



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, FEBRUARY 26, 2019 - 6:30 P.M.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes place on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at www.ci.stanton.ca.us, at the public counter at City Hall in the public access binder, and at the Stanton Library (information desk) 7850 Katella Avenue, Stanton, California 90680.

- 1. CLOSED SESSION (6:00 PM)**
- 2. ROLL CALL**
 - Council Member Ramirez
 - Council Member Taylor
 - Council Member Warren
 - Mayor Pro Tem Ethans
 - Mayor Shawver
- 3. PUBLIC COMMENT ON CLOSED SESSION ITEMS**

Closed Session may convene to consider matters of purchase / sale of real property (G.C. §54956.8), pending litigation (G.C. §54956.9(a)), potential litigation (G.C. §54956.9(b)) or personnel items (G.C. §54957.6). Records not available for public inspection.

4. CLOSED SESSION

4A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9 (d) (2)

Number of Potential Cases: 1

4B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing litigation pursuant to Government Code section 54956.9(d)(1)

Number of cases: 1

Orange County Catholic Worker et al v. Orange County et al, United States District Court, Central District of California Case Number: 8:18-cv-00155-DOC-JDE

5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

- 6. ROLL CALL** Agency/Authority Member Ramirez
Agency/Authority Member Taylor
Agency/Authority Member Warren
Vice Chairman Ethans
Chairman Shawver

7. PLEDGE OF ALLEGIANCE

8. SPECIAL PRESENTATIONS AND AWARDS

8A. Presentation of awards to Stanton deputies by Lieutenant Nate L. Wilson, Orange County Sheriff's Department.

8B. Special Presentation by Becky Esparza, Orange County Human Relations, Annual Report.

9. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

9B. APPROVAL OF WARRANTS

City Council approve demand warrants dated February 6, 2019 and February 14, 2019, in the amount of \$1,588,101.52.

9C. JANUARY 2019 INVESTMENT REPORT

The Investment Report as of January 31, 2019 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2019.

9D. FEBRUARY 2019 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of January 31, 2019 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2019.

9E. JANUARY 2019 INVESTMENT REPORT (HOUSING AUTHORITY)

The Investment Report as of January 31, 2019 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Stanton Housing Authority find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2019.

9F. AWARD OF A CONTRACT FOR ORANGE COUNTY SHERIFF'S STATION ROOF PROJECT

The Orange County Sheriff's Station is located at 11100 S Cedar Street. The station is in dire need of roof maintenance. Staff recommends that the firm of Best Contracting Services, Inc. be retained for the maintenance work for the Orange County Sheriff's Station Roof Project. The maintenance cost for the Orange County Sheriff's Station's Station Roof Project is at \$28,705.60, which includes a 10% contingency.

RECOMMENDED ACTION:

1. City Council declare this project categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301h; and
2. Award a contract to Best Contracting Services, Inc. for the Orange County Sheriff's Station Roof Project for the amount of \$26,096.00; and
3. Authorize the City Manager to bind the City of Stanton and Best Contracting Services Inc. in a contract for the maintenance of the Orange County Sheriff's Station Roof Project; and
4. Authorize the City Manager to approve contract changes, not to exceed 10-percent.

9G. AWARD OF A PROFESSIONAL SERVICES AGREEMENT FOR THE DESIGN OF THE CITYWIDE STREET RECONSTRUCTION DESIGN PROJECT TO TAIT & ASSOCIATES

The Citywide Street Reconstruction Design Project will improve infrastructure throughout the City of Stanton. Staff recommends that the firm TAIT & Associates be retained for the design services of this project.

RECOMMENDED ACTION:

1. City Council declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(c) – Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and
2. Approve a Professional Services Agreement with TAIT & Associates for design support and development of plans for the Citywide Street Reconstruction Design Project for the maximum contract sum of \$108,980; and
3. Authorize the City Manager to bind the City of Stanton and TAIT & Associates in a contract to provide these services.

9H. CONTRACT AMENDMENT FOR PROFESSIONAL CONSTRUCTION INSPECTION SERVICES FOR THE FY 18/19 RESIDENTIAL AND ARTERIAL STREETS REHABILITATION PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

On September 11, 2018, the City Council awarded a contract for inspection services for the FY 18/19 Residential and Arterial Streets Rehabilitation Project to NV5. The cost for completing these services is a maximum of \$31,360. Due to a longer construction schedule, rain delays, and additional soils testing, NV5 has requested a contract amendment for additional fees in the amount of \$29,000.

RECOMMENDED ACTION:

1. City Council declare this project to be categorically exempt under the California Environmental Quality Act, Class 1, Section 15301 (c); and
2. Approve a contract amendment for professional construction engineering services to NV5 to provide construction engineering services for a maximum contract amount of \$29,000; and
3. Authorize the City Manager to bind the City of Stanton and NV5 in a contract amendment to provide professional construction engineering services.

9I. CONSIDERATION OF AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH KB HOMES FOR THE PROPERTY LOCATED AT 7455 KATELLA AVENUE (HOUSING AUTHORITY)

The Development Committee, upon review of options related to the Authority owned property at 7455 Katella Ave., directed staff to pursue the potential sale of the property. In furtherance of that direction, an Exclusive Right to Negotiate Agreement (ENA) with KB Homes for the future sale and potential development of the property has been prepared.

RECOMMENDED ACTION:

1. Stanton Housing Authority declare that the project is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly); and
2. Approve the Exclusive Right to Negotiate Agreement with KB Homes and authorize the City Manager to execute all necessary documents.

END OF CONSENT CALENDAR

10. PUBLIC HEARINGS

10A. JOINT PUBLIC HEARING – MAKING CERTAIN FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33433, ADOPTING THE RELATED SUMMARY REPORT AND APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH TINA PACIFIC II HOUSING PARTNERS, L.P

The Housing Authority owns certain parcels in the Tina Pacific neighborhood and is in the process of acquiring additional parcels. If approved, this Disposition and Development Agreement will provide for the potential acquisition of the additional parcels and the sale of all the parcels owned by the Housing Authority to Tina Pacific II Housing Partners, LP, for the design and construction of a seventy-eight (78) unit affordable housing development.

RECOMMENDED ACTION:

1. City Council and Stanton Housing Authority conduct a public hearing; and
2. Declare that the action is not a project is exempt from the California Environmental Quality Act ("CEQA") under Section 15060(c)(3) and 15378(b); and
3. Approve Resolution Number 2019-04, making certain findings pursuant to Health and Safety Code 33433, adopting the Summary Report prepared pursuant to Health and Safety Section 33433, approving the sale of certain real property located at 8841, 8851, 8861, 8871, 8881, 8891, 8870, and 8880 Pacific Ave. (APN: 126-481-29, 28, 27, 26, 25, 24, 126-482-05, and 06) and 8890 Tina Way (APN: 126-481-07) and, if acquired by the Housing Authority, the sale of 8830, 8840, 8850, 8860, 8871, and 8880 Tina Way (APN: 126-481-01, 02, 03, 04, 05, and 06); and 8890 Pacific Ave. (APN: 126-482-07) to Tina Pacific II Housing Partners, LP, by the Stanton Housing Authority through the Disposition and Development Agreement, entitled:

“A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON AND THE STANTON HOUSING AUTHORITY APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH TINA PACIFIC II HOUSING PARTNERS, A LIMITED PARTNERSHIP, FOR PROPERTIES LOCATED AT 8841, 8851, 8861, 8871, 8881, 8891, 8870, AND 8880 PACIFIC AVE. (APN: 126-481-29, 28, 27, 26, 25, 24, 126-482-05, AND 06) AND 8890 TINA WAY (APN: 126-481-07) AND, IF ACQUIRED BY THE HOUSING AUTHORITY, THE SALE OF 8830, 8840, 8850, 8860, 8871, AND 8880 TINA WAY (APN: 126-481-01, 02, 03, 04, 05, AND 06); AND 8890 PACIFIC AVE. (APN: 126-482-07) AND MAKING CERTAIN FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33433 IN CONNECTION WITH THE SALE OF PROPERTY FORMERLY OWNED BY THE STANTON REDEVELOPMENT AGENCY”; and

4. Authorize the City Manager/Executive Director to execute any necessary documents to facilitate the sale of the property.

11. UNFINISHED BUSINESS

11A. APPROVAL OF ORDINANCE NO. 1084

This Ordinance was introduced at the regular City Council meeting of February 12, 2019.

RECOMMENDED ACTION:

1. City Clerk read the title of Ordinance No. 1084, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING SECTION 10.08.060 OF TITLE 10 OF THE STANTON MUNICIPAL CODE IN REGARD TO PERMIT PARKING REGULATIONS”; and

2. City Council find that this Ordinance is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3); and
3. Adopt Ordinance No. 1084.

ROLL CALL VOTE: Council Member Ramirez
Council Member Taylor
Council Member Warren
Mayor Pro Tem Ethans
Mayor Shawver

11B. APPROVAL OF ORDINANCE NO. 1086

This Ordinance was introduced at the regular City Council meeting of February 12, 2019.

RECOMMENDED ACTION:

1. City Clerk read the title of Ordinance No. 1086, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 5.74 TO TITLE 5 OF THE STANTON MUNICIPAL CODE, IMPOSING REGULATIONS ON SIDEWALK VENDING IN COMPLIANCE WITH SENATE BILL 946”; and

2. City Council find that this Ordinance is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3); and
3. Adopt Ordinance No. 1086.

ROLL CALL VOTE: Council Member Ramirez
Council Member Taylor
Council Member Warren
Mayor Pro Tem Ethans
Mayor Shawver

12. NEW BUSINESS

12A. APPROVAL OF CITY COUNCIL ETHICS POLICY

In August, 2018, the City Council directed staff to establish a City Council Policy to serve as a standard of conduct for all elected officials, employees, and members of advisory boards, commissions, and committees of the City of Stanton.

RECOMMENDED ACTION:

1. City Council declare that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Approve Resolution No. 2019-06, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ADOPTING A CITY COUNCIL POLICY ESTABLISHING AN ETHICS POLICY FOR ALL ELECTED OFFICIALS, EMPLOYEES, AND MEMBERS OF ADVISORY BOARDS, COMMISSIONS, AND COMMITTEES OF THE CITY OF STANTON".

13. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

14. WRITTEN COMMUNICATIONS **None.**

15. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

15A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled:

- None

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

17A. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

18. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 21st day of February, 2019.

s/ Patricia A. Vazquez, City Clerk/Secretary

**CITY OF STANTON
ACCOUNTS PAYABLE REGISTER**

February 6, 2019	\$197,835.50
February 14, 2019	\$1,390,266.02

\$1,588,101.52

Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.



