants), plus

EXHIBIT D

- c. Income from services provided at the property, such as coin-operated laundry machines and the like, plus
 - d. All other income or consideration received or receivable for or in connection with the use or occupancy of rental units and housing services, minus
 - e. Uncollected rents due to vacancy and bad debts, to the extent that they are beyond the owner's control and the owner has made a good-faith attempt to collect them.
5. *Hearing Officer*. "Hearing Officer" means the City Manager or their designee.
6. *Operating Expenses*. "Operating expenses" means the total of all factors affecting expenses included in Rent Stabilization Ordinance Section 27-23(c) and paragraph (a) of this subdivision within the timeframe of the Current Year which is the 12-month period preceding the date on which the owner files a Fair Rate of Return Petition with the city but shall not include any expense included in paragraph (b) of this subdivision.
- a. Included expenses are:
 - i. Fair Rate of Return Petition application fee, if the petition is found to be meritorious;
 - ii. Annual program fee;
 - iii. License fees, real property taxes, utility costs, insurance;
 - iv. Normal repair and maintenance expenses, which shall include, but not be limited to, painting, normal cleaning, fumigation, landscaping, repair and replacement of all standard services, including electrical, plumbing, carpentry, furnished appliances, drapes, carpets and furniture. Owner-performed labor, like other labor, shall be included only to the extent that it is charged at fair market value for such labor;
 - v. The cost of repairs the need for which was not caused by ordinary wear and tear and was not caused by deferred maintenance;
 - vi. Allowable legal expenses, and management expenses (contracted or owner performed), including necessary and reasonable advertising, accounting, and other managerial expenses. Allowable legal expenses and management expenses are presumed to be six percent of gross income, unless established otherwise. Allowable legal and management expenses in excess of eight percent of gross income are presumed to be unreasonable and shall not be allowed unless it is established that such expenses are reasonable and do not exceed those ordinarily charged by commercial management firms for similar residential properties;
 - vii. Attorney's fees and costs incurred in connection with successful good faith attempts to recover rents owing and successful good faith unlawful detainer actions not in violation of applicable law, to the extent that such fees and costs cannot be recovered from tenants;

EXHIBIT D

viii. Building improvements, major repairs, replacement and maintenance, unless such costs are compensated by insurance proceeds. These costs shall not be included in their entirety as a given year's expense, but shall be amortized as provided in Regulation 1.05

ix. The expenses for experts and city review allowed under Rent Stabilization Ordinance 27-23(B) and actually paid by the owner.

b. Excluded expenses are:

i. Maintenance and repair work which resulted from the intentional deferral of other repairs or work, which deferral caused significant deterioration of the building, any of its amenities, or individual units;

ii. Avoidable and unnecessary expense increases since the base year;

iii. Mortgage interest and principal payments and other payments, ~~excluding any such payments~~ that are not contractually necessary, such as double payments, and ~~excluding~~ any payment that results from financing that is unreasonable or that was unnecessary for the acquisition of the property at fair market value;

iv. Fees, other than fees expressly authorized by 1.02(6)(a)~~paragraph (1)~~ of this subdivision;

v. Penalties and interest awarded for violation of the Rent Stabilization Ordinance or any other law;

vi. Legal fees not expressly allowed under paragraph 1.02(6)(a)(vi)~~paragraph (1)~~ of this subdivision; and

vii. Depreciation of the property.

7. *Net Operating Income.* "Net Operating Income" means gross income minus operating expense.

Regulation 1.03: Petition; Initial Petition Review; Petitioner Payment of Costs

a. In California, the maintenance of net operating income ("MNOI") formula or standard is the most often used for determining a Fair Rate of Return Petition. Courts have praised the MNOI standard for its fairness and ease of administration, and because it preserves for a property owner the net operating income prior to the adoption of rent control. Generally, this involves a three-step process. (To take a simple example, assume a landlord has a 10 rental unit building, the base rent year net operating income, as adjusted by inflation, was \$100,000, and the NOI in the last twelve months was \$98,000; the difference being \$2000. The \$2000 is divided first by 10 (the number of units in the building) and then by 12 (months), to yield \$16.67. That would be the monthly rent increase to which the landlord would be entitled in order, under this formula, to receive a fair return.)

i. Step one is the determination of the Base Rent Year, which is the year ending on the year the Ordinance was adopted.

EXHIBIT D

- ii. Step two requires the calculation of the base rent year net operating income for 2022 as adjusted for inflation through the date of the notice of the rent increase.
- iii. Step three involves the calculation of the difference between the base rent year net operating income, as adjusted for inflation, and the most recent 12 months of net operating income. That difference is then divided first by the number of rental units and then by twelve. That number represents what the landlord is entitled to as a rent increase in order to receive a fair return.

Regulation 1.03: Petition, Initial Petition Review; Petitioner Payment of Costs

A petition for a rent increase must be on a form prescribed by the City Manager and must include all required ~~documentation attachments~~, as well as an email address at which the Petitioner consents to receive service by the city of all communications and documents related to the petition. A petition that is not made on the form prescribed by the City Manager, is not completely filled in, or does not include all required attachments will not be accepted. ~~Deficient Fair Rate of Return Petitions, but~~ will be promptly returned to the petitioner with an explanation of the defect. ~~Pursuant to Oxnard City Code section 27-23(B) OCC section the 27-23(B) requires that the~~ owner is responsible for all costs associated with the city's review of the Fair Rate of Return Petition.

1. ~~Required Fair Rate of Return Petition Documents Attachments~~. A petitioner must include with a ~~submitted completed~~ and signed Fair Rate of Return Petition form the following information:
 - a. Records, such as receipts and financial statements, establishing the base year gross income and base year operating expenses, and demonstrating the base year net operating income;
 - b. Pursuant to Oxnard City Code Section 27-23(A), and independent financial report, including verified financial data, that demonstrates the owner will not obtain a fair and reasonable return on their property.
 - i. ~~The financial report should demonstrate that the rRecords establishing base year and current year , such as receipts and financial statements, establishing the current year gross income and current year operating expenses show that under the criteria set forth in Regulation 1.02, subdivision (3), the petitioning owner is entitled to an increase in rents in order to obtain a fair and reasonable return, and demonstrating the current year net operating income.~~
 - ii. The Hearing Officer may request additional information from the Petitioner or Tenant to assist with determining whether or not there is a Fair Rate of Return Petition.
 - c. ~~A financial report demonstrating that the records establishing base year and current year operating expenses show that, under the criteria set forth in Regulation 1.02, subdivision (3), the petitioning owner is entitled to an increase in rents in order to obtain a fair and reasonable return.~~
 - cd. Proof that the owner provided all affected tenants with the ~~submitted complete~~ petition, including all attachments, ~~, on or within no more than two days before the~~

EXHIBIT D

~~date when the petition was submitted to the city.~~

2. *Time for Initial Review.* Upon receipt of a ~~submitted~~complete Fair Rate of Return Petition form with all required attachments, the designated hearing officer shall:

~~a. Mail to all affected tenants a notice that the city has received a Fair Return Petition and informing them that they have until 30 days from the date when the owner served the tenant with a copy of the petition to respond to that petition, including by providing the city with additional materials, if they wish to contest the petition;~~

~~ab.~~ Determine whether it will be necessary for the city to employ any independent experts in order to reach a final decision about whether the owner is entitled to a rent increase and in what amount;

~~be.~~ Within no more than 7 days from receipt of the petition form with all required attachments, inform the petitioner of the city's anticipated costs of reviewing, analyzing, and deciding the petition and the employment of any expert necessary to complete those things. If the city does not within 7 days inform the petitioner of anticipated costs of reviewing, analyzing, and deciding the petition, then such costs shall be deemed unnecessary.

3. *Petitioner Payment of Estimated Costs.* Within no more than 15 days of the city delivering the estimated costs to the petitioner, the petitioner must make payment to the city in the amount of the estimated costs.

~~a. *Withdrawal of Petition.* The landlord shall inform the city at least 5 days before the scheduled hearing date of the landlord's intent to withdraw the petition. If the landlord fails to inform the city at least 5 days before the scheduled hearing date of the landlord's intent to withdraw the petition, then the landlord will be responsible for the following costs.~~

~~i. *Translator:* Any cancellation must occur at least 48 hours prior to the scheduled hearing to avoid a cancellation charge.~~

~~ii. *Court Reporter:* Any cancellation must occur at least 48 hours prior to the scheduled hearing to avoid a cancellation charge.~~

~~iii. *Hearing Officer:* Any cancellation must occur at least 48 hours prior to the scheduled hearing to avoid a cancellation charge.~~

4. *Standard for Determining When Petition is Complete.* A Fair Rate of Return Petition shall be deemed complete ~~upon receipt of all required documentation and information in the Fair Rate of Return Petition application as stated in the "Fair Rate of Return Petition Application Packet" which can be found on the Rent Stabilization Housing website. eight days after the petitioner has submitted to the city a completed Fair Return Petition form with all required attachments unless, within 7 days of such submission the city informs the petitioner of anticipated costs for reviewing, analyzing, and deciding the petition. In the latter case, the petition shall be deemed complete when such costs are fully paid to the city. The city will take no action on the petition, other than those specified in subdivision (2) of this regulation, until the petition is deemed complete.~~

~~a. *Supporting documents needed for a complete Fair Rate of Return Petition application include but are not limited to the items stated in Regulation 1.03 section 1,*~~

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subsections (a) through (d) and the following document: (i) copies of all written rental agreements in effect during this period; (ii) a spreadsheet demonstrating actual income; (iii) a spreadsheet demonstrating actual expenses; (iv) documentation to substantiate all claimed expenses (which demonstrates actual payment and a relationship to the property); (v), an independent financial report; sixth, the proposed rent increase(s).

- b. A detailed description, including the date timelines, of all required supporting documents for a complete Fair Rate of Return Petition application can be found on page 5 of 8 of the Fair Rate of Return Petition Application Packet. If required documentation or information is missing, the City will contact the landlord and request the missing documentation or information. The landlord will have-14 days to provide the missing documentation or information, or the landlord's Fair Rate of Return Petition may be dismissed unless, within 14 days-of such request, the city informs the petitioner of anticipated costs for reviewing, analyzing, and deciding the petition. In the latter case, the petition shall be deemed complete when all information and supporting documents are provided AND such costs are fully paid to the city.
5. The city will take no action on the petition, other than those specified in subdivision (2) of this regulation, until the petition is deemed complete.

 - a. Upon receipt of a deemed complete Fair Rate of Return Petition form with all required documents, the Hearing Officer shall mail a notice to all affected tenants noticing that the city has received a Fair Rate of Return Petition informing the tenants they have 30 days from the date upon which the City provides notice that the petition submission is deemed complete, to respond to the petition, and provide the city with additional materials, if they wish to use to contest the petition. Tenants are not entitled to any confidential landlord or property owner information.
 - b. The City shall send out a Notice of Hearing that includes the date, time, location and or video conference link for the Fair Rate of Return Petition Hearing.

Regulation 1.04: Decision by Hearing Officer

As specified by Rent Stabilization Ordinance 27-23, a decision about whether to grant an increase in rents as requested in a Fair **Rate of** Return Petition shall be made by the City Manager or his or her designee, referred to within this Part IV of these Regulations as "Hearing Officer."

1. *Time for Decision.* The Hearing Officer shall issue a written decision granting or denying the petition within 60 days of the date when the petition is deemed complete under Regulation 1.03, subdivision (4), unless for good cause shown, the Hearing Officer extends the time for issuance of the decision.
2. *Procedures for Decision.* In deciding whether to grant or deny a Fair **Rate of** Return Petition, the Hearing Officer shall fairly consider all documentary evidence, to which the following procedures shall apply.

 - a. By ~~No~~ no later than the thirty-fifth (35th) day after the city deems the Fair Rate of Return Petition complete, petitioner provided all affected tenants with a copy of the petition, the Hearing Officer shall send to the petitioner at the email address provided in the petition an electronic copy of any submission received by affected

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tenants. Such tenant submission shall be deemed received by the petitioner on the day that the Hearing Officer sends it.

- b. Within 5 days of receipt of submission from the Hearing Officer of any tenant submission, the petitioner may reply to such submission. The Hearing Officer shall forward any such reply to the affected tenants at an email address provided by such tenants for that purpose or, if no email address is provided, to the tenants' address by first class mail. There shall be no right of rebuttal or other reply by affected tenants after the reply brief has been submitted. Any further reply shall be presented orally at the hearing.
 - c. If ~~the Hearing Officer has been~~ determines^d that it is necessary to engage the services of an expert, the Hearing Officer shall engage that expert without undue delay, and in no event later than 10 days after the date the petitioner has paid the costs as described in Regulation 1.03. when the petition is deemed complete. The Hearing Officer shall require that the expert provide their written opinion within 14 business days of the expert's engagement. If required the Hearing Officer should issue a notice of continued hearing to the petitioner and the tenants to allow for additional time for the expert review. no more than an additional 14 days.
 - d. The Hearing Officer shall require that the expert submit their opinion in an electronic format suitable for distribution by email.
 - e. The Hearing Officer shall immediately send to the petitioner at the email address provided in the petition, and via first class mail or email to all affected tenants, and their representative, if any, a copy of the expert's opinion, to which the petitioner and tenants shall have 14 days to respond if they wish to do so.
 - f. The hearing officer shall make their decision based only on the written submissions of the parties, the written opinions of any expert designated by the city after initial review of the petition, timely-submitted responses to such submissions and opinions, a hearing involving both the owner and tenant where both the owner and the tenant can only provide statements directly to the Hearing Officer but cannot cross examine each other, and any relevant public records maintained by any government entity or agency.
 - g. ~~In addition to sending their decision to all affected parties by email, the Hearing Officer shall convey the decision by first class mail with proof of mailing. At the hearing, the landlord will testify in a narrative fashion and will answer questions from the Hearing Officer, if any arise. The tenant will be afforded the opportunity to provide narrative testimony that the landlord may rebut within the time limits allowed by the hearing Officer for Testimony.~~
 - h. After the Hearing Officer has prepared the decision, they shall email the final decision to the City. The City shall serve the decision by first-class mail to the parties.
3. *Standards for Decision.* The Hearing Officer shall grant a Fair **Rate of Return** Petition only if the petitioning owner demonstrates that their current year net operating income does not equal at least the base year net operating ~~income~~^{expense} plus 100% of the change in the Consumer Price Index since the end of the base year.

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4. *Challenge to Decision.* A decision of the Hearing Officer granting or denying a Fair Rate of Return Petition may be challenged by writ of administrative mandamus.

a. If a writ is not filed within 90 days of the Hearing Officer granting or denying a Fair Rate of Return Petition, the decision of the Hearing Officer is final.

5. Initiating a Rent Increase. A landlord may only initiate an authorized rent increase after the Hearing Officer's decision has become final including through the disposition of a Writ proceeding. However, no rent increase authorized as the result of a successful Fair Return petition may be imposed until the owner complies with all state and local noticing requirements.