Interim City Manager

Demands listed on the attached registers are accurate and funds are available for payment thereof.



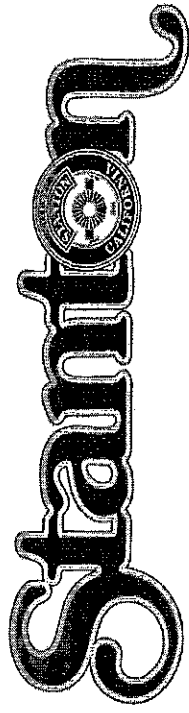
Assistant City Manager

Accounts Payable

Checks for Approval

User: fruiz

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Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
0	02/06/2019	General Fund	Pers-Employee Share	CA ST PERS 103		1,276.63
0	02/06/2019	General Fund	Pers-City Share	CA ST PERS 103		7,702.96
0	02/06/2019	General Fund	Pers-Employee Share	CA ST PERS 103		2,591.99
0	02/06/2019	General Fund	Pers-Employee Share	CA ST PERS 103		2,582.14
0	02/06/2019	General Fund	Pers-Buy Back	CA ST PERS 103		168.14
0	02/06/2019	General Fund	Pers-Surv Benefit Payable	CA ST PERS 103		30.69
129295	02/06/2019	Gen Fnd (Transaction & Use Tax	Crossing Guard Services	ALL CITY MANAGEMENT SVCS, INC.		793.38
129296	02/06/2019	City Trust Fund	Const/Demo/Recycling Deposit	AMERICAN HOME CENTER		1,260.00
129297	02/06/2019	General Fund	Building Maintenance	AMERICAN RENTALS, INC		360.10
129298	02/06/2019	City Trust Fund	Deposits	MARY APOR		150.00
129299	02/06/2019	NOCPSF	Contractual Services	APPLEDORE, INC		1,810.00
129299	02/06/2019	NOCPSF	Contractual Services	APPLEDORE, INC		20,000.00
129300	02/06/2019	Fleet Maintenance	Vehicle Maintenance	AUTOZONE INC.		53.86
129301	02/06/2019	Fact Parks & Recreation Grant	Contractual Services	CAMP FIRE INLAND SOUTHERN CALIFORNIA		1,217.59
129302	02/06/2019	General Fund	Equipment-General	CLIMATEC, LLC		2,385.72
129303	02/06/2019	NOCPSF	Contractual Services	CYPRESS POLICE FOUNDATION		690.00
129303	02/06/2019	NOCPSF	Contractual Services	CYPRESS POLICE FOUNDATION		234.79
129303	02/06/2019	NOCPSF	Contractual Services	CYPRESS POLICE FOUNDATION		496.00
129304	02/06/2019	General Fund	Equipment Maintenance	DOMEN LAWNMOWER		40.00
129305	02/06/2019	Capital Projects	City Hall Plaza Improvements	DULUX PAINTING INC		5,700.00
129305	02/06/2019	Capital Projects	City Hall Plaza Improvements	DULUX PAINTING INC		2,500.00
129305	02/06/2019	City Trust Fund	Retentions Payable	DULUX PAINTING INC		-410.00
129306	02/06/2019	General Fund	Engineering Services	ECONOMICS, INC.		664.17
129307	02/06/2019	General Fund	Sit W/H Payable	EDD		4,479.13
129307	02/06/2019	General Fund	Unemployment Ins Payable	EDD		2,276.09
129308	02/06/2019	Fact Parks & Recreation Grant	Contractual Services	FRIENDLY CENTER, INC		4,649.14
129309	02/06/2019	City Trust Fund	Const/Demo/Recycling Deposit	GLOBAL ROAD SEALING INC DBA GRSI		150.00
129310	02/06/2019	General Fund	Utilities	GOLDEN STATE WATER COMPANY		456.33
129310	02/06/2019	Light/Median Maint (1972 Act)	Utilities	GOLDEN STATE WATER COMPANY		1,156.01
129310	02/06/2019	Gas Tax	Utilities	GOLDEN STATE WATER COMPANY		96.84
129310	02/06/2019	General Fund	Utilities	GOLDEN STATE WATER COMPANY		960.13
129311	02/06/2019	Light/Median Maint (1972 Act)	Contractual Services	GREAT SCOTT TREE SERVICE, INC		5,448.60
129311	02/06/2019	General Fund	Contractual Services	GREAT SCOTT TREE SERVICE, INC		605.40
129312	02/06/2019	NOCPSF	Contractual Services	H.L.S. HOUSE		3,466.66

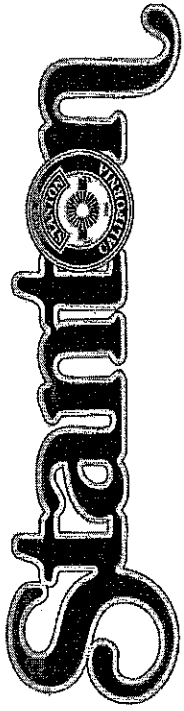
Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
129312	02/06/2019	NOCPSTF	Contractual Services	H.I.S. HOUSE		3,257.92
129313	02/06/2019	Stanton as Successor RDA Adm	Professional Services	HARRELL & COMPANY ADVISORS,LLC		2,080.00
129313	02/06/2019	Stanton as Successor RDA Adm	Professional Services	HARRELL & COMPANY ADVISORS,LLC		2,540.00
129313	02/06/2019	Stanton as Successor RDA Adm	Professional Services	HARRELL & COMPANY ADVISORS,LLC		3,201.14
129314	02/06/2019	Light/Median Maint (1972 Act)	Professional Services	HARTZOG & CRABILL INC		1,437.45
129315	02/06/2019	General Fund	Special Dept Expense	HDL COREN & CONE		2,915.00
129316	02/06/2019	General Fund	Special Dept Expense	HDL SOFTWARE, LLC		955.45
129317	02/06/2019	General Fund	Building Maintenance	HILL'S BROS LOCK & SAFE INC		111.50
129318	02/06/2019	Gas Tax	Materials and Supplies	HOME DEPOT CREDIT SERVICES		319.02
129319	02/06/2019	General Fund	Deferred Compensation-Iema	ICMA RETIREMENT TRUST #302393		3,250.00
129320	02/06/2019	General Fund	Fit W/H Payable	INTERNAL REVENUE SERVICE		13,210.94
129320	02/06/2019	General Fund	Fica-Employee Share	INTERNAL REVENUE SERVICE		51.95
129320	02/06/2019	General Fund	Medicare-City Share	INTERNAL REVENUE SERVICE		1,779.26
129320	02/06/2019	General Fund	Fica-City Share	INTERNAL REVENUE SERVICE		51.95
129320	02/06/2019	General Fund	Medicare-Employee Share	INTERNAL REVENUE SERVICE		1,779.26
129321	02/06/2019	Fact Parks & Recreation Grant	Contractual Services	INTERVAL HOUSE		915.92
129322	02/06/2019	General Fund	Wage Garnishment	ANA JENSEN		200.00
129323	02/06/2019	Housing Authority	Relocation Assistance	MICHAEL BAKER INTERNATIONAL, INC		17,853.00
129324	02/06/2019	Gen Frnd (Transaction & Use Tax	Advertising/ Business Dev't	MINUTEMAN PRESS		295.77
129324	02/06/2019	Gen Frnd (Transaction & Use Tax	Advertising/ Business Dev't	MINUTEMAN PRESS		92.40
129325	02/06/2019	Sewer Maintenance	Hook-Up Permit Fees/Ocsd#3	ANN NGUYEN		3,662.25
129325	02/06/2019	Sewer Maintenance	Hook-Up Permit Fees/City	ANN NGUYEN		192.75
129325	02/06/2019	Sewer Maintenance	Hook-Up Permit Fees/City	ANN NGUYEN		192.75
129325	02/06/2019	Sewer Maintenance	Hook-Up Permit Fees/Ocsd#3	ANN NGUYEN		3,662.25
129326	02/06/2019	Gas Tax	Pavement Maintenance	NV5, INC		7,938.00
129327	02/06/2019	Sewer Maintenance	Hook-Up Permit Fees/Ocsd#3	O C SANITATION DISTRICT		13,082.91
129328	02/06/2019	Housing Authority	Minor Repairs	ADOLFO OCHOA		480.00
129329	02/06/2019	General Fund	Office Expense	OFFICE DEPOT		12.53
129329	02/06/2019	General Fund	Office Expense	OFFICE DEPOT		29.96
129330	02/06/2019	General Fund	Materials & Supplies	OFFICE SOLUTIONS		554.63
129331	02/06/2019	City Trust Fund	Const/Demo/Recycling Deposit	OLSEN ROOFING COMPANY		498.57
129332	02/06/2019	City Trust Fund	Deposits	ERIN OUSTAD		300.00
129333	02/06/2019	Light/Median Maint (1972 Act)	Street Lighting	PACIFIC DECORATING COMPANY		1,792.00
129334	02/06/2019	Stanton as Successor RDA Adm	Travel/Conference/Meetings	STEPHEN PARKER		106.00
129335	02/06/2019	General Fund	Pet Insurance	PETS BEST		37.11
129335	02/06/2019	General Fund	Pet Insurance	PETS BEST		37.11
129335	02/06/2019	General Fund	Pet Insurance	PETS BEST		37.11
129335	02/06/2019	General Fund	Pet Insurance	PETS BEST		37.11
129336	02/06/2019	General Fund	Delta Dental-City Share	PREFERRED BENEFIT		1,729.90
129337	02/06/2019	General Fund	Building Maintenance	PYRO-COMM SYSTEMS INC.		135.00
129338	02/06/2019	City Trust Fund	Const/Demo/Recycling Deposit	R.H. ROOFING INC		1,140.00
129339	02/06/2019	City Trust Fund	Deposits	ANTONIA RAYMONDO		400.00
129340	02/06/2019	General Fund	Materials & Supplies	S.C. SIGNS & SUPPLIES LLC		120.68
129341	02/06/2019	General Fund	Contractual Services	SERVICE 1ST		925.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
129341	02/06/2019	Stanton Central Park Maintenan	Contractual Services	SERVICE 1ST		925.00
129342	02/06/2019	General Fund	Office Expense	SMART AND FINAL IRIS CO		46.65
129342	02/06/2019	General Fund	Special Dept Expense	SMART AND FINAL IRIS CO		48.63
129343	02/06/2019	Light/Median Maint (1972 Act)	Utilities	SO CAL EDISON		633.07
129343	02/06/2019	Light/Median Maint (1972 Act)	Utilities	SO CAL EDISON		42.76
129343	02/06/2019	General Fund	Utilities	SO CAL EDISON		624.14
129343	02/06/2019	General Fund	Utilities	SO CAL EDISON		1,143.10
129344	02/06/2019	General Fund	Communications	SOLEX		1,026.54
129344	02/06/2019	General Fund	Communications	SOLEX		801.65
129344	02/06/2019	General Fund	Utilities	SOLEX		847.35
129344	02/06/2019	General Fund	Utilities	SOLEX		448.01
129345	02/06/2019	Housing Authority	Minor Repairs	SPARKY'S PLUMBING, INC		415.00
129346	02/06/2019	General Fund	Contractual Services	SYNTEC PATROL		115.50
129347	02/06/2019	City Trust Fund	Const/Demo/Recycling Deposit	TRINH AI TASEDAN		90.00
129348	02/06/2019	Gen Fnd (Transaction & Use Tax	Advertising/ Business Dev't	THE GRAND FOOD & BEVERAGE		6,170.12
129349	02/06/2019	NOCPSF	Contractual Services	TIM SHAW & ASSOCIATES		750.00
129349	02/06/2019	NOCPSF	Contractual Services	TIM SHAW & ASSOCIATES		1,625.00
129350	02/06/2019	General Fund	Professional Services	TOTAL COMPENSATION SYSTEMS		765.00
129351	02/06/2019	General Fund	Materials & Supplies	U S BANK		484.78
129351	02/06/2019	General Fund	Materials & Supplies	U S BANK		359.96
129351	02/06/2019	General Fund	Travel/Conference/Meetings	U S BANK		250.00
129351	02/06/2019	General Fund	Materials and Supplies	U S BANK		113.65
129351	02/06/2019	Fact Parks & Recreation Grant	Special Dept Expense	U S BANK		3.86
129351	02/06/2019	General Fund	Special Dept Expense	U S BANK		37.58
129351	02/06/2019	General Fund	Communications	U S BANK		5.00
129351	02/06/2019	General Fund	Communications	U S BANK		5.00
129351	02/06/2019	General Fund	Communications	U S BANK		5.00
129351	02/06/2019	General Fund	Communications	U S BANK		5.00
129351	02/06/2019	General Fund	Communications	U S BANK		5.00
129351	02/06/2019	General Fund	Communications	U S BANK		5.00
129351	02/06/2019	General Fund	Communications	U S BANK		1.00
129351	02/06/2019	General Fund	Materials & Supplies	U S BANK		453.57
129351	02/06/2019	General Fund	Clothing	U S BANK		163.11
129351	02/06/2019	General Fund	Clothing	U S BANK		200.00
129351	02/06/2019	General Fund	Clothing	U S BANK		141.36
129351	02/06/2019	General Fund	Special Dept Expense	U S BANK		34.97
129351	02/06/2019	General Fund	Office Expense	U S BANK		238.17
129351	02/06/2019	General Fund	Materials & Supplies	U S BANK		75.57
129351	02/06/2019	General Fund	PARS	U.S. BANK		1,273.51
129352	02/06/2019	General Fund	Professional Services	US BANK		3,300.00
129353	02/06/2019	Redev't Obligation Retire (D/S	Travel/Conference/Meetings	PATRICIA VAZQUEZ		51.27
129354	02/06/2019	General Fund	Information Technology	VERMONT SYSTEMS INC.		375.00
129355	02/06/2019	General Fund	Materials and Supplies	VISTA PAINT CORP		64.08
129356	02/06/2019	Gas Tax	Materials and Supplies	VISTA PAINT CORP		42.79

Accounts Payable

Checks for Approval

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Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
129358	02/14/2019	General Fund	Equipment Maintenance	ACE LASER PRINTER SERVICE		59.26
129359	02/14/2019	Light/Median Maint (1972 Act)	Utilities	AT&T		0.06
129359	02/14/2019	Light/Median Maint (1972 Act)	Utilities	AT&T		20.72
129359	02/14/2019	Light/Median Maint (1972 Act)	Utilities	AT&T		20.72
129360	02/14/2019	General Fund	Professional Services	BEST BEST & KRIEGER LLP		13,271.96
129360	02/14/2019	General Fund	Prosecution/Code Enforcement	BEST BEST & KRIEGER LLP		6,110.42
129360	02/14/2019	Stanton as Successor RDA Adm	Professional Services	BEST BEST & KRIEGER LLP		1,268.04
129360	02/14/2019	Housing Authority	Professional Services	BEST BEST & KRIEGER LLP		3,257.71
129360	02/14/2019	Housing Authority	Professional Services	BEST BEST & KRIEGER LLP		1,372.80
129360	02/14/2019	General Fund	Professional Services	BEST BEST & KRIEGER LLP		316.80
129360	02/14/2019	General Fund	Professional Services	BEST BEST & KRIEGER LLP		52.80
129360	02/14/2019	General Fund	Professional Services	BEST BEST & KRIEGER LLP		974.50
129360	02/14/2019	General Fund	Professional Services	BEST BEST & KRIEGER LLP		52.80
129360	02/14/2019	Housing Authority	Professional Services	BEST BEST & KRIEGER LLP		976.80
129361	02/14/2019	NOCPSF	Contractual Services	BEST BEST & KRIEGER LLP		7,491.00
129362	02/14/2019	NOCPSF	Contractual Services	BOYS & GIRLS CLUB OF CYPRESS		9,497.00
129362	02/14/2019	NOCPSF	Contractual Services	BOYS & GIRLS CLUBS OF GARDEN GROVE		7,497.00
129363	02/14/2019	General Fund	Contractual Services	BOYS & GIRLS CLUBS OF GARDEN GROVE		275.96
129363	02/14/2019	General Fund	Materials and Supplies	C3 TECHNOLOGY SERVICES		2,953.50
129364	02/14/2019	General Fund	Information Technology	C3 TECHNOLOGY SERVICES		110.00
129365	02/14/2019	General Fund	Travel/Conference/Meetings	FOUNDATION CA-HI-NV DISTRICT EXCHANGE		13,780.19
129365	02/14/2019	NOCPSF	Contractual Services	CSU FULLERTON ASC		24,022.07
129365	02/14/2019	NOCPSF	Contractual Services	CSU FULLERTON ASC		5,334.66
129366	02/14/2019	NOCPSF	Contractual Services	CSU FULLERTON ASC		20.00
129367	02/14/2019	General Fund	General Recreation Programs	THANG DAO		57.11
129368	02/14/2019	Fleet Maintenance	Books/Periodicals	DFM ASSOCIATES		635.00
129369	02/14/2019	Housing Authority	Equipment Maintenance	FUEL PROS, INC		5,470.85
129369	02/14/2019	General Fund	Utilities	GOLDEN STATE WATER COMPANY		5,211.55
129370	02/14/2019	General Fund	Utilities	GOLDEN STATE WATER COMPANY		405.21
129370	02/14/2019	General Fund	Building Maintenance	GRAINGER, INC.		427.70
129370	02/14/2019	General Fund	Building Maintenance	GRAINGER, INC.		580.11
129371	02/14/2019	Gen Fnd (Transaction & Use Tax	Advertising/ Business Devt	HAZ RENTALS		72.16
129372	02/14/2019	General Fund	Code Enforcement Equipment	HOME DEPOT CREDIT SERVICES		92.96
129372	02/14/2019	General Fund	Building Maintenance	HOME DEPOT CREDIT SERVICES		146.64
129372	02/14/2019	General Fund	Code Enforcement Equipment	HOME DEPOT CREDIT SERVICES		

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
129373	02/14/2019	Sewer Maintenance	Engineering Services	JOHN L. HUNTER & ASSOCIATES, INC.		216.25
129373	02/14/2019	General Fund	Storm Water Monitor Program	JOHN L. HUNTER & ASSOCIATES, INC.		1,795.00
129374	02/14/2019	Fleet Maintenance	Vehicle Maintenance	KATELLA FUEL		775.57
129375	02/14/2019	General Fund	Parking Citations	OCTAVIO LARA		41.00
129376	02/14/2019	General Fund	Life Ins-Employee	LINA		93.10
129376	02/14/2019	General Fund	Life-City Share	LINA		1,920.43
129376	02/14/2019	General Fund	Life Ins-Employee	LINA		-9.50
129376	02/14/2019	General Fund	Life-City Share	LINA		235.02
129377	02/14/2019	General Fund	Contractual Services	MARS ENVIRONMENTAL, INC		2,976.89
129378	02/14/2019	General Fund	Training	SEAN MCCONNELL		625.00
129379	02/14/2019	NOCPSSTF	Contractual Services	ROBERT MUGICA Y		380.00
129380	02/14/2019	Gas Tax	Contractual Services	NATIONWIDE ENVIRONMENTAL SVCS		11,006.67
129380	02/14/2019	Gas Tax	Contractual Services	NATIONWIDE ENVIRONMENTAL SVCS		11,006.67
129380	02/14/2019	Gas Tax	Contractual Services	NATIONWIDE ENVIRONMENTAL SVCS		11,006.67
129381	02/14/2019	Sewer Maintenance	Hook-Up Permit Fees/Ocsd#3	O C SANITATION DISTRICT		2,183.10
129382	02/14/2019	General Fund	Special Dept Expense	O C TRANSPORTATION AUTHORITY		1,157.57
129383	02/14/2019	NOCPSSTF	Contractual Services	ORANGE COUNTY CONSERVATION CORPS		3,125.78
129384	02/14/2019	General Fund	Communications	COUNTY OF ORANGE TREASURER- TAX COLI		1,598.00
129384	02/14/2019	General Fund	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		2,162.25
129384	02/14/2019	General Fund	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		1,648.81
129384	02/14/2019	General Fund	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		661,479.86
129384	02/14/2019	PSTF	Special Dept Expense	COUNTY OF ORANGE TREASURER- TAX COLI		21,468.25
129384	02/14/2019	General Fund	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		535.16
129384	02/14/2019	Gen Fnd (Transaction & Use Tax	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		219,815.70
129384	02/14/2019	General Fund	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		1,547.79
129384	02/14/2019	General Fund	Sheriff Contract Services	COUNTY OF ORANGE TREASURER- TAX COLI		4,264.51
129384	02/14/2019	General Fund	Communications	COUNTY OF ORANGE TREASURER- TAX COLI		1,598.00
129385	02/14/2019	Workers' Compensation	Insurance Premium	PERMA		35,124.25
129386	02/14/2019	Measure M	Pavement Maintenance	R. J. NOBLE COMPANY		177,355.00
129386	02/14/2019	City Trust Fund	Retentions Payable	R. J. NOBLE COMPANY		-8,867.75
129387	02/14/2019	General Fund	Materials and Supplies	RED BALL HARDWARE		153.10
129387	02/14/2019	General Fund	Materials and Supplies	RED BALL HARDWARE		16.83
129387	02/14/2019	General Fund	Materials and Supplies	RED BALL HARDWARE		97.01
129387	02/14/2019	General Fund	Materials and Supplies	RED BALL HARDWARE		98.91
129388	02/14/2019	Light/Median Maint (1972 Act)	Utilities	SO CAL EDISON		16,846.54
129388	02/14/2019	General Fund	Utilities	SO CAL EDISON		2,680.30
129389	02/14/2019	General Fund	Utilities	SOCALGAS		944.65
129389	02/14/2019	Gas Tax	Utilities	SOCALGAS		17.64
129389	02/14/2019	General Fund	Utilities	SOCALGAS		14.43
129390	02/14/2019	General Fund	Recreation Brochure Mailing	SOUTHWEST OFFSET PRINTING		4,706.47
129391	02/14/2019	General Fund	Office Expense	STAPLES ADVANTAGE		115.00
129391	02/14/2019	General Fund	Equipment Maintenance	STAPLES ADVANTAGE		75.51
129391	02/14/2019	General Fund	Office Expense	STAPLES ADVANTAGE		-14.49
129391	02/14/2019	General Fund	Special Dept Expense	STAPLES ADVANTAGE		23.70