Regulation 1.05: Amortization of Capital Improvement Costs

1. In amortizing capital improvements, the following schedule shall be used to determine the amortization period of the capital improvement:

Improvement Years

Air conditioning or heating system 10

Other appliances

Refrigerator 5

Stove 5

Garbage disposal 5

Water heater 5

Dishwasher 5

Microwave oven 5

Washer/dryer 5

Fans 6

Cabinets 10

Miscellaneous carpentry 10

Countertops 10

Doors 10

Knobs 5

Screen doors 5

Earthquake expenses

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Architect/Engineer fees 5

Emergency services 5

Clean-up 5

Fencing and security 5

Management 5

Tenant assistance 5

Structural repair or retrofitting

Foundation repair 10

Foundation replacement 20

Foundation bolting 20

Iron or steel work 20

Masonry/chimney repair 20

Shear wall installation 10

Electrical wiring 10

Elevator 20

Fencing and gates

Chain link 10

Masonry 10

Wood 10

Wrought iron 25

Fire alarm system 10

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Fire sprinkler system 20

Fire escape 10

Flooring/floor covering

Hardwood 10

Tile or linoleum 5

Carpet 5

Carpet Pad 5

Subfloor 10

Fumigation tenting 5

Glass

Windows 5

Doors 5

Mirrors 5

Insulation 10

Landscaping

Planting 10

Sprinklers 10

Tree replacement 10

Lighting (interior or exterior) 10

Locks 5

Mailboxes 10

Meters 10

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Plumbing	
Fixtures	10
Pipe replacement	10
Re-pipe entire building	20
Shower doors	5
Paint	5
Paving or decking	10
Plastering	10
Railings	10
Roofing	10
Security systems or installations	10
Sidewalks and walkways	10
Stairs	10
Stucco	10
Sump pump	10
Tile work	10
Wallpaper	5
Window coverings	5

2. The costs of capital improvements shall be included in the calculation of a given year's operating expenses, and included in the calculation of any increase in each affected unit's monthly rent, according to the following formula: the total cost, divided by the amortization period, divided by 12.
3. Rent increases authorized pursuant to this section shall be allocated as follows:
 - a. Rent increases for unit-specific capital improvements shall be allocated to that unit;
 - b. Rent increases for building-wide or common area capital improvements shall be allocated equally among all units;
 - c. Rent increases resulting from the Net Operating Income analysis shall be allocated equally among all units;

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- d. Notwithstanding the subsections above, the ~~H~~hearing ~~Officer-examiner or the Board~~, in the interests of justice, shall have the discretion to apportion the rent increases in a manner and to the degree necessary to ensure fairness. Such circumstances include, but are not limited to, units that are vacant or owner occupied.

Regulation 1.06 Rent Increase Based on Disproportionately Low Base Year Rents (Vega Petition)

If the contents of a Fair Rate of Return petition make clear that the basis for the petition is that current rents cannot yield a fair return solely or principally because base year rents were disproportionately low under criteria set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii), and if the petition has been deemed complete, the hearing examiner shall rule on the petition using the following criteria:

1. The petitioning owner must prove by documentary evidence, and by a preponderance of evidence:
 - a. The level of fair market rents for units comparable to those as to which the petitioner seeks a rent increase. Units are comparable if they are in the same neighborhood of the city, of similar size, in substantially similar condition, and include substantially similar amenities; and
 - b. That base year rents for the property that is the subject of the petition were determined not by market criteria, but as the result of one or more of the factors set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii);
2. If the petitioner satisfies the criteria of subdivision (1) of this Regulation, the hearing officer shall grant the petition and shall adjust affected units rents according to the following formula:
 - a. Fair market rent for comparable units as of the base year plus 4% for each year since the base year during which the criteria set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii) continued to apply.
 - b. A 4% increase shall not be applied for any year after the base year during which the criteria set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii) did not apply and the current or previous owner did not apply the permitted 4% increase.

Regulation 1.07. Hardship Appeal Limitation on Rent Increases Granted under this Part

1. Any low- or moderate-income household shall have 30 days from the date when the hearing officer's decision granting a rent increase is mailed to inform the owner and the city that the authorized increase would cause a severe economic hardship. That claim must be made in writing and must include: No rent increase authorized as the result of a successful Fair Return petition may be imposed unless the owner complies with all state and local noticing requirements;
 - a. Proof of the household's low- or moderate-income status;
 - b. Proof that the authorized rent increase would cause a severe economic hardship. Economic

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hardship is severe if it would interfere either directly or indirectly with the household's ability to remain housed or afford other basic necessities of life.

2. No monthly rent increase of more than the greater of 10~~2~~%, twice the Employment Cost Index (ECI), or \$100 shall be authorized for any unit occupied by a low- or moderate-income household if such an increase would result in severe economic hardship.

a. The applicable figure for the ECI shall be the most recently reported calendar year figure as of the date when the petition was filed.

~~b. If the amount of a monthly rent increase affecting a low- or moderate income household that would otherwise have been authorized as the result of a successful Fair Return petition would be greater than the limit specified in this subdivision (2), the full increase shall be granted over a period of years such that the increase is no greater than that limit in any given year.~~

~~c. Any low- or moderate income household shall have 30 days from the date when the hearing officer's decision granting a rent increase is mailed to inform the owner and the city that the authorized increase would cause a severe economic hardship. That claim must be made in writing and must include:~~

~~i. Proof of the household's low- or moderate income status;~~

~~ii. Proof that the authorized rent increase would cause a severe economic hardship. Economic hardship is severe if it would interfere either directly or indirectly with the household's ability to remain housed or afford other basic necessities of life.~~

3~~4~~d. If tenants of a household make a claim of severe economic hardship, the owner shall not impose any rent increase affecting that household, other than any 4% increase generally permitted annually by the Rent Stabilization Ordinance, until the Hearing Officer rules on the tenants' claim.

4~~e~~. If tenants of a household make a claim of severe economic hardship, the petitioner shall have ten days from the date that the tenant made that written claim to both the owner and the city to file with the city any written objection to the claim. Any such objection must include all relevant supporting evidence.

5~~f~~. The tenant shall have the burden to prove the existence of severe economic hardship by a preponderance of evidence.

6~~g~~. The H~~earing~~ O~~fficer~~examiner shall rule on the claim of severe economic hardship within 30 days of the tenant's having provided the claim to the owner and the city, and shall do so in the form of an addendum to the original decision.

7~~h~~. If the H~~earing~~ O~~fficer~~examiner determines that the originally-determined rent increase would cause a severe economic hardship, the affected unit's rent shall annually increase by the amount of the 5% permitted under the ECI plus any applicable 4% annual general adjustment until the unit's rent reaches the level that it would have been under the original decision.

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Part 1: Fair Rate of Return Petition Regulations

Regulation 1.01. Purpose

1. Pursuant to Oxnard City Code Section 27-23, a rental property owner may petition the city for an increase in rents, so that the owner may obtain “a fair and reasonable return.” The Petition for Fair Rate of Return process stated in section 27-23 and further defined by these regulations are in conformity with the California Supreme Court’s opinion in *Birkenfeld v. City of Berkeley*.
2. This regulation works in conjunction with the Section 27-23 of Chapter 27 of the Oxnard City Code as follows:
 - a. Establishes the formula that must be used by the City Manager, or their designee, to determine whether a petitioning owner is receiving a fair and reasonable return; and
 - b. Establishes a mandatory petition and decision-making process.

Regulation 1.02. Definitions

1. *Base Year*. “Base year” means 12-month period preceding May 2022.
2. *Current Year*. “Current year” means the 12-month period preceding the date on which the owner files a Fair Rate of Return Petition with the city.
3. *Fair and Reasonable Return*. A “fair and reasonable return” means an increase in the owner’s net operating income as of the current year equal to 100 percent of the percentage increase in the Consumer Price Index for All Urban Consumers in the Los Angeles-Long Beach-Anaheim area over the owner’s net operating income for the base year. (For example, if the Consumer Price Index has increased by ten percent since the base year, the owner receives a fair and reasonable return if the owner’s net operating income for the current year has also increased by at least ten percent above the base year level).
 - a. Net operating income generated by a property in the base year is presumed to have generated a fair and reasonable return because rents established that year were established by the owner free of substantial limitations beyond market forces.
 - b. A petitioning owner may rebut the presumption that base year net operating income generated a fair return by submitting with his or her Fair Rate of Return Petition proof by a preponderance of evidence that the net operating income yielded in the base year did not generate a fair return. Base year net operating expense may be found to not to have generated a fair return only if:
 - i. The landlord’s operating and maintenance expenses in the base year were unusual in comparison to other years, in which case base year operating expenses shall be adjusted to reflect average expenses for the property over a

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reasonable period or, in the discretion of the City Manager or his or her designee, another year shall be designated the base year for purposes of the Fair Rate of Return petition. In considering whether the base year operating and maintenance expenses were unusual, the City Manager or their designee shall consider the following factors:

1. Whether the owner made substantial capital improvements during the base year that were not reflected in the base year rent levels;
 2. Whether substantial and necessary repairs were made due to damage caused by uninsured disaster or vandalism; or
 3. Whether other expenses were unreasonably high or low, notwithstanding prudent business practice.
- ii. The property's rental income for the base year was disproportionately low. Under this circumstance, the City Manager or his or her designee shall designate the Fair Rate of Return Petition a "Vega Petition" and shall follow the procedures set forth herein in Regulation 1.06. In accordance with the California Court of Appeal opinion *Vega v City of West Hollywood*, such a petition for a rent increase may be granted only if base year rents were disproportionately low because:
1. There existed between the tenant and the owner a family relationship or close friendship;
 2. The rent had not been increased for several years prior to the base date while rents in the community generally were increased;
 3. The tenant or tenants performed services for the owner;
 4. There was low maintenance of the property by the owner in exchange for low rent increases or no rent increases; or
 5. There existed any other special circumstances which affected the rent level outside of market factors.

4. *Gross Income*. "Gross income" means:

- a. Gross rents, computed on the basis of one hundred percent occupancy, with fair market rent attributed to any vacant unit, within the timeframe of the Current Year which is the 12-month period preceding the date on which the owner files a Fair Rate of Return Petition with the city, plus
- b. Interest from security and cleaning deposits (unless the interest is payable to the tenants), plus
- c. Income from services provided at the property, such as coin-operated laundry machines and the like, plus
- d. All other income or consideration received or receivable for or in connection with the

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use or occupancy of rental units and housing services, minus

- e. Uncollected rents due to vacancy and bad debts, to the extent that they are beyond the owner's control and the owner has made a good-faith attempt to collect them.

5. *Hearing Officer*. "Hearing Officer" means the City Manager or their designee.

6. *Operating Expenses*. "Operating expenses" means the total of all factors affecting expenses included in Rent Stabilization Ordinance Section 27-23(c) and paragraph (a) of this subdivision within the timeframe of the Current Year which is the 12-month period preceding the date on which the owner files a Fair Rate of Return Petition with the city but shall not include any expense included in paragraph (b) of this subdivision.

a. Included expenses are:

- i. Fair Rate of Return Petition application fee, if the petition is found to be meritorious;
- ii. Annual program fee;
- iii. License fees, real property taxes, utility costs, insurance;
- iv. Normal repair and maintenance expenses, which shall include, but not be limited to, painting, normal cleaning, fumigation, landscaping, repair and replacement of all standard services, including electrical, plumbing, carpentry, furnished appliances, drapes, carpets and furniture. Owner-performed labor, like other labor, shall be included only to the extent that it is charged at fair market value for such labor;
- v. The cost of repairs the need for which was not caused by ordinary wear and tear and was not caused by deferred maintenance;
- vi. Allowable legal expenses, and management expenses (contracted or owner performed), including necessary and reasonable advertising, accounting, and other managerial expenses. Allowable legal expenses and management expenses are presumed to be six percent of gross income. Allowable legal and management expenses in excess of eight percent of gross income are presumed to be unreasonable and shall not be allowed unless it is established that such expenses are reasonable and do not exceed those ordinarily charged by commercial management firms for similar residential properties;
- vii. Attorney's fees and costs incurred in connection with successful good faith attempts to recover rents owing and successful good faith unlawful detainer actions not in violation of applicable law, to the extent that such fees and costs cannot be recovered from tenants;
- viii. Building improvements, major repairs, replacement and maintenance, unless such costs are compensated by insurance proceeds. These costs shall not be included in their entirety as a given year's expense, but shall be amortized as provided in Regulation 1.05
- ix. The expenses for experts and city review allowed under Rent Stabilization

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Ordinance 27-23(B) and actually paid by the owner.

b. Excluded expenses are:

- i. Maintenance and repair work which resulted from the intentional deferral of other repairs or work, which deferral caused significant deterioration of the building, any of its amenities, or individual units;
- ii. Avoidable and unnecessary expense increases since the base year;
- iii. Mortgage interest and principal payments and other payments that are not contractually necessary, such as double payments, and any payment that results from financing that is unreasonable or that was unnecessary for the acquisition of the property at fair market value;
- iv. Fees, other than fees expressly authorized by 1.02(6)(a) of this subdivision;
- v. Penalties and interest awarded for violation of the Rent Stabilization Ordinance or any other law;
- vi. Legal fees not expressly allowed under paragraph 1.02(6)(a)(vi) of this subdivision; and
- vii. Depreciation of the property.

7. *Net Operating Income.* “Net Operating Income” means gross income minus operating expense.

- a. In California, the maintenance of net operating income (“MNOI”) formula or standard is the most often used for determining a Fair Rate of Return Petition. Courts have praised the MNOI standard for its fairness and ease of administration, and because it preserves for a property owner the net operating income prior to the adoption of rent control. Generally, this involves a three-step process. (To take a simple example, assume a landlord has a 10 rental unit building, the base rent year net operating income, as adjusted by inflation, was \$100,000, and the NOI in the last twelve months was \$98,000; the difference being \$2000. The \$2000 is divided first by 10 (the number of units in the building) and then by 12 (months), to yield \$16.67. That would be the monthly rent increase to which the landlord would be entitled in order, under this formula, to receive a fair return.)
 - i. Step one is the determination of the Base Rent Year, which is the year ending on the year the Ordinance was adopted.
 - ii. Step two requires the calculation of the base rent year net operating income for 2022 as adjusted for inflation through the date of the notice of the rent increase.
 - iii. Step three involves the calculation of the difference between the base rent year net operating income, as adjusted for inflation, and the most recent 12 months of net operating income. That difference is then divided first by the number of rental units and then by twelve. That number represents what the

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landlord is entitled to as a rent increase in order to receive a fair return.

Regulation 1.03: Petition, Initial Petition Review; Petitioner Payment of Costs

A petition for a rent increase must be on a form prescribed by the City Manager and must include all required documentation as well as an email address at which the Petitioner consents to receive service by the city of all communications and documents related to the petition. A petition that is not made on the form prescribed by the City Manager, is not completely filled in, or does not include all required attachments will not be accepted. Deficient Fair Rate of Return Petitions will be promptly returned to the petitioner with an explanation of the defect. Pursuant to Oxnard City Code section 27-23(B) the owner is responsible for all costs associated with the city's review of the Fair Rate of Return Petition.