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
129391	02/14/2019	General Fund	Building Maintenance	STAPLES ADVANTAGE		373.71
129392	02/14/2019	General Fund	Contractual Services	SYNTEC PATROL		115.50
129393	02/14/2019	NOCPSF	Contractual Services	TALLER SAN JOSE HOPE BUILDERS		15,991.33
129394	02/14/2019	NOCPSF	Contractual Services	THE CHRYSALIS CENTER		18,750.00
129394	02/14/2019	NOCPSF	Contractual Services	THE CHRYSALIS CENTER		18,750.00
129394	02/14/2019	NOCPSF	Contractual Services	THE CHRYSALIS CENTER		18,750.00
129395	02/14/2019	General Fund	Contractual Services	TRULY NOLEN OF AMERICA INC		160.00
129396	02/14/2019	General Fund	Equipment Maintenance	U S BANK		53.86
129396	02/14/2019	General Fund	Membership/Dues	U S BANK		65.00
129396	02/14/2019	General Fund	Membership/Dues	U S BANK		145.00
129396	02/14/2019	Fact Parks & Recreation Grant	Special Dept Expense	U S BANK		54.40
129396	02/14/2019	General Fund	Office Expense	U S BANK		18.11
129396	02/14/2019	General Fund	Office Expense	U S BANK		4.30
129396	02/14/2019	General Fund	Communications	U S BANK		193.83
129396	02/14/2019	General Fund	Communications	U S BANK		362.67
129396	02/14/2019	General Fund	Communications	U S BANK		27.34
129396	02/14/2019	General Fund	Information Technology	U S BANK		22.00
129397	02/14/2019	Housing Authority	Minor Repairs	VENCO WESTERN INC		490.00
129397	02/14/2019	Light/Median Maint (1972 Act)	Contractual Services	VENCO WESTERN INC		3,300.00
129398	02/14/2019	NOCPSF	Contractual Services	WAYMAKERS		6,762.26
Report Total:						1,390,266.02

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: February 26, 2019

SUBJECT: JANUARY 2019 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of January 31, 2019 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2019.

BACKGROUND:

The attached reports summarize the City investments and deposit balances as of January 2019. A summary of the City's investments and deposits is included as Attachment A. The details of the City's investments are shown in Attachment B. The City's cash and investment balances by fund type are presented in Attachment C.

ANALYSIS:

The City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of January 2019 was 2.36%. All City investments have safekeeping with Bank of the West. The City's investments are shown on Attachment B and have a weighted investment yield of 2.22%. Including LAIF and the City's deposit in the Bank of the West money market account, the weighted investment yield of the portfolio is 2.26%, which is below the benchmark LAIF return of 2.36% due to a 352% increase in the LAIF rate over the past two years.

The weighted average maturity of the City's investments on January 2019 is 875 days. Including LAIF and a money market account, it is 579 days. LAIF's average maturity on

January 31, 2019 was approximately 188 days.

With a weighted average maturity of 2.43 years, the City is well within the investment policy restriction of 3.5 years.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2018-19 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

The City Treasurer controls a \$35.7 million portfolio with \$23.1 million in investments with safekeeping with Bank of the West.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Assistant City Manager/Treasurer

Approved:



Robert W. Hall
Interim City Manager

Attachments:

- A. Investments and Deposits
- B. Investment Detail
- C. Cash and Investment Balances by Fund Type

CITY OF STANTON, CA
INVESTMENTS AND DEPOSITS
January 31, 2019

Investment Type	Issuer	Date of Maturity	Interest Rate	Par Value	Cost	% of Total	Market Value	Market Value Source
State Pool (LAIF) - City portion ¹	State of California	On Demand	2.36%	\$ 4,041,683	\$ 12,385,085	34.93%	\$ 12,385,086	LAIF
Investments ²	Various	Various	Various	\$ 23,404,424	22,886,220	64.55%	23,090,600	Bank of the West
Money Market Account	Bank of the West	On Demand	0.29%	\$186,445	186,445	0.53%	186,445	Bank of the West
Subtotal - Investments					\$ 35,457,750	100.00%	\$ 35,662,131	
Demand Deposits/Main Checking - City portion	Bank of the West	On Demand	N/A	N/A	\$ (4,438,099)		\$ (4,438,099)	Bank of the West
Imprest Accts & Petty Cash	Bank of the West	On Demand	N/A	N/A	116,795		116,795	Bank of the West
Subtotal - Deposits					\$ (4,321,305)		\$ (4,321,305)	

Total Cash Investments and Deposits³

579	2.26%
Weighted Average Maturity (days)	Weighted Average Yield

\$ 31,136,445

\$ 31,340,827

¹ Par Value amount represents entire LAIF and CAMP balances, including City, Successor Agency and Housing Authority portions

² Cost amount includes \$58,005 adjustment made to City's books at 6/30/17 to adjust portfolio to market value, per GASB 31

³ Weighted average maturity and yield calculations include LAIF, CAMP, Investments and Money Market Account

NOTES:

The City's portfolio is in compliance with the City's 2018-19 Investment Policy.

The portfolio will allow the City to meet its expenditure requirements for the next six months.

**CITY OF STANTON
INVESTMENTS
DECEMBER 2018**

Attachment B

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call Date (N=Not callable)	Par Value	Purchase Amount	Current Market Value
U.S. Government Agency Securities:											
Chandler Asset Management	FHLB	3130A0JR2	1.65%	2.38%	103.07	11/23/15	12/13/19	NC	200,000	205,698	199,666
Chandler Asset Management	FNMA	3135G0D75	1.27%	1.50%	100.90	2/24/2016	6/22/2020	NC	200,000	201,962	197,204
Chandler Asset Management	FNMA	3135G0F73	1.50%	1.50%	100.36	12/01/2016	11/30/2020	NC	190,000	190,035	186,610
Chandler Asset Management	FNMA	3130A3UQ5	1.49%	1.88%	102.18	2/1/2016	12/1/2020	NC	186,000	188,349	187,845
Chandler Asset Management	FNMA	3135G0H55	1.50%	1.88%	102.11	1/20/2016	12/28/2020	NC	190,000	193,395	187,878
Chandler Asset Management	FHLB	3130A7CV5	1.46%	1.38%	99.77	02/17/16	02/18/21	NC	210,000	209,166	205,426
Chandler Asset Management	FNMA	3135G0J20	1.31%	1.38%	100.01	4/12/2016	2/26/2021	NC	200,000	200,630	195,566
Chandler Asset Management	FHLB	313382K68	1.53%	1.75%	101.72	03/23/16	03/12/21	NC	190,000	192,005	186,905
Chandler Asset Management	FHLB	3130A7PV1	1.33%	1.38%	99.80	04/12/16	04/05/21	NC	200,000	200,432	195,424
Chandler Asset Management	FNMA	3135G0K69	1.23%	1.28%	99.75	8/15/2016	5/6/2021	NC	200,000	200,168	194,684
Chandler Asset Management	FHLB	3130A8QS5	1.28%	1.13%	98.05	08/09/16	07/14/21	NC	190,000	188,566	184,114
Chandler Asset Management	FHLB	3137EAEC9	1.24%	1.13%	98.96	08/12/16	08/12/21	NC	200,000	198,998	193,716
Chandler Asset Management	FNMA	3130AABG2	1.87%	1.88%	99.36	11/30/16	11/29/21	NC	100,000	99,536	98,392
Chandler Asset Management	FHLB	3135G0T45	1.89%	1.88%	99.78	4/20/2017	4/5/2022	NC	200,000	199,830	195,066
Multi-Bank Securities, Inc.	FHLB	3130AC2X1	2.00%	2.00%	100.00	8/23/2017	3/23/2019	2/23/2019	500,000	500,000	497,840
Multi-Bank Securities, Inc.	FHLB	3130AC7K4	2.00%	2.00%	100.00	8/22/2017	9/15/2022	3/15/2019	500,000	500,000	497,390
Multi-Bank Securities, Inc.	FHLB	3130ADKP6	2.10%	2.10%	100.00	2/28/2018	2/28/2023	2/28/2019	500,000	500,000	498,705
First Empire Securities	FHLB	3130ADLH3	3.00%	3.00%	100.00	2/28/2018	2/28/2023	2/28/2019	500,000	500,000	500,365
									4,555,000	4,563,689	4,599,786
Municipal Bonds											
Multi-Bank Securities, Inc.	California Earthquake Auth Rev	13017HA65	2.23%	2.81%	100.63	11/14/2017	7/1/2019	NC	86,040	88,604	88,976
Multi-Bank Securities, Inc.	California Earthquake Auth Rev	13017HA66	2.43%	2.81%	100.40	11/22/2017	7/1/2019	NC	537,600	539,750	537,213
Multi-Bank Securities, Inc.	CA ST Housing Finance Agency RDA	13034PZ77	2.04%	2.30%	100.75	7/24/2017	8/1/2020	NC	250,000	251,875	246,060
First Empire Securities	Coachella Valley CA Unit School District	189849K77	2.23%	2.89%	101.55	11/17/2017	9/1/2020	NC	440,000	447,280	437,505
Canella & Co., Inc	Banning CA RDA SA TAB	068616AD5	2.02%	1.90%	99.66	9/28/2017	9/1/2020	NC	250,000	249,150	246,060
Multi-Bank Securities, Inc.	Banning CA RDA SA TAB	068616AD6	2.02%	1.90%	99.66	9/28/2017	9/1/2020	NC	250,000	249,150	246,060
Multi-Bank Securities, Inc.	Pomona CA PFA Lease Bond	73208MCX4	2.25%	2.41%	100.60	6/23/2017	4/1/2021	NC	500,000	503,000	493,945
Multi-Bank Securities, Inc.	CA ST Housing Finance Agency RDA	13034PZ43	2.32%	2.51%	100.75	7/24/2017	8/1/2021	NC	350,000	352,625	347,274
Multi-Bank Securities, Inc.	CA ST Housing Finance Agency RDA	13034PZ43	2.22%	2.51%	101.09	8/18/2017	8/1/2021	NC	255,000	257,777	253,014
Canella & Co., Inc	Guadalupe Community Redevelopment	400559AD2	2.55%	3.25%	99.00	1/8/2018	8/1/2021	NC	225,000	222,750	220,723
Canella & Co., Inc	Oceanside CA Pension Obligation Bond Taxable	675371AX6	2.03%	3.25%	104.55	8/15/2017	8/15/2021	NC	280,000	283,276	283,276
Canella & Co., Inc	LA County CA RDA TAB Taxable West Covina	54465AHPO	2.08%	2.50%	101.67	6/26/2017	9/1/2021	NC	400,000	406,684	397,562
Canella & Co., Inc	Yorba Linda RDA SA TAB Taxable Series B	966176AQ8	2.00%	2.00%	100.00	8/15/2017	9/1/2021	NC	360,000	360,000	352,912
First Empire Securities	Riverside CA Pension Obligation Bond	758036B59	2.25%	2.50%	101.16	6/20/2017	6/1/2022	NC	500,000	505,800	493,380
First Empire Securities	Riverside CA Pension Obligation Bond	759036B59	2.40%	2.50%	100.45	7/24/2017	6/1/2022	NC	240,000	241,080	236,822
									4,928,640	4,969,518	4,882,861
Negotiable Certificates of Deposit:											
Multi-Bank Securities, Inc.	Generations Community Fed Credit	37148LAB4	1.65%	1.65%	100.00	6/28/2017	6/28/2019	NC	249,000	249,000	246,280
Multi-Bank Securities, Inc.	Direct Federal Credit Union	25460FAQ9	1.75%	1.75%	100.00	05/24/17	2/24/2020	NC	249,000	249,000	246,864
First Empire Securities	Ally Bank	02006LY72	1.75%	1.75%	100.00	03/16/17	3/16/2020	NC	248,000	248,000	245,741
Multi-Bank Securities, Inc.	Live Oak Banking Company	538036CN2	2.00%	2.00%	100.00	04/07/17	4/7/2020	NC	248,000	249,000	246,704
Canella & Co., Inc	Community Trust Bank Inc.	20416LAC3	1.85%	1.85%	100.00	08/10/17	8/18/2020	NC	247,000	247,000	243,964
Multi-Bank Securities, Inc.	The Park National Bank	700654AY2	1.95%	1.95%	100.00	03/30/17	9/30/2020	NC	249,000	249,000	246,007
First Empire Securities	First Bank Richmond	319267GC8	1.80%	1.80%	100.00	06/23/17	11/30/2020	NC	247,000	247,000	242,991
Multi-Bank Securities, Inc.	Numerica Credit Union	67054NAF0	2.00%	1.95%	100.00	05/30/17	11/30/2020	NC	248,000	248,000	245,788
First Empire Securities	BMW Bank	05580AGQ1	1.95%	1.95%	100.00	03/10/17	3/10/2021	NC	248,000	248,000	243,831
First Empire Securities	Wells Fargo Bank, NA	949763FO4	2.10%	2.10%	100.00	03/15/17	3/15/2021	NC	248,000	248,000	245,512
First Empire Securities	Landmark Bank	51505VCA9	2.10%	2.10%	100.00	03/29/17	3/29/2021	3/29/2019	248,000	248,000	244,446
Canella & Co., Inc	Medallion Bank	584036BF8	1.80%	1.80%	100.00	04/06/17	4/6/2021	NC	248,000	248,000	244,892
First Empire Securities	Comenity Capital Bank	20033AUK0	2.00%	2.00%	100.00	6/30/2017	6/30/2021	NC	249,000	249,000	244,142
First Empire Securities	Discover Bank	2546725D6	2.10%	2.10%	100.00	7/6/2017	7/6/2021	NC	247,000	247,000	242,732
Canella & Co., Inc	Barclays Bank	06740KK00	2.00%	2.00%	100.00	7/12/2017	7/12/2021	NC	247,000	247,000	242,107
First Empire Securities	Abacus Federal Savings Bank	00257TAY2	1.95%	1.95%	100.00	7/21/2017	7/21/2021	NC	249,000	249,000	243,666
Canella & Co., Inc	MB Financial Bank	55266CVW3	1.90%	1.90%	100.00	7/21/2017	7/21/2021	NC	249,000	249,000	243,368
First Empire Securities	HSBC Bank USA, NA	40543YMK0	2.15%	2.15%	100.00	7/26/2017	7/26/2021	1/29/2019	247,000	247,000	242,878
First Empire Securities	Third Federal Savings and Loan	88413QBN7	2.00%	2.00%	100.00	7/28/2017	7/28/2021	NC	248,000	248,000	242,953

Investment Type/ Broker	Institution	CUSIP Number	Purchase Yield	Coupon Rate	Purchase Price	Settlement/ Date Purchased	Date of Maturity	Next Call Date (NO=noncallable)	Par Value	Purchase Amount	Current Market Value
Multi-Bank Securities, Inc.	State Bank of India	869204B7V1	2.35%	2.35%	100.00	03/14/17	3/14/2022	NC	248,000	248,000	243,454
Capital One Bank USA		140420ZD2	2.35%	2.35%	100.00	03/15/17	3/15/2022	NC	248,000	248,000	243,447
J.P. Morgan Chase Bank NA		4812BXDS3	2.35%	2.35%	100.00	03/15/17	3/16/2022	NC	248,000	248,000	243,447
First Empire Securities	BMO Harris NA	06581WNK7	2.00%	Variable	100.00	03/28/17	3/29/2022	3/29/2021	248,000	249,000	244,394
Canella & Co., Inc	Synchrony Bank	8716SEL96	2.40%	2.40%	100.00	05/09/17	5/19/2022	NC	247,000	247,000	244,707
First Empire Securities	American Eagle Bank	02654BCN9	2.10%	2.10%	100.00	06/09/17	6/23/2022	NC	150,000	150,000	145,357
First Empire Securities	First Bank of Highland Park	319141GL5	2.10%	2.10%	100.00	6/21/2017	6/21/2022	NC	247,000	247,000	239,755
Canella & Co., Inc	Goldman Sachs Bank USA	38148POX4	2.35%	2.35%	100.00	6/21/2017	6/21/2022	NC	247,000	247,000	241,734
Multi-Bank Securities, Inc.	Capital One NA	14042RGH6	2.30%	2.30%	100.00	7/19/2017	7/19/2022	NC	247,000	247,000	241,114
Canella & Co., Inc	Saline Mae Bank	785450B61	2.30%	2.30%	100.00	7/27/2017	8/2/2022	NC	248,000	248,000	241,979
First Empire Securities	American Express Centurion Bank	02587DV47	2.35%	2.35%	100.00	8/3/2017	8/3/2022	NC	247,000	247,000	239,738
Fidelity Co-Operative Bank		318077CV6	1.70%	1.70%	99.60	8/4/2017	8/4/2022	NC	248,004	248,004	243,198
First Empire Securities	First Empire Securities	02587CFU9	2.40%	2.40%	100.00	8/22/2017	8/22/2022	NC	247,000	247,000	239,906
First Empire Securities	American Express Bank, FSB	33715LCJ7	3.35%	3.35%	100.00	9/21/2018	9/27/2023	NC	240,000	240,000	241,706
Medium-Term Corporate Notes:											
Chandler Asset Management	Oracle Corp	68380XA33	1.28%	2.25%	103.16	08/11/16	10/08/19	NC	126,000	128,744	124,684
Canella & Co., Inc	Toronto Dominion Bank	89114QBU1	2.00%	1.90%	99.82	12/15/17	10/24/19	NC	250,000	249,543	248,575
Canella & Co., Inc	Barclay's Bank PLC	06744GFU0	2.05%	2.00%	100.00	08/11/17	08/25/20	8/25/2019	500,000	500,000	498,575
Chandler Asset Management	American Honda Finance	02665WAZ4	2.05%	2.45%	101.22	04/20/17	03/24/20	NC	126,000	126,651	124,250
Canella & Co., Inc	Credit Agricole	22533AA31	3.00%	3.00%	100.00	09/28/18	09/28/20	12/28/2018	400,000	400,000	399,520
Multi-Bank Securities, Inc.	Credit Agricole	22533AA31	3.00%	3.00%	100.00	09/28/18	09/28/20	12/28/2018	500,000	500,000	499,400
Chandler Asset Management	Visa Inc	92826CA58	1.49%	2.20%	102.56	09/01/16	12/14/20	NC	150,000	154,404	149,027
Chandler Asset Management	Exxon Mobil Corp	30231GAV4	2.18%	2.22%	101.77	02/29/16	03/01/21	2/12/2021	100,000	126,465	123,966
Chandler Asset Management	Berkshire Hathaway	084570BQ0	1.64%	2.20%	102.76	08/16/16	03/15/21	2/15/2021	100,000	124,884	122,139
Chandler Asset Management	State St Corp	85747TAV5	1.99%	1.95%	99.49	05/23/16	05/19/21	NC	125,000	124,784	122,139
Chandler Asset Management	Microsoft Corp	594918BP8	1.58%	1.65%	99.87	08/08/16	08/08/21	7/8/2021	85,000	84,889	82,873
Chandler Asset Management	Paccar Financial Corp	69371RN44	1.63%	1.65%	99.59	08/11/16	08/11/21	NC	125,000	124,810	120,711
Chandler Asset Management	John Deere Capital Corp	24422ETL3	2.68%	2.65%	100.26	01/03/17	01/06/22	NC	130,000	129,964	129,203
First Empire Securities	US Bancorp	91168HHF8	2.69%	2.63%	100.37	01/19/17	01/24/22	NC	125,000	125,657	124,770
Multi-Bank Securities, Inc.	Apple Inc	037833AY6	2.10%	2.15%	100.20	10/23/17	02/09/22	NC	500,000	501,000	492,375
First Empire Securities	Capital Impact Partners	1402DA2A1	2.50%	2.50%	100.00	10/23/17	10/15/22	NC	500,000	500,000	471,200
First Empire Securities	Toyota Motor Credit Corp	89235TEL5	2.78%	2.70%	99.93	01/25/18	01/11/23	NC	249,075	246,983	246,983
First Empire Securities	Barclay's Bank PLC	06744CRP8	3.00%	3.00%	100.00	01/26/18	01/26/23	1/26/2020	250,000	250,000	232,928
First Empire Securities	Wells Fargo Bank	94988J5R4	3.51%	3.55%	99.74	08/21/18	08/14/23	NC	500,000	498,720	507,210
First Empire Securities	Wells Fargo Bank	94988J5R4	3.75%	3.55%	99.14	12/03/18	08/14/23	NC	400,000	399,560	405,768
Mortgage-Backed Securities:											
First Empire Securities	FNMA DUS Balloon	3138LF4Y1	2.03%	1.62%	98.40	8/18/2017	11/1/2021		478,784	471,123	484,584
Asset-Backed Securities:											
Chandler Asset Management	John Deere Owner Trust	47787XAB3	1.51%	1.50%	99.98	02/22/17	10/15/19	NC	478,784	471,123	484,584
Subtotal Investments											
Prior Year Adjustment GASB 31											
Investments Held With Bank of the West											
<div>2.22% Weighted Average Yield</div> <div>875 days WAM</div> <div>23,404,424</div> <div>23,461,505</div> <div>23,090,600</div>											
<div>23,404,424</div> <div>22,886,220</div> <div>23,090,600</div>											
State Treasurer's Pool											
Money Market Acct											
<div>4,041,683</div> <div>12,385,085</div> <div>12,385,086</div>											
<div>186,445</div> <div>186,445</div> <div>186,445</div>											
Total Investments											
<div>27,632,552</div> <div>35,457,750</div> <div>35,682,131</div>											
Total Money Market, LAIF and Investments											