1. *Required Fair Rate of Return Petition Documents.* A petitioner must include with a submitted and signed Fair Rate of Return Petition form the following information:
 - a. Records, such as receipts and financial statements, establishing the base year gross income and base year operating expenses, and demonstrating the base year net operating income;
 - b. Pursuant to Oxnard City Code Section 27-23(A), and independent financial report, including verified financial data, that demonstrates the owner will not obtain a fair and reasonable return on their property.
 - i. The financial report should demonstrate that the records establishing base year and current year operating expenses show that under the criteria set forth in Regulation 1.02, subdivision (3), the petitioning owner is entitled to an increase in rents in order to obtain a fair and reasonable return..
 - ii. The Hearing Officer may request additional information from the Petitioner or Tenant to assist with determining whether or not there is a Fair Rate of Return Petition.
 - c. Proof that the owner provided all affected tenants with the submitted petition, including all attachments.
2. *Time for Initial Review.* Upon receipt of a submitted Fair Rate of Return Petition form with all required attachments, the designated hearing officer shall:
 - a. Determine whether it will be necessary for the city to employ any independent experts in order to reach a final decision about whether the owner is entitled to a rent increase and in what amount;
 - b. Within no more than 7 days from receipt of the petition form with all required attachments, inform the petitioner of the city's anticipated costs of reviewing, analyzing, and deciding the petition and the employment of any expert necessary to complete those things. If the city does not within 7 days inform the petitioner of anticipated costs of reviewing, analyzing, and deciding the petition, then such costs shall be deemed unnecessary.

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3. *Petitioner Payment of Estimated Costs.* Within no more than 15 days of the city delivering the estimated costs to the petitioner, the petitioner must make payment to the city in the amount of the estimated costs.
 - a. *Withdrawal of Petition.* The landlord shall inform the city at least 5 days before the scheduled hearing date of the landlord's intent to withdraw the petition. If the landlord fails to inform the city at least 5 days before the scheduled hearing date of the landlord's intent to withdraw the petition, then the landlord will be responsible for the following costs.
 - i. Translator: Any cancellation must occur at least 48 hours prior to the scheduled hearing to avoid a cancellation charge.
 - ii. Court Reporter: Any cancellation must occur at least 48 hours prior to the scheduled hearing to avoid a cancellation charge.
 - iii. Hearing Officer: Any cancellation must occur at least 48 hours prior to the scheduled hearing to avoid a cancellation charge.
4. *Standard for Determining When Petition is Complete.* A Fair Rate of Return Petition shall be deemed complete upon receipt of all required documentation and information in the Fair Rate of Return Petition as stated in the "Fair Rate of Return Petition Packet" which can be found on the Rent Stabilization Housing website.
 - a. Supporting documents needed for a complete Fair Rate of Return Petition include but are not limited to the items stated in Regulation 1.03 section 1, subsections (a) through (d) and the following document: (i) copies of all written rental agreements in effect during this period; (ii) a spreadsheet demonstrating actual income; (iii) a spreadsheet demonstrating actual expenses; (iv) documentation to substantiate all claimed expenses (which demonstrates actual payment and a relationship to the property); (v), an independent financial report; sixth, the proposed rent increase(s).
 - b. A detailed description, including the date timelines, of all required supporting documents for a complete Fair Rate of Return Petition application can be found on page 5 of 8 of the Fair Rate of Return Petition Packet. If required documentation or information is missing, the city will contact the landlord and request the missing documentation or information. The landlord will have 14 days to provide the missing documentation or information, or the landlord's Fair Rate of Return Petition may be dismissed unless, within 14 days of such request, the city informs the petitioner of anticipated costs for reviewing, analyzing, and deciding the petition. In the latter case, the petition shall be deemed complete when all information and supporting documents are provided AND such costs are fully paid to the city.
5. The city will take no action on the petition, other than those specified in subdivision (2) of this regulation, until the petition is deemed complete.
 - a. Upon receipt of a deemed complete Fair Rate of Return Petition form with all required documents, the Hearing Officer shall mail a notice to all affected tenants noticing that the city has received a Fair Rate of Return Petition informing the tenants they have 30 days from the date upon which the City provides notice that the petition submission is deemed complete, to respond to the petition, and provide the city with additional materials, if they wish to use to contest the petition. Tenants

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are not entitled to any confidential landlord or property owner information.

- b. The City shall send out a Notice of Hearing that includes the date, time, location and or video conference link for the Fair Rate of Return Petition Hearing.

Regulation 1.04: Decision by Hearing Officer

As specified by Rent Stabilization Ordinance 27-23, a decision about whether to grant an increase in rents as requested in a Fair Rate of Return Petition shall be made by the City Manager or his or her designee, referred to within this Part IV of these Regulations as “Hearing Officer.”

1. *Time for Decision.* The Hearing Officer shall issue a written decision granting or denying the petition within 60 days of the date when the petition is deemed complete under Regulation 1.03, subdivision (4), unless for good cause shown, the Hearing Officer extends the time for issuance of the decision.
2. *Procedures for Decision.* In deciding whether to grant or deny a Fair Rate of Return Petition, the Hearing Officer shall fairly consider all documentary evidence, to which the following procedures shall apply.
 - a. o later than the thirty-fifth (35th) day after the city deems the Fair Rate of Return Petition complete, the Hearing Officer shall send to the petitioner at the email address provided in the petition an electronic copy of any submission received by affected tenants. Such tenant submission shall be deemed received by the petitioner on the day that the Hearing Officer sends it.
 - b. Within 5 days of receipt of submission from the Hearing Officer of any tenant submission, the petitioner may reply to such submission. The Hearing Officer shall forward any such reply to the affected tenants at an email address provided by such tenants for that purpose or, if no email address is provided, to the tenants’ address by first class mail. There shall be no right of rebuttal or other reply by affected tenants after the reply brief has been submitted. Any further reply shall be presented orally at the hearing.
 - c. If the Hearing Officer determines that it is necessary to engage the services of an expert, the Hearing Officer shall engage that expert without undue delay, and in no event later than 10 days after the date the petitioner has paid the costs as described in Regulation 1.03. The Hearing Officer shall require that the expert provide their written opinion within 14 business days of the expert’s engagement. If required the Hearing Officer should issue a notice of continued hearing to the petitioner and the tenants to allow for additional time for the expert review.
 - d. The Hearing Officer shall require that the expert submit their opinion in an electronic format suitable for distribution by email.
 - e. The Hearing Officer shall immediately send to the petitioner at the email address provided in the petition, and via first class mail or email to all affected tenants, and their representative, if any, a copy of the expert’s opinion, to which the petitioner and tenants shall have 14 days to respond if they wish to do so.
 - f. The hearing officer shall make their decision based only on the written submissions of the parties, the written opinions of any expert designated by the city after initial

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Microwave oven 5
Washer/dryer 5
Fans 6
Cabinets 10
Miscellaneous carpentry 10
Countertops 10
Doors 10
 Knobs 5
 Screen doors 5
Earthquake expenses
Architect/Engineer fees 5
Emergency services 5
Clean-up 5
Fencing and security 5
Management 5
Tenant assistance 5
Structural repair or retrofitting
 Foundation repair 10
Foundation replacement 20
Foundation bolting 20
Iron or steel work 20
Masonry/chimney repair 20
Shear wall installation 10
Electrical wiring 10

EXHIBIT D

Elevator 20

Fencing and gates

Chain link 10

Masonry 10

Wood 10

Wrought iron 25

Fire alarm system 10

Fire sprinkler system 20

Fire escape 10

Flooring/floor covering

Hardwood 10

Tile or linoleum 5

Carpet 5

Carpet Pad 5

Subfloor 10

Fumigation tenting 5

Glass

Windows 5

Doors 5

Mirrors 5

Insulation 10

EXHIBIT D

Landscaping

Planting 10

Sprinklers 10

Tree replacement 10

Lighting (interior or exterior) 10

Locks 5

Mailboxes 10

Meters 10

Plumbing

Fixtures 10

Pipe replacement 10

Re-pipe entire building 20

Shower doors 5

Paint 5

Paving or decking 10

Plastering 10

Railings 10

Roofing 10

Security systems or installations 10

Sidewalks and walkways 10

Stairs 10

Stucco 10

Sump pump 10

Tile work 10

EXHIBIT D

Wallpaper 5

Window coverings 5

2. The costs of capital improvements shall be included in the calculation of a given year's operating expenses, and included in the calculation of any increase in each affected unit's monthly rent, according to the following formula: the total cost, divided by the amortization period, divided by 12.
3. Rent increases authorized pursuant to this section shall be allocated as follows:
 - a. Rent increases for unit-specific capital improvements shall be allocated to that unit;
 - b. Rent increases for building-wide or common area capital improvements shall be allocated equally among all units;
 - c. Rent increases resulting from the Net Operating Income analysis shall be allocated equally among all units;
 - d. Notwithstanding the subsections above, the Hearing Officer, in the interests of justice, shall have the discretion to apportion the rent increases in a manner and to the degree necessary to ensure fairness. Such circumstances include, but are not limited to, units that are vacant or owner occupied.

Regulation 1.06 Rent Increase Based on Disproportionately Low Base Year Rents (Vega Petition)

If the contents of a Fair Rate of Return petition make clear that the basis for the petition is that current rents cannot yield a fair return solely or principally because base year rents were disproportionately low under criteria set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii), and if the petition has been deemed complete, the hearing examiner shall rule on the petition using the following criteria:

1. The petitioning owner must prove by documentary evidence, and by a preponderance of evidence:
 - a. The level of fair market rents for units comparable to those as to which the petitioner seeks a rent increase. Units are comparable if they are in the same neighborhood of the city, of similar size, in substantially similar condition, and include substantially similar amenities; and
 - b. That base year rents for the property that is the subject of the petition were determined not by market criteria, but as the result of one or more of the factors set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii);
2. If the petitioner satisfies the criteria of subdivision (1) of this Regulation, the hearing officer shall grant the petition and shall adjust affected units rents according to the following formula:
 - a. Fair market rent for comparable units as of the base year plus 4% for each year since the base year during which the criteria set forth in Regulation 1.02, subdivision (3)

EXHIBIT D

paragraph (b) subparagraph (ii) continued to apply.

- b. A 4% increase shall not be applied for any year after the base year during which the criteria set forth in Regulation 1.02, subdivision (3) paragraph (b) subparagraph (ii) did not apply and the current or previous owner did not apply the permitted 4% increase.

Regulation 1.07. Hardship Appeal

1. Any low- or moderate-income household shall have 30 days from the date when the hearing officer's decision granting a rent increase is mailed to inform the owner and the city that the authorized increase would cause a severe economic hardship. That claim must be made in writing and must include:
 - a. Proof of the household's low- or moderate-income status;
 - b. Proof that the authorized rent increase would cause a severe economic hardship. Economic hardship is severe if it would interfere either directly or indirectly with the household's ability to remain housed or afford other basic necessities of life.
2. No monthly rent increase of more than the greater of 10%, twice the Employment Cost Index (ECI), or \$100 shall be authorized for any unit occupied by a low- or moderate-income household if such an increase would result in severe economic hardship.
 - a. The applicable figure for the ECI shall be the most recently reported calendar year figure as of the date when the petition was filed.
3. If tenants of a household make a claim of severe economic hardship, the owner shall not impose any rent increase affecting that household, other than any 4% increase generally permitted annually by the Rent Stabilization Ordinance, until the Hearing Officer rules on the tenants' claim.
4. If tenants of a household make a claim of severe economic hardship, the petitioner shall have ten days from the date that the tenant made that written claim to both the owner and the city to file with the city any written objection to the claim. Any such objection must include all relevant supporting evidence.
5. The tenant shall have the burden to prove the existence of severe economic hardship by a preponderance of evidence.
6. The Hearing Officer shall rule on the claim of severe economic hardship within 30 days of the tenant's having provided the claim to the owner and the city, and shall do so in the form of an addendum to the original decision.
7. If the Hearing Officer determines that the originally-determined rent increase would cause a severe economic hardship, the affected unit's rent shall annually increase by the amount of the 5% until the unit's rent reaches the level that it would have been under the original decision.

3. Effective Date. This resolution shall be effective upon adoption.

PASSED AND ADOPTED this _____ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Luis A. Mc Arthur, Mayor

ATTEST:

Lourdes A. López, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

Resolution Establishing an Administrative Regulation regarding the Fair Rate of Return Petition Regulation to Implement the City's Rent Stabilization Ordinance

Brenda Lopez, Housing Director
Housing Department

Community Services, Public Safety, Housing &
Development Committee
January 13, 2025

- 1) On April 13, 2022, City Council adopted the Just Cause Evictions and Other Tenant Protections (Just Cause) Ordinances which became effective June 2, 2022.
- 2) On January 25, 2024 and July 30, 2024 ordinance amendments were passed by City Council to provide additional tenant protections and provide clarifications.
- 3) On March 25, 2025 staff introduced amendments to the Just Cause Ordinance and four administrative regulations. Staff did not advance the Fair Rate of Return Petition Regulation, which was referred to as Exhibit B. Instead, staff proposed to collaborate with community stakeholders to further refine the regulation and bring it back to Committee at a later date. On April 29, 2025, City Council adopted an omnibus code city update that amended both ordinances and adopted the three of four proposed administrative regulations: Registration, Right of First Refusal, and Ellis Act regulations.
- 4) In the months following the March 25th Committee meeting, staff worked closely with CAUSE, Attorney at Law Barbara Macri-Ortiz, and the Ventura County Association of Realtors (community stakeholders) to revise the Fair Rate of Return Petition Regulation and achieve consensus among all parties.
- 5) This process included online meetings with the community stakeholders on April 18, 2025, and July 17, 2025, each lasting several hours, as well as ongoing internal staff meetings. This process continued through October, at which time consensus was achieved.

In addition to correcting drafting errors, clarification was provided regarding the Consumer Price Index utilized for the area and the following changes were made based on mutual consensus between staff and community stakeholders:

1) **Regulation 1.02: Definitions**

-Section 4 and 6: added language to define time frame (base year).

-Section 7: added language which expands the definition of operating income and added detailed steps on how to determine a fair return.

2) **Regulation 1.03: Petition, Initial Petition Review; Petitioner Payment of Costs**

-Section 1(b): added details on what a financial report should demonstrate and added a clause which gives the presiding Hearing Officer the ability to request additional supporting information needed to make a determination.

-Section 1(c) and Section 2(a): the original language specified dates by which an owner must provide a copy of the petition submitted to the City for review to the tenant(s). The dates were based on the date of submission. This inferred that the petition submitted is “complete” and therefore, that the tenant received all of the relevant information and set up an expectation on when a decision would be rendered. Since petitions are usually incomplete, the language was modified to ensure that the tenant is receives a copy of the complete petition and provides a better timeframe on when a response can be expected.