CITY OF STANTON
CASH AND INVESTMENT BALANCES BY FUND TYPE
January 31, 2019

Fund Type	Cash and Investments	Totals
General Fund:		
Pooled	\$ (5,622,862)	
Other Accounts *	23,189,459	\$ 17,566,597
Special Revenue, Capital Projects and Enterprise Funds:		
Gas Tax	147,483	
Measure M	941,070	
Fire Emergency Services	(119,977)	
Lighting & Median Maint.	1,834,751	
Sewer Maintenance	3,952,050	
Other	2,590,854	9,876,833
Internal Service Funds		1,476,779
Trust Funds		2,216,236
Total Cash and Investment Balances		\$ 31,136,445

* Money Market, Imprest Accounts, Petty Cash and Investments

CITY OF STANTON

REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Chair and Members of the Successor Agency

DATE: February 26, 2019

SUBJECT: FEBRUARY 2019 INVESTMENT REPORT (SUCCESSOR AGENCY)

REPORT IN BRIEF:

The Investment Report as of January 31, 2019 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2019.

BACKGROUND:

The attached reports summarize the Successor Agency investments and deposit balances as of January 2019. A summary of the Agency's investments and deposits is included as Attachment A. The Agency's cash balances by fund are presented in Attachment B.

ANALYSIS:

The Agency's investment in the State Treasurer's Local Agency Investment Fund (LAIF) and California Asset Management Plan (CAMP) continues to be available on demand. The effective yield on LAIF for the month of January 2019 was 2.36%, while the effective yield on CAMP was 2.62%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 1.25%, which is below the benchmark LAIF return of 2.36%, as the portfolio is almost completely liquid and has significant funds held in custodial accounts accruing very little interest.

With a completely liquid portfolio, the weighted average maturity of the Agency's investments at January 31, 2019 is 1 day. LAIF's average maturity at January 31, 2019 is approximately 188 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2018-19 Investment Policy.

The portfolio will allow the Agency to meet its expenditure requirements for the next six months.

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

None.


PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:



Stephen M. Parker, CPA
Assistant City Manager/Treasurer

Approved:



Robert W. Hall
Interim City Manager

Attachments:

- A. Investments and Deposits
- B. Cash Balances by Fund

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
INVESTMENTS AND DEPOSITS
January 31, 2019**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
State Treasurer's Pool - SA portion	Local Agency Investment Fund (LAIF)	State of California	On Demand	2.36%	\$ (9,695,821)	\$ (9,695,821)	\$ (9,686,533)	LAIF
California Asset Management Plan	PFM Asset Management	PFM	On Demand	2.62%	\$ 13,093,425	\$ 13,093,425	\$ 13,093,425	PFM
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	3,474,422	3,474,422	3,474,422	Bank of the West
Clawback - Demand Deposits/Money Market Account	Bank of the West	Bank of the West	On Demand	N/A	3,311,064	3,311,064	3,311,064	Bank of the West

Total Cash Investments and Deposits

\$ 10,183,090 \$ 10,192,378

Bond Funds Held by Trustees:

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2010 Tax Allocation Bonds (Tax-Exempt)									
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$16.85	\$16.85	\$16.85	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$11,621.02	\$11,621.02	\$11,621.02	US Bank
Special Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$66.38	\$66.38	\$66.38	US Bank
Reserve Account:									
Cash Equivalent	LAIF	US Bank	99LA009W8	On Demand	2.36%	\$1,141,904.29	\$1,141,904.29	\$1,141,904.29	US Bank

Total 2010 Tax Allocation Bonds (Tax-Exempt)

\$1,163,609 \$1,153,609

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series A and B									
Debt Service Fund									
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$822,094.07	\$822,094.07	\$822,094.07	US Bank
Principle Account					0.83				
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$151.64	\$151.64	\$151.64	US Bank
Interest Account									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$16.79	\$16.79	\$16.79	US Bank

Total 2016 Series A and B

\$ 822,263 \$822,262.50

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series C and D									
Debt Service Fund:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$1,237,637.09	\$1,237,637.09	\$1,237,637.09	US Bank
Interest Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$27.93	\$27.93	\$27.93	US Bank
Principle Account:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	59.98	\$59.98	\$59.98	US Bank

Total 2016 Series C and D

\$ 1,237,725 \$1,237,725.00

Total Bond Fund Investments and Deposits (3)

\$3,213,596 \$3,213,596

Notes:

- (1) - There have been no exceptions to the Investment Policy.
- (2) - The Successor Agency is able to meet its expenditure requirements for the next six months.
- (3) - Restricted Bond Funds are held by the fiscal agent.

SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

POOLED CASH BALANCES BY FUND TYPE

January 31, 2019

Fund	Cash Balance
710 Project 2000 Debt Service Fund	-
711 Redevelopment Debt Service Fund	-
712 Redevelopment Obligation Retirement Fund	7,218,108
720 Low and Moderate Income Housing Fund	-
721 Housing Successor Fund	-
730 Community Redevelopment Administration Fund	-
731 Successor Agency Admin Fund	(346,082)
740 Redevelopment Project Fund	-
741 Successor Agency Project Fund	-
741 Cash DDR Clawback	3,311,064

TOTAL CASH BALANCE

\$ 10,183,090

CITY OF STANTON

REPORT TO THE STANTON HOUSING AUTHORITY

TO: Honorable Chair and Members of the Housing Authority

DATE: February 26, 2019

SUBJECT: JANUARY 2019 INVESTMENT REPORT (HOUSING AUTHORITY)

REPORT IN BRIEF:

The Investment Report as of January 31, 2019 has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Stanton Housing Authority find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2019.

BACKGROUND:

The attached reports summarize the Stanton Housing Authority investments and deposit balances as of January 2019. A summary of the Housing Authority's investments and deposits is included as Attachment A. The Housing Authority's cash balances by fund are presented in Attachment B.

ANALYSIS:

The Housing Authority's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of January 2019 was 2.36%.

The Agency's investments are shown on Attachment A and have a weighted investment yield of 2.42%, as almost the entire portfolio is invested in LAIF.

With investments almost completely in LAIF, the portfolio is completely liquid, and the weighted average maturity of the Housing Authority's investments at January 31, 2019 is 1 day. LAIF's average maturity at January 31, 2019 is approximately 188 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's 2018-19 Investment Policy.

The portfolio will allow the Housing Authority to meet its expenditure requirements for the next six months.

ENVIRONMENTAL IMPACT:

None

LEGAL REVIEW:

None

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

4. Ensure Fiscal Stability and Efficiency in Governance

Prepared by:

Approved:



Stephen M. Parker, CPA
Assistant City Manager/Treasurer

Robert W. Hall
Interim City Manager

Attachments:

- A. Investments and Deposits
- B. Cash Balances by Fund

**STANTON HOUSING AUTHORITY
INVESTMENTS AND DEPOSITS
January 31, 2019**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
State Treasurer's Pool - HA portion	Local Agency Investment Fund (LAIF)	State of California	On Demand	2.36%	\$ 1,352,419	\$ 1,352,419	\$ 1,352,789	LAIF
Imprest Account - SA portion	Bank of the West	Bank of the West	On Demand	N/A	\$ (484,629)	(484,629)	(484,629)	Bank of the West
State Treasurer's Pool - Housing Authority Account	Local Agency Investment Fund (LAIF)	State of California	On Demand	2.36%	\$ 17,576,728	\$ 17,576,728	\$ 17,559,890	LAIF

Total Cash Investments and Deposits

\$ 18,444,518	\$ 18,428,050
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Notes:

- (1) - There have been no exceptions to the Investment Policy.
(2) - The Housing Authority is able to meet its expenditure requirements for the next six months.

STANTON HOUSING AUTHORITY

POOLED CASH BALANCES BY FUND TYPE

January 31, 2019

Fund	Cash Balance
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285 Housing Authority Fund	18,444,518
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TOTAL CASH BALANCE

\$ 18,444,518

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

DATE: FEBRUARY 26, 2019

SUBJECT: AWARD OF A CONTRACT FOR ORANGE COUNTY SHERIFF'S STATION ROOF PROJECT

REPORT IN BRIEF:

The Orange County Sheriff's Station is located at 11100 S Cedar Street. The station is in dire need of roof maintenance. Staff recommends that the firm of Best Contracting Services, Inc. be retained for the maintenance work for the Orange County Sheriff's Station Roof Project. The maintenance cost for the Orange County Sheriff's Station's Station Roof Project is at \$28,705.60, which includes a 10% contingency.