-Section 3: new language was added to detail timeframes for a withdrawal of petition (cancellation of a hearing) to be filed by an owner in order to avoid cancellation charges for fees incurred by the City.

-Section 4: section was revamped to outline what documentation is needed for a petition to be considered complete and establishes timelines.

3) **Regulation 1.04: Decision by Hearing Officer**

-Further expands on Regulation 1.03, sections 1 through 3 updated to thoroughly outline the Hearing Officer's and the City's timeframe for deeming the Fair Rate of Return Petition complete and the timeframe to issue a decision.

4) **Regulation 1.07: Hardship Appeal**

-Originally titled "Limitation on Rent Increases Granted Under this Part"

-The original naming convention for this section caused confusion. It was simplified and renamed "Hardship Appeal". In addition, language was added informing low or moderate income households of the timeline, documentation, and steps to file a claim of severe economic hardship resulting from an approved rent increase.

That the Community Services, Public Safety, Housing & Development Committee review and recommend that the City Council approve the proposed resolution establishing administrative regulations to implement the Fair Rate of Return Petition Regulation.



End of Presentation



**COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING &
DEVELOPMENT COMMITTEE AGENDA REPORT**

**REPORTS
AGENDA ITEM NO. D.2**

DATE: January 13, 2026
TO: Community Services, Public Safety, Housing & Development Committee
FROM: Brenda Lopez, Housing Director, (805) 385-8092, brenda.lopez@oxnard.org
SUBJECT: Lease Agreement with Teatro de las Américas.

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council:

1. Authorize the Mayor to execute a Lease Agreement (A-8604) with Teatro de las Américas for the use of property owned by the City located at 321 West Sixth Street for a term of three years with two one-year options to extend the Agreement, at the discretion of the City Manager, for a total of five years, at an annual fee of \$1 and quarterly rent up to \$2,970 of their quarterly gross revenues in excess of \$10,560; and
2. Authorize the Mayor to forgive past due rent to the City in the amount of \$15,690 for past due rent through January 2026, plus a daily pro-rata share through February 2026.

Please click the following link to view the required Measure M pre-recorded presentation video: <https://youtu.be/EhWmUyks1Kc>

BACKGROUND

The City of Oxnard owns certain real property located at 321 West Sixth Street in Downtown Oxnard. The property consists of a building of 1,980 square feet and is currently occupied by Teatro de las Américas (Teatro), a local nonprofit organization. Teatro de las Américas was founded in Oxnard in the early 1990s as a bilingual theater company focused on connecting diverse communities through live stage productions. With a vision to be the dominant Spanish-language theatre on the Central Coast, Teatro de las Américas values respect among people and envisions that every segment of our community will come together in artistic and creative efforts to promote these values. Teatro de las Américas produces work by Hispanic playwrights and offers live stage performances accessible to both English and Spanish speakers.

The City of Oxnard entered into a lease agreement (8828-19-CD) Teatro on November 18, 2019 authorizing their occupancy and use of the building for small live theater-related programs at a monthly rental rate of fifty-cents per square foot (.50c/SF), resulting in a total monthly rent of \$990. As part of this initial lease, Section 4.4.1 authorized up to \$35,000 in rent credit to cover costs incurred by Teatro for permanent improvements to the building. In addition to being responsible for permanent tenant improvements on the building, Teatro covers the cost of ongoing maintenance and operational stability for the facility. The term of that lease expired on November 20, 2022 and converted to a month to month tenancy.

On June 29, 2023, the City Council approved the first amendment to the lease agreement, extending the term to

November 20, 2024. The monthly rental rate remained the same (\$990/month) including Teatro's obligation to make permanent improvements and upgrades to the Building as needed, at no cost to the City. It was further recognized that Section 4.4.1 of the original lease, which allowed for the aforementioned \$35,000 rent credit, was complied with and based on receiving the full credit, no rent would be received by the City for the rent owed by Teatro from 4/1/2020 through 5/31/2023. In addition, the City Council approved a rental credit in the amount of \$15,000 due to the building's closure that resulted from the COVID-19 State of Emergency. The First Amendment rental revenue totaled \$17,820, minus the \$15,000 approved rent credit, resulting in an outstanding rent balance owed by Teatro in the amount of \$2,820 to be paid before the end of the term, November 20, 2024. A payment in the amount of \$990 was received reducing the amount to \$1,830.

The First Amendment term expired and the agreement converted to a month to month tenancy, meaning the same terms apply from November 20, 2024 to the current date.

DISCUSSION

During the 2025 calendar year, Teatro faced a series of unexpected setbacks that significantly reduced its income stream. In the first quarter, a nearly completed production was cancelled, resulting in unrecoverable costs that strained their limited resources. Because every production depends entirely on volunteers, additional plays had to be cancelled when Teatro struggled to recruit the volunteer support needed to bring performances to life. Compounding these challenges, Teatro saw a sharp decline in attendance, in 2024 total attendance was 930 people versus 620 people through December 2025.

Based on the financial information provided by Teatro, the organization incurred a net loss of \$5,834.80 for the 2024 calendar year and \$5,969.84 for 2025. On December 31, 2025, Teatro received a grant award totaling \$20,000 from the County of Ventura, which is to be used for Teatro to create a program to address mental health needs through artistic and creative engagement programming. As a result, Teatro's 2025 profit and loss statement reflects a net income of \$14,030.16. However, these funds are restricted as described and cannot be used to cover regular operating expenses. As previously mentioned, Teatro is responsible for rent, permanent tenant improvements, and ongoing maintenance and utilities for the building. Teatro has a regular staff person to perform urgent repairs that prevent service disruptions, and ensure compliance with municipal safety standards, among other routine building maintenance. For the time period of November 2024 - November 2025, expenditures for this service totaled \$3,272.68.

A copy of Teatro's 2024 and 2025 profit and loss statement is attached to this report (Attachment 3).

Teatro currently has an outstanding balance of \$1,830 for the First Amendment terms (6/1/23-11/20/24) and \$13,860 from December 2024 through January 2026 for a total of \$15,690. On October 9, 2025 Teatro submitted a request for consideration of rent forgiveness, in addition to a new lease with modified terms. Teatro is seeking approval of the following:

1. A new lease with an initial three year term and two one-year options to extend the lease for a maximum lease term of five years.
2. An annual lease fee of \$1.00.
3. Forgiveness of past due rent totaling \$15,690 through January 2026 as well as a daily pro rata (\$35.36) rental forgiveness until effective date of new lease in the month of February 2026.

In developing a recommendation, the following factors were considered:

Vacant spaces and properties can result in significant City expenses related to maintenance and security, including property management, boarding broken windows, graffiti removal, utility costs, and responses from police and fire departments. As reflected in Teatro's financial records, property maintenance costs totaled \$3,272.68 for the 12-month period from November 2024 through November 2025. The City previously owned

a building on this same block and, after years of expenses related to vandalism and fire incidents, ultimately allocated \$162,284.13 for its demolition. Having a tenant in place, at a minimum, helps offset City expenses and reduces visual blight.

Secondly, the City is a majority property owner of this block of downtown, where the parcels have been approved for surplus. There have been past proposals to redevelop the City owned parcels, and also proposals to combine privately owned parcels with the City parcels for a large-scale redevelopment project, consistent with the Council accepted Downtown Vision Plan and City Code. As the City continues to explore those options, long-term use of the City owned properties has not been entertained, which limits their leasability and City resources being invested to make improvements to the building.

Third, fostering the arts is a large part of the Downtown Vision Plan, Downtown Arts Hub, and in alignment with Downtown Oxnard Improvement Association's (DOIA) goals. Recently DOIA and the Oxnard Performing Arts Center submitted an application for Downtown Oxnard to be recognized as a California Cultural District. In December 2026 the California Arts Council approved the application. Teatro de las Américas was listed as a local asset and amenity associated within that application.

Lastly, a stated City Council priority is to focus on business retention. In this particular case, with the facts discussed above, Teatro cannot continue without a rent subsidy at this time.

In light of this information, staff recommends approving Teatro's request for a \$1/year rent as well as forgiving the back rent owed to help offset financial challenges experienced to date, however; with the expectation that rent payments will begin once revenues permit.

Should Teatro become profitable, the proposed lease agreement includes language where Teatro would pay the City a quarterly rent up to \$2,970 (\$990/month) of their quarterly gross revenues in excess of \$10,560. The gross revenue figure was calculated based on the average gross annual revenue of Teatro's most profitable years (2022 and 2024). According to CBRE, the City's contracted real estate firm, the October Comp Report for Single tenant building is approximately \$1.50/Square foot/month for a triple net lease, which is approximately the same market rate as when the original lease was first extended. Staff recommends keeping the same reduced rate of .50 sq/ft totaling \$990/month.

This action helps sustain the community arts, preserves a dedicated arts venue in Downtown, and ensures the City's building remains occupied and properly maintained at no cost to the City.

STRATEGIC PRIORITIES

This agenda item supports Economic Development strategy. The purpose of Economic Development strategy is to focus on the retention and expansion of Oxnard businesses by increasing the skills and employability of our local workforce, invite new business investments, and target site-based redevelopment opportunities.

This agenda item also supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

If the City Council approves the proposed lease agreement, rental revenue of \$3 is anticipated to be received into the General Fund account during the the proposed initial three year lease, prior to any optional lease extensions. The financial impact to the City would be a loss of \$15,690 in rental revenue for the past due rental payments, and up to 28 days of daily pro-rata rental forgiveness in the month of February 2026 at a daily cost

of \$35.36. Should Teatro's quarterly gross revenues not be sufficient, as noted in this staff report, to require quarterly rent payments to the City of up to \$2,970, there is a potential loss of future rental revenue for the proposed initial three year lease term, which equates to up to \$35,640. However, the City would experience cost savings for building maintenance expenses for the initial term of the lease.

Prepared by: Brenda Lopez, Housing Director

ATTACHMENTS

1. Attachment 1 - Proposed Lease Agreement A-8604
2. Attachment 2- Agreement and First Amendment 8828-19-CD
3. Attachment 3 - 2024 and 2025 Profit and Loss
4. Attachment 4 - Presentation

LEASE

This Lease ("Lease") is made as of the ____ day of February, 2026, by and between the City of Oxnard ("City") and Teatro de las Americas ("Tenant"). Each of City and Tenant are sometimes hereinafter referred to as a "Party" and collectively as the "Parties."

1. Building

City is the owner of a 1,980 square foot building located at 321 West 6th Street, Oxnard, California, ("Building"). City hereby leases Building to Tenant, and Tenant leases the Building from City for the term, at the rental, and pursuant to the covenants, provisions and conditions set forth herein,

2. Term

The term of this Lease ("Term") shall commence on February ____, 2026 (the "Commencement Date") and shall expire on February ____, 2029 (the "Expiration Date"), subject to earlier termination as provided herein. Upon mutual agreement of the Parties, this Lease may be extended for 2 additional one-year terms, at the discretion of the City. Following the lease commencement date of February ____, 2026 Tenant shall have continued access to the Building.

3. Rent

3.1 Tenant shall pay the City a fee of \$1.00 annually.

3.2 Additionally, Tenant shall pay the City quarterly rent up to \$2,970 of the Tenant's gross revenues in excess of Ten Thousand Five Hundred and Sixty Dollars (\$10,560.00) This rent amount shall be due to the City on April 15th for the quarter year ending March 31, July 15th for the quarter year ending June 30, October 15th for the quarter year ending September 30, and January 15th for the quarter year ending December 31. Each quarterly payment shall be accompanied by a report by the Tenant that provides the following information with supporting documentation:

3.2.1. Quarterly Gross Revenues.

Tenant, subject to review and approval by the City, shall either:

- I. Deliver Rent payment to City, by the due date required above to the Housing Director at the following address: City of Oxnard Housing Department 435 S. D Street, Oxnard, CA 93030 by the due date identified above; or
- II. Request that the City approve that the Tenant invest the applicable Rent as identified above that would otherwise have been paid to the City to pay for permanent property improvements to the building and provide the City with receipts on a quarterly basis demonstrating that such funds have been used to pay for permanent property improvements to the building. Tenant will be required to submit a written request to the Housing Director, by the due date

required above, identifying the amount of funding Tenant wants to use to pay for the permanent property improvements and the type of property improvements the Tenant wants to make. If the Housing Director approves this request, then the Rent amount must be used to complete the approved property improvements and the funds must be expended prior to the end of the next annual quarterly period, unless a longer period is approved by the Housing Director. If the Housing Director denies this request, then the Rent must be paid to the City at the address identified in Section 3.2.1.(I) of this Lease within ten days of the Housing Director's notice of denial.

- III. A late charge of \$500 applies on the last day of the month following the end of each quarter if Tenant has not complied with the requirements of this Lease to pay Rent.

4. Delivery and Condition of Building

4.1 Tenant hereby accepts the Building in its existing "AS IS" condition as of the date hereof subject to all applicable zoning, municipal, county and state ordinances and regulations governing the use of the Building, and any easements, licenses, covenants, conditions or restrictions of record executed by City, and accepts this Lease subject thereto and subject to all matters disclosed thereby.

4.2 Prior to the execution of this Lease, Tenant and/or its agents fully inspected the Building and are fully aware of its current condition. Tenant acknowledges the Building is an older structure that has deferred maintenance and has not been upgraded to the current standards for new construction. Tenant also acknowledges that City has not made any representation or warranty whatsoever as to the condition of the Building including, but not limited to, its electrical, plumbing, roof, lighting, or the present or future suitability of the Building for the conduct of Tenant's business. It is hereby the responsibility of the tenant to perform regular maintenance on the building, make permanent improvements to the building as needed, and return the Building to City at the expiration of this Lease in same or improved condition of commencement of this Lease. City shall not be liable for any latent or patent defects in or about the Building. Tenant hereby waives all other express or implied warranties or representations regarding any latent or patent defects in the Building.

4.3 Tenant shall, upon execution of this Lease, with City's prior written approval, prepare plans ("Plans") and obtain all necessary permits for, and commence construction upon the Building of, any and all improvements necessary to open and operate Tenant's business, and to make specific improvements to the Building (the "Improvements"), including regular maintenance

5. Use of Building

5.1 Limitation on Use. Tenant shall use the Building solely for its small live theater-related or similar/complimentary programs. Total occupancy of the Building shall not exceed 49 persons at any time.

5.2 Tenant's Operation of Business. Tenant shall continuously and uninterruptedly during the entire Lease Term:

5.2.1 Adequately staff its business with sufficient employees;

5.2.2 Conduct Tenant's business at all times in a first-class manner consistent with reputable business standards and practices, in good faith and in such a manner that the high reputation of the City and the Building is maintained.

5.2.3 Tenant may sublease the Building for similar live theater or live music purposes, with prior written approval from the City.

5.3 Anti-discrimination and Equal Opportunity. Tenant, for itself, its successors and assigns and all persons claiming under or through it, covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Building, nor shall Tenant or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, licensees, employees or vendees in the Building or the improvements thereon. The foregoing covenants shall run with the land.

Tenant, for itself, its successors and assigns and all persons claiming under or through it, covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the construction of any improvements on the Building.

The Tenant shall refrain from restricting the rental or lease of the Building on the basis of race, color, creed, religion, sex, sexual orientation, marital status, ancestry or national origin of any person. All leases, deeds or contracts which Tenant proposes to enter into with respect to the lease, sublease, transfer, use, occupancy, tenure or enjoyment of any land in the Building shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses which shall be binding on all contracting parties or transferees: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Building, nor shall any party to this contract, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

5.4 Prohibited Uses; Alterations. Tenant shall not do or permit anything to be done in or about the Building that in any way increases the existing rate of any fire or other insurance on the Building or any of its contents, or that causes a cancellation of any insurance policy covering the Building, the Building or any part of them or any of the contents thereof, or which constitutes an activity specifically excluded from the City's insurance policy or any insurance Tenant is required by City to obtain, which policies are described in Section 6 of this Lease. Tenant shall not commit or cause to be committed any nuisance or waste in or on the Building or permit anything to be done in or about

the Building that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or hereafter in force. Tenant shall not display, store, or sell merchandise or allow carts, portable signs, devices or any other objects to be stored or to remain outside the exterior walls and permanent doorways of the Building without City's prior written consent. Tenant shall not, without the prior written consent of City, sell merchandise from vending machines or allow any coin operated vending or gaming machines on the Building. Except as otherwise provided herein, Tenant shall not make or cause to be made any alterations, repairs, additions or improvements to any part of the Building, without the prior written consent of City, which consent may be withheld in City's sole and absolute discretion.

6. Insurance

6.1 Tenant shall obtain and maintain the Term the insurance coverages as specified in **Exhibit A**.

6.2 Tenant shall, prior to occupancy, file with the Risk Manager evidence of insurance coverage as specified in **Exhibit A**. Evidence of insurance coverage shall be forwarded to the Risk Manager, addressed as specified in **Exhibit A**.

6.3 Maintenance of proper insurance coverages by Tenant is a material element of this Lease. Tenant's failure to maintain or renew insurance coverages or to provide evidence of renewal will be considered a material breach of this Lease.

7. Damage

7.1. Partial Damage-Insured. In the event the Building is damaged by any casualty which is covered under fire and extended coverage insurance carried by City, then City shall restore such damage provided sufficient insurance proceeds are available to pay for the cost of restoration and provided such restoration can be completed within one hundred and eighty (180) days after the commencement of the work in the opinion of a registered architect or engineer appointed by City. In such event this Lease shall continue in full force and effect, and Tenant shall not be entitled to any abatement or reduction of Rent.

7.2 Partial Damage-Uninsured. In the event the Building is damaged by a risk not covered by City's insurance or the proceeds of available insurance are less than the cost of restoration, or if the restoration cannot be completed within one hundred and eighty (180) days after the commencement of work in the opinion of the registered architect or engineer appointed by City, then City shall have the option either to (1) repair or restore sue continuing in full force and effect and Tenant shall not be entitled to any abatement or reduction of Rent, or (2) give notice to Tenant at any time within thirty (30) days after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Building shall terminate on such date so specified in such notice and all Rent shall be paid to the date of such termination; provided, however, that City agrees to refund to the Tenant any Rent theretofore paid in advance for any period of time subsequent to such date.

7.3 Total Destruction. In the event the Building is totally destroyed or the Building cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability

of insurance proceeds, this Lease shall be terminated effective the date of the damage.

7.4 City's Obligations. The City shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any decorations, partitions, floor covering or any other improvements or property installed in the Building by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Tenant shall have no claim against City for any damage suffered by reason of any such damage, destruction, repair or restoration; nor shall Tenant have the right to terminate this Lease as the result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Building.

8. Condemnation

If all or any part of the Building shall be taken or appropriated for public or quasi public use by right of eminent domain with or without litigation or transferred by agreement in connection with such public or quasi-public use, either Party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority; provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Building. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to City any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give City any interest in or to require Tenant to assign to City any award made to Tenant for the taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business.

9. Security

Tenant shall be responsible for locking and securing Building and providing any desired security services to the Building, if any, during the Term or any extensions thereof.

10. Utilities

Tenant shall pay for all water, gas, heat and electricity services supplied to the Building. City shall not be liable in damages or otherwise for any failure, interruption or unavailability of any utility service being furnished to the Building and no such failure or interruption shall entitle Tenant to terminate this Lease or receive any abatement of Rent hereunder.

11. Taxes

Tenant shall pay at least ten (10) days before due, and before any fine, penalty, interest or cost shall be charged thereon, directly to the appropriate taxing or other governmental authority, all:

11.1 Real estate and other ad valorem taxes and assessments of every kind and nature levied and

assessed upon the Building and the underlying realty including, but not limited to, possessory interest taxes assessed against the leasehold interest created hereby and general and special assessments, whether foreseen or unforeseen, and

11.2 Taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation on the Building, (collectively, "Taxes") and Tenant shall deliver to City copies of receipted bills for such Taxes within fifteen (15) days after receipt of such bills by Tenant.

12. Compliance with Laws

Tenant agrees to comply with all applicable zoning, municipal, county and state laws, ordinances and regulations governing the use of the Building, and any covenants or restrictions of record. Tenant agrees to secure any federal, state or local licenses or permits required in order to use the Building for the purposes specified hereinabove. Tenant shall secure such licenses and permits before the Commencement Date of this Lease.

13. Indemnity and Exculpation

13.1 Indemnity. Tenant shall indemnify, defend and hold harmless City, and its officers, officials, employees and agents against any and all claims, liabilities, losses, costs, expenses, including without limitation attorneys' fees and costs including without limitation those resulting from theft, vandalism, personal injury, disability or death, and even if caused in whole or in part by the passive negligence of City and/or its officers, officials, employees and/or agents (e.g., failure to supervise or control, or warn of or remove a condition on or about the Building) arising from:

- (i) The condition of the Building and surrounding areas which are used by Tenant and Tenant's employees, staff, consultants, agents, contractors, suppliers, invitees, guests, patrons, licensees, successors and assigns (collectively, "Tenant's Representatives"),
- (ii) Tenant's and Tenant's Representatives' use of the Building including without limitation the construction of the Improvements and any other work performed therein,
- (iii) Any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or
- (iv) The conduct of Tenant's business operated on or about the Building or any act or negligence of Tenant, or any of Tenant's Representatives, except that Tenant shall not indemnify, defend and hold harmless City from and against any claims to the extent they result solely from the active negligence or willful misconduct of City and/or its officers, officials, employees and/or agents (collectively, "City's Representatives").

In case any action or proceeding is brought against City, Tenant, upon notice from any such party,

shall defend the same at Tenant's expense by counsel reasonably satisfactory to City. Tenant, as a material part of the consideration given to City, hereby (i) assumes all risk of damage to property or injury to persons in, upon or about the Building arising from any cause including, but not limited to, any theft, vandalism, damage, injury to person or death resulting from the condition of the Building during the Term hereof but excluding any claims (except for those claims arising from City's alleged failure to supervise or control Tenant's actions or Tenant's use of the Building) arising from the active negligence or willful misconduct of City, and (ii) waives all claims in respect thereof against City and its officers, officials, employees and agents.

13.2 **Exemption of City From Liability.** It is hereby agreed that City shall not be liable for any injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or by any other person in or about the Building caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Building, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether said damage or injury results from conditions arising upon the Building or from other sources.

14. Default and Remedies

14.1 **Default.** The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

14.1.1 Any failure by Tenant to pay any Rent at the time said payment is due:

14.1.2 The abandonment or vacation (defined to be ten (10) or more days of continuous absence from the Building) of the Building by Tenant;

14.1.3 The failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for fifteen (15) days after written notice thereof by City to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said fifteen (15) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion;

14.1.4 The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Building or Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Building or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

14.2 **Termination.** In the event of any such default by Tenant, then in addition to any other remedies available to City at law or in equity, City shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such termination. In the event

that City shall elect to so terminate this Lease then City may recover from Tenant the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided, plus any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of events would be likely to result therefrom. At City's election, such other amounts in addition to or instead of the foregoing as may be permitted from time to time by applicable California law.

14.2.1 Additional Remedies. In the event of the vacation or abandonment of the Building by Tenant (as defined in Section 14.1.2 above), and if City does not elect to terminate this Lease and Tenant's right to possession of the Building by electing the remedy provided in Section 14.2 above, then City may recover all Rent as it becomes due.

14.2.2 City entry into the Building for maintenance purposes or in an attempt to relet the Building shall not be considered to terminate Tenant's right to possession of the Building and no entry of the Building by City shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless a court of competent jurisdiction decree the termination thereof. City may at any time after any default by Tenant elect to terminate this Lease pursuant to Section 14.2 above.

14.2.3 The rights of City under this Lease shall be cumulative to all other rights or remedies now or hereafter available to City at law or in equity.

15. Maintenance

15.1 Tenant's Obligations. Tenant, at its sole cost and expense, shall keep, maintain and, if necessary, repair all portions of the Building as well as all improvements on the Building and all facilities appurtenant to the Building in good order and repair and in a safe and clean condition, including without limitation the interior surface of exterior walls, windows, window frames, doors, door frames, locks, plate or other glass, floor covering, interior ceiling and walls, all electrical equipment, all heating, ventilation, exhaust, make-up and air conditioning equipment, all plumbing, sewage and sprinkler systems, if any, and all other equipment installed in or located outside of the Building but otherwise exclusively serving the Building. In the event Tenant fails to make repairs and/or maintain the Building or any part thereof in good order, condition and repair, City may give Tenant ten (10) days notice to do such acts as are reasonably required to so repair or maintain the Building. In the event Tenant fails to promptly commence such work within said ten (10) day period and diligently prosecute same to completion, then City shall have the right, but not the obligation, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended, together with interest thereon at the Default Rate from the date of payment by City until the date of repayment by Tenant, shall be paid by Tenant as Additional Rent hereunder. City shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Building by Tenant as a result of performing any such work. In the event of emergency repairs, Tenant hereby grants to City the right to enter upon the Building at any time. Any permanent building improvements shall be the responsibility of the Tenant.

15.2 Maintenance of Glass. Notwithstanding anything which may be or appear to be herein to the contrary, Tenant shall, at its own cost and expense, repair and replace any plate or other glass in any window on the Building that is broken for any reason. Should Tenant fail to repair or replace any broken glass within two (2) days after same is broken, City may, without notice to Tenant, replace or repair such glass and Tenant shall immediately reimburse City as additional rent for the cost thereof.

15.3 Waiver by Tenant. City shall have no obligation to repair or maintain the Building or improvements constructed therein except as provided in this Lease. Tenant hereby waives all right to make repairs at the expense of City as provided for in any statute or law in effect at the time of execution of this Lease or any amendment thereof or any other statute or law which may be hereafter enacted during the term of this Lease.

16. City's Right of Entry

Tenant shall permit City or City's Representatives to enter the Building at all reasonable times for the purpose of inspecting the Building to determine whether Tenant is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect City's interest in the Building under this Lease or to perform City's duties under this Lease. City also reserves and shall at any and all times have the right to enter the Building to submit said Building to inspection by prospective purchasers or tenants or prospective or existing mortgagees, to post notices of non-responsibility and "for lease" signs, and to alter, improve or repair the Building and any portion of the Building without abatement of rent. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Building, and any other loss occasioned thereby. For each of the aforesaid purposes, City shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Building, excluding Tenant's vaults and safes, and City shall have the right to use any and all means which City may deem proper to open said doors in an emergency, the existence of which shall be determined by City in its sole discretion, in order to obtain entry to the Building. Any entry to the Building obtained by City by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Building, or an eviction of Tenant from the Building or any portion thereof.

17. Transfers

Assignment and Subletting. Tenant shall not voluntarily or by operation of law assign, license, franchise, transfer, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Building, and shall not sublet, franchise, or license all or any part of the Building, without the prior written consent of City in each instance and any attempted assignment, license, franchise, transfer, mortgage, encumbrance or subletting without such written consent shall be wholly void.

18. Attorney's Fees.

In case of any action or proceeding brought by either Party against the other under this Lease, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs incurred.

19. Notices

All communications, notices, and demands of any kind that either Party may be required or desires to give to or serve on the other Party shall be made in writing personally or sent by registered or certified mail or Federal Express (or other like overnight delivery service) to the following addresses:

To City:

Oxnard Housing Department
ATTN: Housing Director
435 S. D Street
Oxnard, CA 93030

Tenant:

Board President
ATTN: Juan Gonzalez
Teatro de las Americas
P.O. Box 50177
Oxnard, CA 93030

Any such notice shall be presumed to have been received on the earlier of:

- (i) Personal delivery to the address(es) shown above,
- (ii) One (1) day after delivery to Federal Express or other like overnight delivery service, or
- (iii) Forty-eight (48) hours after posting in the United States mail. Either Party may change its address by giving the other Party written notice of its new address.

20. Subordination: Atonement

20.1 Upon request of City or any mortgagee or beneficiary of City, Tenant shall, in a writing provided by City or any mortgagee or beneficiary of City, subordinate its rights hereunder to the lien of any mortgagee or deed of trust or ground lease("Mortgage"), now or hereafter in force against the land, Building and Building, and to all advances made or hereafter to be made upon the security

thereof, provided that such Mortgage shall not materially impair Tenant's rights under this Lease, or impose any additional obligations upon Tenant. Tenant further agrees, upon request of City or any mortgagee or beneficiary of City, to provide to City and/or any such mortgagee or beneficiary, financial statements of Tenant and the principal owners of Tenant within ten (10) days after request therefore.

20.2 The provisions of this Section 21 to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term thereof.

21. Surrender

By entry hereunder, Tenant accepts the Building as being in good and sanitary order, condition and repair and agrees on the last day of the said Term, or sooner termination of this Lease, to surrender unto City the Building with said appurtenances in the same condition as when received, reasonable use and wear excepted, and to remove all of the Tenant's personal property from the Building. Tenant shall, upon the request of City, remove from the Building those trade fixtures and other improvements identified by City and installed in the Building by or at the direction of Tenant, and Tenant shall repair any damage occasioned by such removal.

22. Estoppel Certificate

Within ten (10) days after request by City (which request may be from time to time as often as reasonably required by City), Tenant shall execute and deliver to City a statement that this Lease is in full force and effect without modification except as may be represented by City, that there are no uncured defaults in City's performance hereunder, and the specific number of months or years of rent that has been paid in advance (if any). Any such statement may be conclusively relied upon by any prospective purchaser or encumbrances, of the Building. Tenant's failure to deliver such statement within ten (10) days of City's written request therefor shall be a binding agreement of Tenant:

- (i) That this Lease is in full force and effect without modification except as may be represented by City,
- (ii) That there are no uncured defaults in City's performance hereunder, and
- (iii) That not more than one installment of Rent has been paid in advance.

Further, such failure to deliver such certificate (showing any exceptions to any of the statements of fact required thereby) shall be a material default under this Lease.