RECOMMENDED ACTION:

1. That the City Council declares this project categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301h; and
2. Award a contract to Best Contracting Services, Inc. for the Orange County Sheriff's Station Roof Project for the amount of \$26,096.00; and
3. Authorize the City Manager to bind the City of Stanton and Best Contracting Services Inc. in a contract for the maintenance of the Orange County Sheriff's Station Roof Project; and
4. Authorize the City Manager to approve contract changes, not to exceed 10-percent.

BACKGROUND:

The Orange County Sheriff's Station in Stanton has been a proud provider of local law enforcement services within the City since February of 1988. In addition, the Sheriff's department provides different programs like the street and regional narcotics suppression programs, which enables our residents to sleep better at night. In order, to continue providing the City with these services, the Sheriff's Station needs to be in workable conditions. The damaged roof has caused water damaged throughout the building.

ANALYSIS/JUSTIFICATION:

The project was advertised for bids on January 22, 2019. Notices announcing the solicitation of bids for this project were posted in the F.W. Dodge and City website.

The summary is listed below:

RANK	Company	BID
1	Best Contracting Services, Inc.	\$ 26,096.00
2	LANG Roofway Inc.	\$ 32,645.00
3	Rite Way Roof Corp.	\$ 39,100.00

Staff has reviewed the submitted bid documents and found the low bidder in compliance with the contract documents. Staff has done a reference check on the firm and received good reviews on their quality of work.

FISCAL IMPACT:

Funds in the amount of \$28,705.60 are available from the Capital Project Fund account 305-2100-710145.

ENVIRONMENTAL IMPACT:

This project is categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301 (h) as replacement of existing facilities.

LEGAL REVIEW:

None.

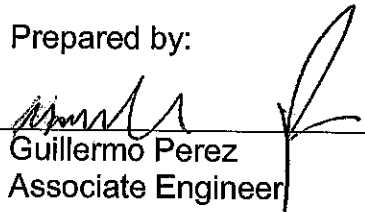
STRATEGIC PLAN OBJECTIVE ADDRESSED:

Provide a quality infrastructure.

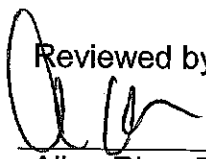
PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

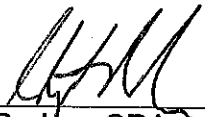
Prepared by:


Guillermo Perez
Associate Engineer

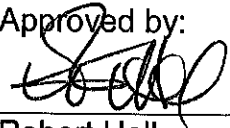
Reviewed by:


Allan Rigg, P.E. AICP
Director of Public Works

Concur:


Stephen Parker, CPA
Assistant City Manager

Approved by:


Robert Hall
Interim City Manager

ATTACHMENT:

(1) Contract

CITY OF STANTON CONTRACT

Orange County Sheriff's Station Roof Project

I.

This Contract is made and entered into on the 26th Day of February, 2019 by and between the City of **Stanton**, a California General Law Municipal Corporation ("City") and Best Contracting Services, Inc. ("Contractor"). City and Contractor, based upon their mutual promises contained herein and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, do hereby agree as follows:

The complete Contract includes all of the Contract Documents, to wit:

- A. Advertisement for Bids
- B. Information for Bidders
- C. Bid, dated
- D. Payment Bond
- E. Contract Performance Bond
- F. Certificates of Insurance, Certified Copies of Insurance Policies, and Endorsements
- G. Certified Copy of the record of action of the City Council of City of Stanton, Stanton, California.
- H. Latest Edition, Standard Specifications for Public Works Construction.

Each of such documents in their entirety are incorporated herein by this reference as if set forth in full.

II. BID AMOUNTS

The Contractor agrees to perform the work set forth and particularly described in the aforementioned documents, incorporated herein by reference, in consideration of the amount of the BASE BID, to wit: \$26,096.00.

III. BONDS

Contractor shall furnish a Labor and Material Bond in an amount equal to one-hundred percent (100%) of the Contract Price, and a Faithful Performance Bond in an amount equal to one-hundred percent (100%) of the Contract Price, said bonds to be secured from a surety company admitted and authorized to do business in California as such.

IV. INDEMNITY

Contractor and City agree that City, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys fees, litigation costs, defense costs, court costs, or any other cost arising out of or in any way related to the performance of this agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the City. Contractor acknowledges that City would not enter into this agreement in the absence of the commitment of Contractor to indemnify and protect City as set forth here.

To the full extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its employees, agents, and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged or threaten, actual attorney fees incurred by City, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually or impliedly, in whole or in part to the performance of this agreement. All obligations under this provision are to be paid by Contractor as they are incurred by the City.

Without affecting the rights of City under any provision of this agreement or this section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the sole fault of City, provided such sole fault is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the City is shown to have been solely at fault and not in instances where Contractor is solely or partially at fault or in instances where City's fault accounts for only a percentage of the liability involved. In those instances, the obligation of Contractor will be all-inclusive and City will be indemnified for all liability incurred, even though a percentage of the liability is attributable to conduct of the City.

Contractor acknowledges that its obligation pursuant to this section extends to liability attributable to City, if that liability is less than the sole fault of City. Contractor has no obligation under this agreement for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of City.

The obligations of Contractor under this or any other provision of this agreement will not be limited by the provisions of any workers compensation act or similar act. Contractor expressly waives its statutory immunity under such statues or laws as to City, its employees and officials.

Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, subtier contractor

or any other person or entity involved by, for, with or on behalf of Contractor in the performance or subject matter of this agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section.

Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth herein is binding on the successors, assigns, or heirs of Contractor and shall survive the termination of this agreement or this section.

V. INSURANCE

The Contractor shall secure and maintain throughout the term of the Contract the following types of insurance with limits as shown:

Workers Compensation - A program of Workers Compensation Insurance or a State-approved self Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employers Liability with One-Million Dollars (\$1,000,000.00) limits, covering all persons providing services on behalf of the Contractor and all risks to such persons under this Contract.

General Liability - Such general liability insurance shall be written with a limit of liability of not less than Two-Million Dollars (\$2,000,000.00) combined single limits for damages arising out of bodily-injury, including sickness and death, injury to or destruction of property of others, arising directly or indirectly out of or in connection with the performance of the Work under the Contract Documents including explosion, collapse, and underground exposure.

Vehicle Liability - Such vehicle liability insurance shall be written with a limit of liability of not less than One-Million Dollars (\$1,000,000.00) combined single limits for all bodily injury, including sickness and death or injury to or destruction of property of others, arising directly or indirectly out of or in connection with the performance of the Work under the Contract Documents including explosion, collapse, and underground exposure.

If the City determines to require the Contractor to procure such insurance, such insurance shall cover as insureds under all policies excepting workers compensation the City, its officers, employees, and agents. The policy or policies for such insurance may provide for a deductible amount not to exceed five percent (5%) of the Contract Price. As provided in Section 7105 of the California Public Contract Code, the Contractor is responsible for the cost of repairing or restoring work up to five percent (5%) of the contract amount.

All insurers shall be admitted and authorized to do business in California as insurance carriers.

Contractor shall immediately furnish certificates of insurance and the Contractor shall provide certified copies of all policies and endorsements to the City evidencing the insurance coverage above required prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the City, and shall maintain such insurance from the time Contractor commences performances of services hereunder until the completion of such services. Within thirty (30) days of award of the contract, Contractor shall provide City with certified copies of all insurance policies required hereunder.

All policies, with respect to the insurance coverage above required, except for the Workers' Compensation Insurance coverage and liability coverage, if applicable, shall obtain additional endorsements covering the City and its officers, employees, and agents, as insureds with respect to liabilities arising out of the performance of services hereunder.

The Contractor shall require the carriers of the above required coverage's to waive all rights of subrogation against the City, its officers, employees, contractors, agents, and subcontractors.

All policies required above are to be primary and noncontributing with any insurance or self-insurance programs carried or administered by the City.

VI. CONTRACT PRICE

The City agrees to pay, and the Contractor agrees to accept in full payment for the work outlined, in the Contract Documents, the sum of twenty-six thousand ninety-six dollars and zero cents (\$26,096.00) subject to additions and deductions, if any, in accordance with said documents. Payment shall not be made more often than once each thirty (30) days, nor shall amount paid be in excess of ninety percent (90%) of the Contract at time of completion. Final payment to be made thirty-five (35) days subsequent to filing of Notice of Completion. Contractor may, upon Contractor's written request, and approved by the City Council, at Contractor's expense, deposit eligible substitute securities, as described in Government Code Section 16430, and as authorized by Public Contract Code, Section 22300, in lieu of retention monies withheld to insure performance.

VII. COMMENCEMENT AND COMPLETION OF WORK

The Contractor shall commence the work required by this Contract within ten (10) days of the date specified in the Notice to Proceed and shall complete the Work within **Thirty (30)** working days. City and Contractor have discussed the provisions of Government Code Section 53069.85 and the damages which may be incurred by City if the Work is not completed within the time specified in this Contract. The City and Contractor hereby

represent that at the time of signing this Contract, it is impracticable and extremely difficult to fix the actual damage which will be incurred by City if the Work is not completed within the number of calendar days allowed. Accordingly, City and Contractor agree that the sum of One Thousand Dollars (\$1,000.00) per day is a reasonable sum to assess as damages to City by reason of the failure of Contractor to complete the Work within the time specified.

VIII. MISCELLANEOUS

The Contractor acknowledges that, in accordance with Section 1777.5 of the State Labor Code, he/she will be held responsible for compliance with the provisions of this Section for all apprenticeable occupations.

The Contractor hereby waives for himself/herself and for Contractor's Subcontractors any right Contractor may now or in the future possess in relation to this Contract and these Contract Documents and the work thereunder, to utilize the provisions of Civil Code Section 47(b) in any action, proceeding, or prosecution pursuant to California False Claims Act, Government Code Section 12650 et seq.

IX.

Contractor acknowledges and agrees that Contractor must have all appropriate contractor's licenses. Contractor further warrants and represents that he/she/they has/have the appropriate contractor's license to perform the work hereunder. Contractor's failure to have or maintain all appropriate licenses during the entire term of this contract, or any period thereof, shall be cause for the immediate and summary termination of this Contract by City. Contractor shall be liable for all City's costs to complete the work and this Contract.