23. Binding on Successors and Assigns

Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition. The terms, conditions and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the Parties, their heirs, personal representatives, and permitted successors and assigns.

24. Waivers

No waiver by City of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provisions. The subsequent acceptance of Rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such Rent. No term, covenant or condition of this Lease shall be deemed to have been waived by City unless such waiver be in writing and signed by City.

25. Entire Agreement; Amendments

There are no oral or written agreements or representations between the Parties affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and understandings, if any, between the Parties with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. All reliance by either Party with respect to representations and warranties shall be solely upon the representations and agreements contained in this Lease. No amendment or addition to this Lease shall be binding upon the Parties unless in writing, signed and delivered by the Party to be charged.

26. Time

Time is of the essence of this Lease.

27. No Broker

Tenant represents and warrants that it has dealt with no real estate brokers, leasing agents or finders in connection with or arising out of any of the transactions contemplated by this Lease, and covenants and agrees to indemnify, defend and save City harmless from any and all losses, liability, damages and expenses (including reasonable attorneys' fees and costs), that may arise from a breach of this representation and warranty.

28. Severability

If any provisions of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, and all such other provisions shall remain in full force and effect. The Parties intend that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

29. Applicable Law

The laws of the State of California shall govern the validity, performance and enforcement of

this Lease. This Lease shall not be construed either for or against City or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach an equitable result.

30. Waiver of Redemption Rights

Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of City obtaining possession of the Building by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise. The rights given to City herein are in addition to any rights that may be given to City by any statute or otherwise.

31. No Reservation or Option

The submission of this Lease for examination does not constitute a reservation of or option for the Building, and this Lease shall become effective as a lease only upon execution thereof by City and Tenant.

32. Counterparts

This Lease may be executed in counterparts, each of which shall be deemed to be an original document.

34. Captions

The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

IN WITNESS WHEREOF, City and Tenant have executed this Lease as of the day and year first written above.

CITY OF OXNARD

TENANT

Luis A. Mc Arthur
Mayor

Juan Gonzales
President, Teatro de las Americas

ATTEST

TENANT

Lourdes A. López
City Clerk

James Donlon
Treasurer

APPROVED AS TO FORM

Stephen M. Fischer
City Attorney

**INSURANCE REQUIREMENTS FOR CONSULTANTS
(WITH ERRORS AND OMISSIONS REQUIREMENT)**

1. Consultant shall obtain and maintain during the performance of any services under this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Consultant, its agents, representatives, employees or subconsultants.
 - a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount;
 - b. Business automobile liability insurance in an amount not less than \$1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office automobile liability coverage (Occurrence Form CA0001) covering Code No. 1, “any auto;”
 - c. Professional liability/errors and omissions insurance appropriate to Consultant’s profession to a minimum coverage of \$1,000,000, with neither Consultant nor listed subconsultants having less than \$500,000 individually. The professional liability/errors and omissions insurance must be project specific with at least a one year extended reporting period, or longer upon request.
 - d. Workers’ compensation insurance in compliance with the laws of the State of California, and employer’s liability insurance in an amount not less than \$1,000,000 per claimant. Additionally, the workers’ compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.
2. Consultant shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-A. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before commencement of services. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be sent via email. If you have not received your request or are having difficulty with electronic upload, contact insurance@oxnard.org
3. Consultant agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled, or reduced in coverage or limits without 30 days’ prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains “best effort” modifiers or if the insurer is relieved from the responsibility to give such notice.
4. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name City, its City Council, officers, employees, agents and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees, agents and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-A or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**
5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages (**this must be endorsed**). Additionally, the workers’ compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.
6. The insurer shall declare any deductibles or self-insured retentions to and be approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Consultant

shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for commercial general liability and business automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that the Consultant/insurer use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the sample accord form.

INS-A.doc

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

CODE SUB-CODE

COMPANIES AFFORDING INSURANCE COVERAGE

INSURED

COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE

COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input checked="" type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE \$1,000,000 PRODUCTS COMP/OP AGG . \$1,000,000 PERSONAL & ADV. INJURY \$1,000,000 EACH OCCURRENCE \$1,000,000 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$1,000,000

<p>OTHER Errors and omissions insurance or malpractice insurance available for the insured's profession</p>	<p>Minimum coverage \$1,000,000 Each consultant/ \$500,000 & listed sub-consultant</p>
<p>DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS</p>	
<p>CERTIFICATE HOLDER CITY OF OXNARD % Evident ID, Inc. 8520 Allison Pointe Blvd. Ste 223 PMB 5210 Indianapolis, Indiana 462500-4299 US</p>	<p>CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.</p> <p>AUTHORIZED REPRESENTATIVE</p>

Rev. 1/23

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GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)
-----------------	-----------------------

PRODUCER

Telephone: _____

POLICY INFORMATION:

Insurance Company: _____

Policy No.: _____

Policy Period: (from) (to) _____

LOSS ADJUSTMENT EXPENSE Included in Limits

In Addition to Limits

NAMED INSURED

Deductible Self-Insured Retention (check which) of \$ _____ with an Aggregate of \$ _____ applies to _____

coverage. Per Occurrence Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here in which case only the following specific agreements and permits with the City are covered

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY

COMMERCIAL GENERAL LIABILITY

COMPREHENSIVE GENERAL LIABILITY

OWNERS & CONTRACTORS PROTECTIVE

Claims Made

Retroactive Date _____

Occurrence

OTHER PROVISIONS

COVERAGES

GENERAL

PRODUCTS/COMPLETED OPERATIONS

PERSONAL & ADVERTISING INJURY

FIRE DAMAGE

LIABILITY LIMITS IN THOUSANDS \$

EACH OCCURRENCE

AGGREGATE

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: _____

Address: _____

Telephone: _____ (____) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

- INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
- CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
- SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
- CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
- PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

- 6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
 - a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
 - b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

AUTHORIZED REPRESENTATIVE

Broker/Agent Underwriter _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____

(original signature required)

Telephone: (____) _____ Date Signed: _____

**AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")**

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)
-----------------	-----------------------

PRODUCER

Telephone: _____

POLICY INFORMATION:

Insurance Company: _____
 Policy No.: _____
 Policy Period: (from) _____ (to) _____
 LOSS ADJUSTMENT EXPENSE Included in Limits
 In Addition to Limits

NAMED INSURED

Deductible Self-Insured Retention (check which) of \$ _____
 with an Aggregate of \$ _____ applies to _____
 coverage. Per Occurrence Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

- COMMERCIAL AUTO POLICY
- BUSINESS AUTO POLICY
- OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

\$ _____ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: _____
 Address: _____
 Telephone: (_____) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
 - a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
 - b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

AUTHORIZED REPRESENTATIVE

Broker/Agent Underwriter _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____

FIRST AMENDMENT TO LEASE WITH TEATRO DE LAS AMERICAS

This First Amendment ("First Amendment") to the Lease of 321 West 6th Street ("Lease") is made and entered into in the County of Ventura, State of California, this 29th day of June, 2023, by and between the City of Oxnard, a municipal corporation ("City") and Teatro de las Americas ("Tenant"). This First Amendment amends the Lease entered into on November 18, 2019 by City and Tenant.


City and Tenant agree as follows:

1. The first sentence of Section 2 of the Lease is hereby deleted and replaced with the following: "The term of this Lease ("Term") shall commence on November 20, 2019 (the "Commencement Date") and shall expire on November 20, 2024 (the "Expiration Date"), subject to earlier termination as provided herein."
2. Section 3 of the Lease is hereby deleted and replaced with the following term: "Commencing on June 1, 2023, Tenant agrees to pay City as rent for the Building, the sum of Fifty Cents (\$.50) per square foot per month in advance."
3. Section 3.1 is hereby added to the Agreement to read as follows: "As a result of the Building's closure due to the COVID-19 State of Emergency, Tenant shall receive a rent credit for a period of approximately sixteen months, with the credit amount not exceeding \$15,000."
4. The City and Tenant acknowledge that Section 4.4.1 of the Lease has been complied with and has no further force or effect. Neither City or Tenant owes any further obligation arising from Section 4.4.1 of the Lease.
5. All other terms of the Lease shall remain in full force and effect.

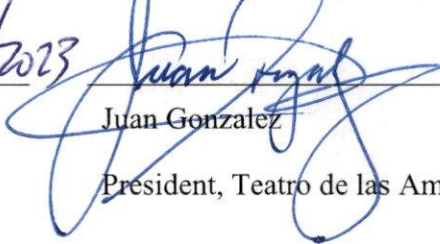
IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

TEATRO DE LAS AMERICAS



Alexander Nguyen

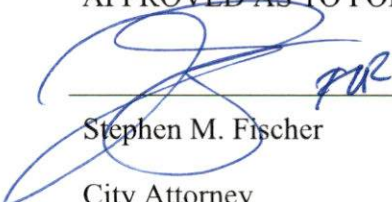
6/29/2023 
Date Juan Gonzalez

6-29-23
Date

City Manager

President, Teatro de las Americas

APPROVED AS TO FORM:



Stephen M. Fischer
City Attorney

6/20/23
Date

LEASE

This Lease ("Lease") is made as of the 18th day of November, 2019, by and between the City of Oxnard ("City") and Teatro de las Americas ("Tenant"). Each of City and Tenant are sometimes hereinafter referred to as a "Party" and collectively as the "Parties."

1. Building

City is the owner of that certain building of 1,980 square feet situated at 321 West 6th Street, Oxnard, California, ("Building"). City hereby leases Building to Tenant, and Tenant leases the Building from City for the term, at the rental, and pursuant to the covenants, provisions and conditions set forth herein,

2. Term

2.1 The term of this Lease ("Term") shall commence on November 20, 2019 (the "Commencement Date") and shall expire on November 20, 2022 (the "Expiration Date"), subject to earlier termination as provided herein. Upon mutual agreement of the Parties, this Agreement may be extended for 2 additional one year terms. Following the lease commencement date of November 20, 2019 Tenant shall have access to the Building.

3. Rent

Commencing on April 1, 2020, Tenant agrees to pay City as rent for the Building, the sum of Fifty Cents (\$.50) per square foot per month in advance. As further described below, additional consideration for the City's lease of the Building to Tenant shall be Tenant's obligation to make permanent improvements and upgrades to the Building at no cost to the City.

4. Delivery and Condition of Building

4.1 City shall deliver physical possession of the Building to Tenant upon the execution of this Lease by both parties. Tenant hereby accepts the Building in its existing "AS IS" condition as of the date hereof subject to all applicable zoning, municipal, county and state ordinances and regulations governing the use of the Building, and any easements, licenses, covenants, conditions or restrictions of record executed by City, and accepts this Lease subject thereto and subject to all matters disclosed thereby.

4.2 Prior to the execution of this Agreement, Tenant and/or its agents fully inspected the Building and are fully aware of its current condition. Tenant acknowledges the Building is an older, unoccupied structure that has deferred maintenance and has not been upgraded to the current standards for new construction. Tenant also acknowledges that City has not made any representation or warranty whatsoever as to the condition of the Building including, but not limited to, its electrical, plumbing, roof, lighting, or the present or future suitability of the Building for the conduct of Tenant's business.

4.3 City shall not be liable for any latent or patent defects in or about the Building. Tenant hereby waives all other express or implied warranties or representations regarding any latent or patent defects in the Building.

4.4 Tenant shall, upon taking possession of the Building, and with City's prior written approval, prepare plans ("Plans") and obtain all necessary permits for, and commence construction upon the Building of, any and all improvements necessary to open and operate Tenant's business, and to make specific improvements to the Building (the "Improvements").

4.4.1 All appropriate and verified cost by Tenant to provide permanent improvements to the Building shall be credited toward the lease payment obligation of the Tenant to City up to a not-to-exceed amount of \$35,000. Should the City or the Tenant seek to terminate the lease prior to the full credit of these permanent improvements toward the lease payment obligation, the City will remit to the Tenant the balance owed

5. Use of Building

5.1 Limitation on Use. Tenant shall use the Building solely for its small live theater-related or similar/complimentary programs. Total occupancy of the Building shall not exceed 49 persons at any time.

5.2 Tenant's Operation of Business. Tenant shall continuously and uninterruptedly during the entire Lease Term:

5.2.1 Adequately staff its business with sufficient employees;

5.2.2 Conduct Tenant's business at all times in a first-class manner consistent with reputable business standards and practices, in good faith and in such a manner that the high reputation of the City and the Building is maintained.

5.2.3 Tenant may sublease the Building for similar live theater or live music purposes.

5.3 Anti-discrimination and Equal Opportunity.

Tenant, for itself, its successors and assigns and all persons claiming under or through it, covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Building, nor shall Tenant or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, licensees, employees or vendees in the Building or the improvements thereon. The foregoing covenants shall run with the land.

Tenant, for itself, its successors and assigns and all persons claiming under or through it,

covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the construction of any improvements on the Building.

The Tenant shall refrain from restricting the rental or lease of the Building on the basis of race, color, creed, religion, sex, sexual orientation, marital status, ancestry or national origin of any person. All leases, deeds or contracts which Tenant proposes to enter into with respect to the lease, sublease, transfer, use, occupancy, tenure or enjoyment of any land in the Building shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses which shall be binding on all contracting parties or transferees: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Building, nor shall any party to this contract, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

5.4 Prohibited Uses; Alterations. Tenant shall not do or permit anything to be done in or about the Building that in any way increases the existing rate of any fire or other insurance on the Building or any of its contents, or that causes a cancellation of any insurance policy covering the Building, the Building or any part of them or any of the contents thereof, or which constitutes an activity specifically excluded from the City's insurance policy or any insurance Tenant is required by City to obtain, which policies are described in Section 6 of this Lease. Tenant shall not commit or cause to be committed any nuisance or waste in or on the Building or permit anything to be done in or about the Building that will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or hereafter in force. Tenant shall not display, store, or sell merchandise or allow carts, portable signs, devices or any other objects to be stored or to remain outside the exterior walls and permanent doorways of the Building without City's prior written consent. Tenant shall not, without the prior written consent of City, sell merchandise from vending machines or allow any coin operated vending or gaming machines on the Building. Except as otherwise provided herein, Tenant shall not make or cause to be made any alterations, repairs, additions or improvements to any part of the Building, without the prior written consent of City, which consent may be withheld in City's sole and absolute discretion.

6. Insurance

Tenant shall deliver to the City copies of policies of insurance and certificates evidencing the existence and amounts of the insurance described herein below with loss payable clauses and additional insured endorsements in favor of City and cross-liability endorsements. Each policy shall provide that such policy shall not be cancelable or subject to redu coverage or other modification during the Term except after thirty (30) days prior written notice to City. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of California and reasonably acceptable to City. All public liability and property damage policies shall contain a provision that City, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss

occasioned to it, its servants, agents, and employees by reason of the negligence of Tenant. All public liability, property damages and other casualty policies shall be written as primary policies, not contributing with, and not in excess of coverage which City may carry. Executed copies of all policies, or certificates evidencing the existence and amounts of such insurance, shall be delivered to City by Tenant no later than ten (10) days after Commencement Date, and thereafter, executed copies of renewal policies or certificates thereof shall be delivered to City thirty (30) days prior to the expiration of any such p Tenant fails to maintain any of the insurance set forth herein below, City may, but shall not be required to, obtain such insurance on behalf of Tenant and, in such event, Tenant shall reimburse City as Additional Rent and immediately on demand, for the cost incurred by City together with interest on such cost at the Default Rate from the date the cost is incurred by City to the date same is reimbursed to City by Tenant. Tenant shall, at Tenant's sole expense, obtain and keep in force during the Term, the following coverages:

6.1 **Liability Insurance.** A liability insurance policy insuring City and Tenant against any liability for bodily injury and property damage arising out of the ownership, use, occupancy or maintenance of the Building and/or the Building by Tenant, its guests and/or invitees. Such insurance shall be a combined single limit policy in an amount not less than \$1,000,000.00 per occurrence. The policy shall insure performance by Tenant of the indemnity provisions of Section 13. The limits of said insurance shall not, however, limit the liability of Tenant hereunder;

6.2 **Insurance of Improvements and Contents.** A policy or policies of insurance against damage (by fire, theft, vandalism, malicious mischief, all risks normally insured against by extended coverage, and if the Building has sprinklers, the added perils of sprinkler leakage and earthquake sprinkler leakage) to the Improvements, any other improvements made to the Building by Tenant, and Tenant's stock in trade, furniture, personal property, fixtures and equipment on the Building, with coverage in an amount equal to the actual cash value thereof. Tenant may, with City's prior written consent, elect to have a reasonable deductible in connection with such insurance;

6.3 **Worker's Compensation Insurance.** Tenant shall, during the Term, keep in full force and effect a policy or policies of worker's compensation insurance, with coverage not less than the minimum required by the State of California. City and Tenant hereby waive their rights (and, to the extent permitted by law, the subrogation rights of their respective insurers) against each other and any other tenant of space in the Building (as well as the officers, employees, agents, authorized representatives, and invitees of same) with respect to any claims (including, but not limited to claims for injury to any person(s), and/or damage to the Building or any other part of the City's Building, and/or any fixtures, equipment, personal property, furniture, improvements and/or alterations in or to the Building or the Building) which are caused by or result from risks insured against under any valid and collectible insurance contract or policy carried by City or Tenant (whichever the case may be) and in force at the time of any such injury and/or damage. However, the above waiver shall apply only to the extent that such claim is covered by such insurance contracts or policies. Tenant shall obtain (for City) from its insurer(s) under each policy required to be obtained pursuant to Sections 7.1 and 7.2 above, a waiver of all rights of subrogation which such insurer(s) of Tenant might have against City.

7. Damage

7.1 Partial Damage-Insured. In the event the Building is damaged by any casualty which is covered under fire and extended coverage insurance carried by City, then City shall restore such damage provided sufficient insurance proceeds are available to pay for the cost of restoration and provided such restoration can be completed within one hundred and eighty (180) days after the commencement of the work in the opinion of a registered architect or engineer appointed by City. In such event this Lease shall continue in full force and effect, and Tenant shall not be entitled to any abatement or reduction of Rent.

7.2 Partial Damage-Uninsured. In the event the Building is damaged by a risk not covered by City's insurance or the proceeds of available insurance are less than the cost of restoration, or if the restoration cannot be completed within one hundred and eighty (180) days after the commencement of work in the opinion of the registered architect or engineer appointed by City, then City shall have the option either to (1) repair or restore such continuing in full force and effect and Tenant shall not be entitled to any abatement or reduction of Rent, or (2) give notice to Tenant at any time within thirty (30) days after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. In the event of the giving of such notice, this Lease shall expire and all interest of Tenant in the Building shall terminate on such date so specified in such notice and all Rent shall be paid to the date of such termination; provided, however, that City agrees to refund to the Tenant any Rent theretofore paid in advance for any period of time subsequent to such date.

7.3 Total Destruction. In the event the Building is totally destroyed or the Building cannot be restored as required herein under applicable laws and regulations, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

7.4 City's Obligations. The City shall not be required to repair any injury or damage by fire or other cause, or to make any restoration or replacement of any decorations, partitions, floor covering or any other improvements or property installed in the Building by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required to restore or replace same in the event of damage. Tenant shall have no claim against City for any damage suffered by reason of any such damage, destruction, repair or restoration; nor shall Tenant have the right to terminate this Lease as the result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Building or the Building including Sections 1932(2) and 1933(4) of the Civil Code of the State of California, except as expressly provided herein.

8. Condemnation

If all or any part of the Building shall be taken or appropriated for public or quasi public use by right of eminent domain with or without litigation or transferred by agreement in connection with such public or quasi-public use, either Party hereto shall have the right at its option exercisable within thirty (30) days of receipt of notice of such taking to terminate this Lease as of the date possession is taken by the condemning authority; provided, however, that

before Tenant may terminate this Lease by reason of taking or appropriation as provided hereinabove, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Building. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to City any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give City any interest in or to require Tenant to assign to City any award made to Tenant for the taking of personal property and fixtures belonging to Tenant and/or for the interruption of or damage to Tenant's business.

9. Security

Tenant shall be responsible for locking and securing Building and providing any desired security services to the Building, if any, during the Term or any extensions thereof.

10. Utilities

Tenant shall pay for all water, gas, heat and electricity services supplied to the Building. City shall not be liable in damages or otherwise for any failure, interruption or unavailability of any utility service being furnished to the Building and no such failure or interruption shall entitle Tenant to terminate this Lease or receive any abatement of Rent hereunder.

11. Taxes

Tenant shall pay at least ten (10) days before due, and before any fine, penalty, interest or cost shall be charged thereon, directly to the appropriate taxing or other governmental authority, all:

- (i) Real estate and other ad valorem taxes and assessments of every kind and nature levied and assessed upon the Building and the underlying realty including, but not limited to, possessory interest taxes assessed against the leasehold interest created hereby and general and special assessments, whether foreseen or unforeseen, and
- (ii) Taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation on the Building, (collectively, "Taxes") and Tenant shall deliver to City copies of receipted bills for such Taxes within fifteen (15) days after receipt of such bills by Tenant.

12. Compliance with Laws

Tenant agrees to comply with all applicable zoning, municipal, county and state laws, ordinances and regulations governing the use of the Building, and any covenants or restrictions of record. Tenant agrees to secure any federal, state or local licenses or permits required in order to use the Building for the purposes specified hereinabove. Tenant shall secure such licenses and permits before the Commencement Date of this Lease.

13. Indemnity and Exculpation

13.1 Indemnity. Tenant shall indemnify, defend and hold harmless City, and its officers, officials, employees and agents against any and all claims, liabilities, losses, costs, expenses, including without limitation attorneys' fees and costs including without limitation those resulting from theft, vandalism, personal injury, disability or death, and even if caused in whole or in part by the passive negligence of City and/or its officers, officials, employees and/or agents (e.g., failure to supervise or control, or warn of or remove a condition on or about the Building) arising from:

- (i) The condition of the Building and surrounding areas which are used by Tenant and Tenant's employees, staff, consultants, agents, contractors, suppliers, invitees, guests, patrons, licensees, successors and assigns (collectively, "Tenant's Representatives"),
- (ii) Tenant's and Tenant's Representatives' use of the Building including without limitation the construction of the Improvements and any other work performed therein,
- (iii) Any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or
- (iv) The conduct of Tenant's business operated on or about the Building or any act or negligence of Tenant, or any of Tenant's Representatives, except that Tenant shall not indemnify, defend and hold harmless City from and against any claims to the extent they result solely from the active negligence or willful misconduct of City and/or its officers, officials, employees and/or agents (collectively, "City's Representatives").

In case any action or proceeding be brought against City, Tenant, upon notice from any such party, shall defend the same at Tenant's expense by counsel reasonably satisfactory to City.

Tenant, as a material part of the consideration given to City, hereby (i) assumes all risk of damage to property or injury to persons in, upon or about the Building arising from any cause including, but not limited to, any theft, vandalism, damage, injury to person or death resulting from the condition of the Building during the Term hereof but excluding any claims (except for those claims arising from City's alleged failure to supervise or control Tenant's actions or Tenant's use of the Building) arising from the active negligence or willful misconduct of City, and (ii) waives all claims in respect thereof against City and its officers, officials, employees and agents.

13.2 Exemption of City From Liability. It is hereby agreed that City shall not be liable for any injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or by any other person in or about the Building caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or

flow from or into any part of the Building, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether said damage or injury results from conditions arising upon the Building or from other sources.

14. Default and Remedies

14.1 Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

14.1.1 Any failure by Tenant to pay any Rent at the time said payment is due:

14.1.2 The abandonment or vacation (defined to be ten (10) or more days of continuous absence from the Building) of the Building by Tenant;

14.1.3 The failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for fifteen (15) days after written notice thereof by City to Tenant; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within said fifteen (15) day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion;

14.1.4 The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Building or Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Building or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

14.2 Termination. In the event of any such default by Tenant, then in addition to any other remedies available to City at law or in equity, City shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such termination. In the event that City shall elect to so terminate this Lease then City may recover from Tenant the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided, plus any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease or which in the ordinary course of events would be likely to result therefrom. At City's election such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law.

14.3 Additional Remedies

14.3.1 In the event of the vacation or abandonment of the Building by Tenant (as defined in Section 14.1.2 above), and if City does not elect to terminate this Lease and Tenant's right to possession of the Building by electing the remedy provided in Section 14.2 above, then City may, pursuant to Section 1951.4 of the Civil Code of the State of California, recover all Rent as it becomes due.

14.3.2 City entry into the Building for maintenance purposes or in an attempt to relet the Building shall not be considered to terminate Tenant's right to possession of the Building and no entry of the Building by City shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. City may at any time after any default by Tenant elect to terminate this Lease pursuant to Section 14.2 above.

14.3.3 The rights of City under this Lease shall be cumulative to all other rights or remedies now or hereafter available to City at law or in equity.

15. Maintenance

15.1 Tenant's Obligations. Tenant, at its sole cost and expense, shall keep, maintain and, if necessary, repair all portions of the Building as well as all improvements on the Building and all facilities appurtenant to the Building in good order and repair and in a safe and clean condition, including without limitation the interior surface of exterior walls, windows, window frames, doors, door frames, locks, plate or other glass, floor covering, interior ceiling and walls, all electrical equipment, all heating, ventilation, exhaust, make-up and air conditioning equipment, all plumbing, sewage and sprinkler systems, if any, and all other equipment installed in or located outside of the Building but otherwise exclusively serving the Building. In the event Tenant fails to make repairs and/or maintain the Building or any part thereof in good order, condition and repair, City may give Tenant ten (10) days notice to do such acts as are reasonably required to so repair or maintain the Building. In the event Tenant fails to promptly commence such work within said ten (10) day period and diligently prosecute same to completion, then City shall have the right, but not the obligation, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended, together with interest thereon at the Default Rate from the date of payment by City until the date of repayment by Tenant shall be paid by Tenant as Additional Rent hereunder. City shall have no liability to Tenant for any damage, inconvenience or interference with the use of the Building by Tenant as a result of performing any such work. In the event of emergency repairs, Tenant hereby grants to City the right to enter upon the Building at any time.

15.2 Maintenance of Glass. Notwithstanding anything which may be or appear to be herein to the contrary, Tenant shall, at its own cost and expense, repair and replace any plate or other glass in any window on the Building that is broken for any reason.

Should Tenant fail to repair or replace any broken glass within two (2) days after same is broken, City may, without notice to Tenant, replace or repair such glass and Tenant shall immediately reimburse City as additional rent for the cost thereof together with interest on such cost at the default rate (discount rate of the Federal Reserve of San Francisco at the time of award plus one percent) from the date the cost is incurred by City to the date same is reimbursed to City by Tenant.

15.3 Waiver by Tenant. City shall have no obligation to repair or maintain the Building or improvements constructed therein except as provided in this Lease. Tenant hereby waives all right to make repairs at the expense of City as provided for in any statute or law in effect at the time of execution of this Lease (including Section 1942 of the Civil Code of the State of California) or any amendment thereof or any other statute or law which may be hereafter enacted during the term of this Lease.

16. City's Right of Entry

Tenant shall permit City or City's Representatives to enter the Building at all reasonable times for the purpose of inspecting the Building to determine whether Tenant is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect City's interest in the Building under this Lease or to perform City's duties under this Lease. City also reserves and shall at any and all times have the right to enter the Building to submit said Building to inspection by prospective purchasers or tenants or prospective or existing mortgagees, to post notices of non-responsibility and "for lease" signs, and to alter, improve or repair the Building and any portion of the Building without abatement of rent. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Building, and any other loss occasioned thereby. For each of the aforesaid purposes, City shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Building, excluding Tenant's vaults and safes, and City shall have the right to use any and all means which City may deem proper to open said doors in an emergency, the existence of which shall be determined by City in its sole discretion, in order to obtain entry to the Building. Any entry to the Building obtained by City by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Building, or an eviction of Tenant from the Building or any portion thereof.

17. Transfers

Assignment and Subletting. Tenant shall not voluntarily or by operation of law assign, license, franchise, transfer, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease or in the Building, and shall not sublet, franchise, or license all or any part of the Building, without the prior written consent of City in each instance and any attempted assignment, license, franchise, transfer, mortgage, encumbrance or subletting without such written consent shall be wholly void.

18. Attorneys' Fees

In case of any action or proceeding brought by either Party against the other under this Lease, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs incurred.

19. Notices

All communications, notices and demands of any kind that either Party may be required or desires to give to or serve on the other Party shall be made in writing personally or sent by registered or certified mail or Federal Express (or other like overnight delivery service) to the following addresses:

To City: City Manager
 City of Oxnard
 300 West Third Street
 Oxnard, California 93030

With a copy to: City Attorney
 City of Oxnard
 305 West Third Street
 Oxnard, California 93030

Tenant: Board President
 Teatro de las Americas
 P.O. Box 50177
 Oxnard, CA 93030

Any such notice shall be presumed to have been received on the earlier of:

- (i) Personal delivery to the address(es) shown above,
- (ii) One (1) day after delivery to Federal Express or other like overnight delivery service, or
- (iii) Forty-eight (48) hours after posting in the United States mail. Either Party may change its address by giving the other Party written notice of its new address.

20. Subordination; Attornment

20.1 Upon request of City or any mortgagee or beneficiary of City, Tenant shall, in a writing provided by City or any mortgagee or beneficiary of City, subordinate its rights hereunder to the lien of any mortgage or deed of trust or ground lease

("Mortgage"), now or hereafter in force against the land, Building and Building, and to all advances made or hereafter to be made upon the security thereof, provided that such Mortgage shall not materially impair Tenant's rights under this Lease, or impose any additional obligations upon Tenant. Tenant further agrees, upon request of City or any mortgagee or beneficiary of City, to provide to City and/or any such mortgagee or beneficiary, financial statements of Tenant and the principal owners of Tenant within ten (10) days after request therefor.

20.2 In the event any proceedings are brought for the foreclosure of any mortgage or deed of trust encumbering the Building, or any portion thereof, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the City covering the Building, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the City under this Lease.

20.3 The provisions of this Section 21 to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term hereof.

21. Surrender

By entry hereunder, Tenant accepts the Building as being in good and sanitary order, condition and repair and agrees on the last day of the said Term, or sooner termination of this Lease, to surrender unto City the Building with said appurtenances in the same condition as when received, reasonable use and wear excepted, and to remove all of the Tenant's personal property from the Building. Tenant shall, upon the request of City, remove from the Building those trade fixtures and other improvements identified by City and installed in the Building by or at the direction of Tenant, and Tenant shall repair any damage occasioned by such removal.

22. Holding Over

If Tenant, with City's express written consent, remains in possession of the Building after expiration of this Lease, such possession by Tenant shall be deemed to be a tenancy from month-to-month at a Rent determined in accordance with Sections 3.1 and 3.2 above (with the commencement date of such tenancy constituting an Adjustment Date) and upon all provisions of this Lease applicable to such a month-to-month tenancy. If Tenant remains in possession of the Building after expiration or earlier termination of this Lease without the express written consent of City, such possession by Tenant shall be deemed a tenancy at sufferance at a rental rate of Two Thousand Five Hundred Dollars (\$2,500.00) a month.

23. Estoppel Certificate

Within ten (10) days after request by City (which request may be from time to time as often as reasonably required by City), Tenant shall execute and deliver to City a statement that this Lease is in full force and effect without modification except as may be represented by City, that there are no uncured defaults in City's performance hereunder, and the specific number of

months or years of rent that has been paid in advance (if any). Any such statement may be conclusively relied upon by any prospective purchaser or encumbrances, of the Building. Tenant's failure to deliver such statement within ten (10) days of City's written request therefor shall be a binding agreement of Tenant:

- (i) That this Lease is in full force and effect without modification except as may be represented by City,
- (ii) That there are no uncured defaults in City's performance hereunder, and
- (iii) That not more than one installment of Rent has been paid in advance.

Further, such failure to deliver such certificate (showing any exceptions to any of the statements of fact required thereby) shall be a material default under this Lease.

24. Binding on Successors and Assigns

Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition. The terms, conditions and covenants of this Lease shall be binding upon and shall inure to the benefit of each of the Parties, their heirs, personal representatives, and permitted successors and assigns.

25. Waivers

No waiver by City of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same or any other provisions. The subsequent acceptance of Rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such Rent. No term, covenant or condition of this Lease shall be deemed to have been waived by City unless such waiver be in writing signed by City.

26. Entire Agreement; Amendments

There are no oral or written agreements or representations between the Parties affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, agreements and understandings, if any, between the Parties with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. All reliance by either Party with respect to representations and warranties shall be solely upon the representations and agreements contained in this Lease. No amendment or addition to this Lease shall be binding upon the Parties unless in writing, signed and delivered by the Party to be charged.

27. Time

Time is of the essence of this Lease.

28. No Broker

Tenant represents and warrants that it has dealt with no real estate brokers, leasing agents or finders in connection with or arising out of any of the transactions contemplated by this Lease, and covenants and agrees to indemnify, defend and save City harmless from any and all losses, liability, damages and expenses (including reasonable attorneys' fees and costs), that may arise from a breach of this representation and warranty.

29. Severability

If any provisions of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. It is the intention of the Parties that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

30. Applicable Law

The laws of the State of California shall govern the validity, performance and enforcement of this Lease. This Lease shall not be construed either for or against City or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach an equitable result.

31. Waiver of Redemption Rights

Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of City obtaining possession of the Building by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise. The rights given to City herein are in addition to any rights that may be given to City by any statute or otherwise.

32. No Reservation or Option

The submission of this Lease for examination does not constitute a reservation of or option for the Building, and this Lease shall become effective as a lease only upon execution thereof by City and Tenant.

33. Counterparts

This Lease may be executed in counterparts, each of which shall be deemed to be an original document.

34. Captions


The captions of the paragraphs of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

IN WITNESS WHEREOF, City and Tenant have executed this Lease as of the day and year first written above.


CITY:

TENANT:

CITY OF OXNARD



Alexander Nugyen, City Manager



By Juan Gonzales
President, Teatro de las Americas

ATTEST:

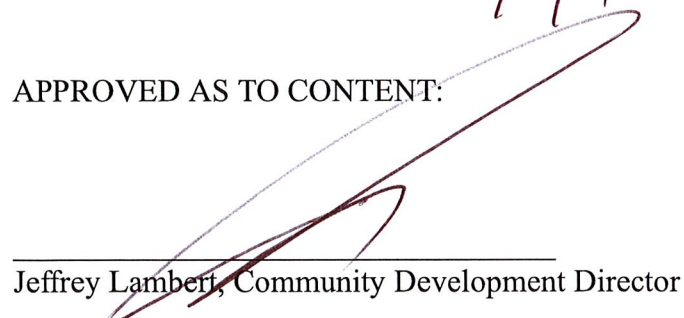
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:



Stephen M. Fischer, City Attorney 11/24/15

APPROVED AS TO CONTENT:



Jeffrey Lambert, Community Development Director

APPROVED AS TO INSURANCE:



Mike More, Risk Manager

Profit and Loss

Teatro de las Americas

January-December, 2024

DISTRIBUTION ACCOUNT	TOTAL
Income	
Grants	12,500.00
Individual Donations	1,724.90
Recycling	91.59
Services	\$650.00
Adan, Eva y la otra	349.89
After School Program	1,085.29
First Jueves	119.00
Fundraiser Karaoke	306.91
Fundraiser Paul & Raquel	8,886.85
iStarELA	3,395.84
Juguetones	350.00
La Sirenita	3,747.14
Luchadora	3,902.52
Mecánico de Sueños	1,126.15
Muero por Vivir	345.00
Nos Traen Cortitos	694.63
Practicas Teatrales	541.50
Private Events	253.00
Salsa class	173.00
Taller de Cine	420.00
Total for Services	\$26,346.72
Uncategorized Income	2,579.96
Total for Income	\$43,243.17
Gross Profit	
\$43,243.17	
Expenses	
Advertising & Marketing	6,432.38
Bank Charges & Fees	203.42
Contractors	750.00
Insurance	2,189.00
Job Supplies	5,250.45
Legal & Professional Services	
Adan, Eva y la otra	739.29
iStarEla	2,242.03
Juguetones	750.00
La Sirenita	2,705.00
Luchadora	3,585.78
Mecánico de Sueños	390.00
Muero por Vivir	197.13
Nos Traen Cortitos	2,104.15
Practicas Teatrales	270.75

Profit and Loss

Teatro de las Americas

January-December, 2024

DISTRIBUTION ACCOUNT	TOTAL
Taller de cine	65.00
Total for Legal & Professional Services	\$13,049.13
Meals & Entertainment	530.93
Office Supplies & Software	1,323.22
Reimbursable Expenses	764.75
Repairs & Maintenance	13,235.00
Taxes & Licenses	358.00
Uncategorized Expense	2,000.00
Utilities	2,991.69
Total for Expenses	\$49,077.97
Net Operating Income	-\$5,834.80
Net Other Income	
Net Income	-\$5,834.80

Profit and Loss

Teatro de las Americas

January-December, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Board Donations	5,262.99
Grants	25,000.00
Individual Donations	1,371.66
Insurance.	192.00
Recycling	21.27
Services	\$250.00
33rd Anniversary Fundraiser	571.00
Adventures in Dance	203.01
After School Program	1,303.30
Alicia´s Miracle	2,142.76
Drawing Group	50.00
El Teatrito	1,727.64
Fundraiser Karaoke	62.00
Luchadora	18.61
Luciano Brindisi-Solo Chistes	852.80
Noche de Cine	80.00
Nos Traen Cortitos	444.64
Poesia Workshop	40.00
Practiclas Teatrales	250.00
Private Events	869.00
Regreso a mi CUBA	1,591.00
Sonidos de Ausencias	3,325.13
Storytelling Workshop	60.00
Taller de Cine	640.00
Taller de Dramaturgia (Juan Pablo)	20.00
Total for Services	\$14,500.89
Tax Refund/ Tax Overpayment Refund	824.23
Total for Income	\$47,173.04
Gross Profit	\$47,173.04
Expenses	
Advertising & Marketing	5,783.96
Bank Charges & Fees	156.82
Contractors	4,000.00
Insurance	651.00
Job Supplies	139.10
Legal & Professional Services	
After School Program	651.65
Alicia's Miracle	2,796.97
El Teatrito	1,619.04
Luchadora	43.44
Luciano Brindisi-Solo Chistes	594.78

Profit and Loss

Teatro de las Americas

January-December, 2025

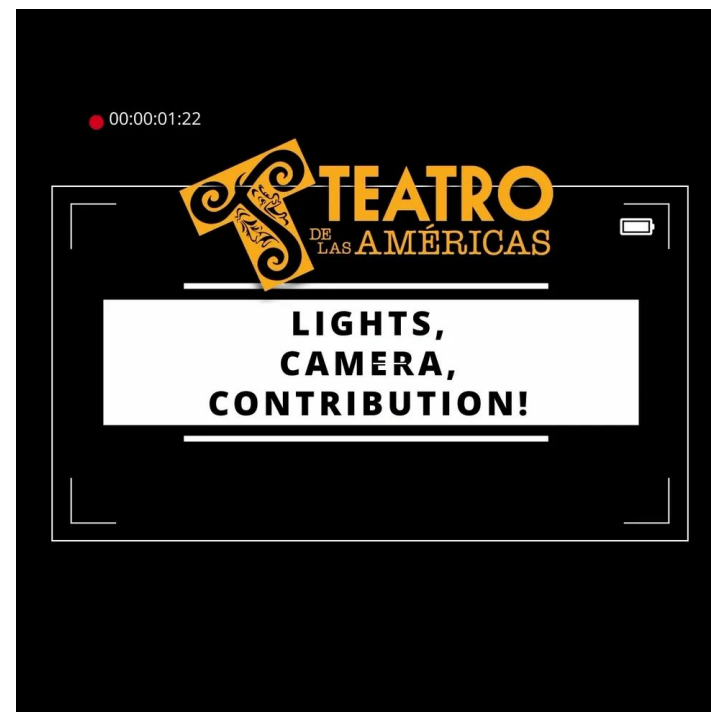
DISTRIBUTION ACCOUNT	TOTAL
Nos Traen Cortitos	50.00
Poesía Workshop	90.00
Regreso a mi CUBA	934.44
Sonidos de Ausencias	3,715.79
Taller de cine	1,128.00
Total for Legal & Professional Services	\$11,624.11
Meals & Entertainment	263.18
Memberships	230.00
Office Supplies & Software	2,280.66
Other Business Expenses	90.00
Reimbursable Expenses	241.38
Repairs & Maintenance	2,922.68
Taxes & Licenses	1,808.73
Utilities	2,951.26
Total for Expenses	\$33,142.88
Net Operating Income	\$14,030.16
Net Other Income	
Net Income	\$14,030.16

Teatro de las Américas Lease Agreement

Brenda Lopez, Director
Housing Department

Community Services, Public Safety, Housing & Development Committee
January 13, 2026

1. Teatro de las Américas is a non profit bilingual theatre company that engages in performing arts and education reflecting and nurturing the community located in the heart of downtown Oxnard.
2. With a vision to be the dominant Spanish-language theatre on the Central Coast, Teatro de las Américas values respect among peoples and envisions that every segment of our community will come together in artistic and creative ways to promote these values.



1. The City of Oxnard owns a 1,980 square foot building at 321 West Sixth Street in downtown Oxnard.
2. The City of Oxnard entered into an initial lease agreement (8828-19-CD) with Teatro de las Américas (Teatro) on November 18, 2019 for theatre and performing arts.
3. The monthly rental rate was calculated at fifty-cents per square foot (.50c/SF) (*1,980 sq ft x \$.50= \$990/ month*).
4. The initial term expired on November 20, 2022.
5. On June 29, 2023 City Council approved a First Amendment extending the term to November 20, 2024, recognized a rent credit of \$35,000 for property improvements made by Teatro, and approved a \$15,000 rental credit due to building's closure resulting from COVID-19.
6. Teatro has been operating on a month-to-month lease since November 2024.

1. In 2025, Teatro experienced major setbacks that reduced its income, including the last-minute cancellation of a nearly completed production and additional cancellations caused by a shortage of volunteer support. Attendance has also dropped sharply.
2. Based on financial information provided by Teatro, there was a net loss for 2024 of \$5,834.80 and \$5,969.84 for 2025.
3. Given their limited revenue, Teatro has an outstanding unpaid rent balance of \$13,860 for the period of December 2024 to January 2026, plus an outstanding balance of \$1,830 from the initial lease term (total of \$15,690).



On October 9, 2025, Teatro de las Américas (Teatro) submitted a request for consideration of rent forgiveness and a new lease with modified terms. Teatro is seeking:

1. A new lease with an initial three year term and two one-year options to extend the lease for a maximum lease term of five years.
2. An annual lease fee of \$1.00.
3. Forgiveness of past due rent totaling \$15,690 through January 2026 as well as a daily pro rata (\$35.36) rental forgiveness in the month of February 2026 until effective date of new lease.

Staff recommends approving Teatro's request with the expectation that rent payments will begin once revenues permit. Should Teatro become profitable, Teatro would pay quarterly rent up to \$2,970 of their quarterly gross revenues in excess of \$10,560.

This action helps sustain the community arts, preserves a dedicated arts venue in Downtown, and ensures the City's building remains occupied and properly maintained at no cost.

If the City Council approves the proposed lease agreement, rental revenue of \$3 is anticipated to be received into the General Fund account during the the proposed initial three year lease, prior to any optional lease extensions.

The financial impact to the City would be a loss of \$15,690 in rental revenue for the past due rental payments, and up to 28 days of daily pro-rata rental forgiveness in the month of February 2026 at a daily cost of \$35.36.

Should Teatro's quarterly gross revenues not be sufficient, as noted in this staff report, to require quarterly rent payments to the City of up to \$2,970, there is potential loss of future rental revenue for the proposed initial three year lease term, which equates to up to \$35,640.

However, the City would experience cost savings for building maintenance expenses for the initial term of the lease.

That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council:

1. Authorize the Mayor to execute a Lease Agreement (A-8604) with Teatro de las Américas for the use of property owned by the City located at 321 West Sixth Street for a term of three years with two one-year options to extend the Agreement, at the discretion of the City Manager, for a total of five years, at an annual fee of \$1 and quarterly rent up to \$2,970 of their quarterly gross revenues in excess of \$10,560; and
2. Authorize the Mayor to forgive past due rent to the City in the amount of \$15,690 for past due rent through January 2026, plus a daily pro-rata share through February 2026.



End of Presentation