X.

The person or persons executing this Contract on behalf of Contractor warrants and represents he/she/they has/have the authority to execute this Contract on behalf of his/her/their corporation, partnership, or business entity and warrant and represents that he/she/they has/have the authority to bind Contractor to the performance of its obligations hereunder.

XI.

This Contract contains the completely final, entire, and exclusive agreement between the parties with respect to the subject matter hereof, and no waiver, alteration, or modification of any of the provisions hereof or rights to act hereunder shall be binding unless in writing. Any attempted modification, amendment, or alteration in violation hereof shall be void.

IN WITNESS WHEREOF, each of the parties hereto has caused the Contract to be executed in its name on its behalf by a duly authorized officer as of this day and year first above written.

CITY OF STANTON:

[CONTRACTOR]:

By: _____
CITY MANAGER

By: _____
(Corporate Officer)

Title: _____

ATTEST:

Print Name: _____

By: _____
CITY CLERK

By: _____
(Corporate Officer)

APPROVED AS TO FORM:

Title: _____

Print Name: _____

By: _____
CITY ATTORNEY

NOTARY REQUIRED

Bond No. _____ Bond Premium _____

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

THAT WHEREAS, the City of Stanton (sometimes referred to hereinafter as "Obligee") has awarded Best Contracting Services, Inc. (hereinafter designated as the "Contractor"), a Contract for the work described as follows:

The work to be constructed hereunder is located in the **City of Stanton**. The work to be done consists of furnishing all materials, equipment, tools, labor, and incidentals as required by the Plans, Specifications and Contract Documents for the above stated project. The general items of work to be done shall consist of repairs to damaged roof and other items of work required to complete the scope of work detailed in the plans and specifications complete and in place.

WHEREAS, the work to be performed by the Contractor is more particularly set forth in that certain contract for the said Public Work dated February 26, 2019 (hereinafter referred to as the "Public Work Contract"), which Public Work Contract is incorporated herein by this reference; and

WHEREAS, the Contractor is required by said Public Work Contract to perform the terms thereof and to provide a bond both for the performance and guaranty thereof.

NOW, THEREFORE, we, _____, the undersigned Contractor, as Principal, and _____, a corporation organized and existing under the laws of the State of _____, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the City of Stanton in the sum of _____ Dollars (\$ _____) said sum being not less than one-hundred percent (100%) of the total amount payable by the said obligee under the terms of the said Public Work's Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the said Principal, his/her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the said Public Work Contract and any alteration thereof made as therein provided, on his/her or its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill the one-year guarantee of all materials and workmanship; and indemnify and save harmless the Oblige, its officers and agents, as stipulated in said Public Work Contract, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect. In case suit is brought upon this bond, the said Surety will pay to Oblige a reasonable attorneys fee to be fixed by the Court.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Public Work Contract or to the work to be performed thereunder or the Specifications accompanying the same shall in any way affect its obligations on this bond and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the Specifications.

No final settlement between the Obligee and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this day _____ of _____ 20 _____.

PRINCIPAL:

By: _____

SURETY:

By: _____
Attorney-in-Fact

The rate of premium on this bond is \$ _____ per thousand.

The total amount of premium charged, \$ _____. (The above must be filled in by corporate surety.)

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance Code, and if the work or project is financed, in whole or in part, with federal grant or loan funds, must also appear on the Treasury Departments most current list (Circular 570 as amended). **THIS IS A REQUIRED FORM.**

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, in the year 20 _____, before me, _____, a Notary Public in and for said State, personally appeared _____, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument as the Attorney-in-Fact _____ of the _____ (Surety) and acknowledged to me that he/she subscribed the name of the _____ (Surety) thereto and his/her own name as Attorney-in-Fact.

Notary Public in and for said State

(SEAL)

Commission expires: _____

NOTE: A copy of the power of attorney to local representatives of the bonding company must be attached hereto.

CERTIFICATE AS TO CORPORATE PRINCIPAL

I, _____, certify that I am the secretary of the corporation named as Principal to the within bond; that _____ who signed the said bond on behalf of the principal was then of said corporation; that I know his/her signature, and his/her signature thereto is genuine; and that said bond was duly signed, sealed, and attested for and in behalf of said Corporation by authority of its governing bond.

Signature

(CORPORATE SEAL)

Bond No. _____ Bond Premium _____

PAYMENT BOND
(LABOR AND MATERIALS)

KNOW ALL PERSONS BY THESE PRESENTS that:

THAT WHEREAS, the City of Stanton (referred to hereinafter as "Obligee") has Best Contracting Services, Inc. (hereinafter designated as the "Contractor"), a contract dated February 26, 2019, for work described as follows:

The work to be constructed hereunder is located in the **City of Stanton**. The work to be done consists of furnishing all materials, equipment, tools, labor, and incidentals as required by the Plans, Specifications and Contract Documents for the above stated project. The general items of work to be done shall consist of the repairs to damaged roof and other items of work required to complete the scope of work detailed in the plans and specifications complete and in place.

WHEREAS said Contractor is required to furnish a bond in connection with said Public Works Contract, and pursuant to Section 3247 of the California Civil Code;

NOW, THEREFORE, we, _____, the undersigned Contractor, as Principal and, a corporation organized and existing under the laws of the State of _____, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the _____ to any and all persons, companies or corporations entitled to file stop notices under Section 3181 of the California Civil Code in the sum of _____ Dollars (\$ _____), said sum being not less than one-hundred percent (100%) of the total amount payable by the said Obligee under the terms of the said Public Work Contract, for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if said Contractor, his/her or its heirs, executors, administrators, successors or assigns, or Subcontractors, shall fail to pay for any materials, provisions, provender or other supplies or teams, implements or machinery used in, upon, for or about the performance of the Public Work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of said Contractor and his/her Subcontractors pursuant to Section 18806 of the Revenue and Taxation Code with respect to such work and labor as required by the provisions of Section 3247 through 3252 of the Civil Code, the Surety or Sureties hereon will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In case suit is brought upon this bond, the said Surety or Sureties will pay a reasonable attorneys fee to be fixed by the Court. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to serve stop notices under Section 3181 of the Code, so as to give a right of action to them or their assigns any suit brought upon this bond.

The Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Public Work Contract or to the work to be performed thereunder or the Specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the Specifications.

No final settlement between the Obligee and the Contractor hereunder shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____.

PRINCIPAL:

By: _____

SURETY: _____

By: _____

Attorney-in-Fact

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance Code, and if the work or project is financed, in whole or in part, with federal grant or loan funds, must also appear on the Treasury Department's most current list (Circular 570 as amended). THIS IS A REQUIRED FORM.

COUNTY OF _____)

(Surety) thereto and his/her own name as Attorney-in-Fact.

12

AGREEMENT TO COMPLY WITH CALIFORNIA LABOR LAW REQUIREMENTS

[Labor Code §§ 1720, 1773.8, 1775, 1776, 1777.5, 1813, 1860, 1861, 3700]

The undersigned Contractor certifies that it is aware of and hereby agrees to fully comply with the following provisions of California law:

1. Contractor acknowledges that this contract is subject to the provisions of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works and the awarding public agency ("Agency") and agrees to be bound by all the provisions thereof as though set forth in full herein.
2. Contractor agrees to comply with the provisions of California Labor Code Section 1773.8 which requires the payment of travel and subsistence payments to each worker needed to execute the work to the extent required by law.
3. Contractor agrees to comply with the provisions of California Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the Agency, forfeit not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor.
4. Contractor agrees to comply with the provisions of California Labor Code Section 1776 which require Contractor and each subcontractor to (1) keep accurate payroll records, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform the Agency of the location of the records. The Contractor is responsible for compliance with Section 1776 by itself and all of its subcontractors.
5. Contractor agrees to comply with the provisions of California Labor Code Section 1777.5 concerning the employment of apprentices on public works projects, and further agrees that Contractor is responsible for compliance with Section 1777.5 by itself and all of its subcontractors.
6. Contractor agrees to comply with the provisions of California Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the Agency, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the California Labor Code.
7. California Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

Date _____

Signature _____

**STATEMENT ACKNOWLEDGING PENAL AND CIVIL PENALTIES
CONCERNING THE CONTRACTORS' LICENSING LAWS**

[Business & Professions Code § 7028.15]

[Public Contract Code § 20103.5]

I, the undersigned, certify that I am aware of the following provisions of California law and that I, or the entity on whose behalf this certification is given, hold a currently valid California contractor's license as set forth below (required at time of award):

Business & Professions Code § 7028.15:

(a) It is a misdemeanor for any person to submit a bid to a public agency in order to engage in the business or act in the capacity of a contractor within this state without having a license therefor, except in any of the following cases:

(1) The person is particularly exempted from this chapter.
(2) The bid is submitted on a state project governed by Section 10164 of the Public Contract Code or on any local agency project governed by Section 20104 [now § 20103.5] of the Public Contract Code.

(b) If a person has been previously convicted of the offense described in this section, the court shall impose a fine of 20 percent of the price of the contract under which the unlicensed person performed contracting work, or four thousand five hundred dollars (\$4,500), whichever is greater, or imprisonment in the county jail for not less than 10 days nor more than six months, or both.

In the event the person performing the contracting work has agreed to furnish materials and labor on an hourly basis, "the price of the contract" for the purposes of this subdivision means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

(c) This section shall not apply to a joint venture license, as required by Section 7029.1. However, at the time of making a bid as a joint venture, each person submitting the bid shall be subject to this section with respect to his or her individual licensure.

(d) This section shall not affect the right or ability of a licensed architect, land surveyor, or registered professional engineer to form joint ventures with licensed contractors to render services within the scope of their respective practices.

(e) Unless one of the foregoing exceptions applies, a bid submitted to a public agency by a contractor who is not licensed in accordance with this chapter shall be considered non-responsive and shall be rejected by the public agency. Unless one of the foregoing exceptions applies, a local public agency shall, before awarding a contract or issuing a purchase order, verify that the contractor was properly licensed when the contractor submitted the bid. Notwithstanding any other provision of law, unless one of the foregoing exceptions applies, the registrar may issue a citation to any public officer or employee of a public entity who knowingly awards a contract or issues a purchase order to a contractor who is not licensed pursuant to this chapter. The amount of civil penalties, appeal, and finality of such citations shall be subject to Sections 7028.7 to 7028.13, inclusive. Any contract awarded to, or any purchase order issued to, a contractor who is not licensed pursuant to this chapter is void.

(f) Any compliance or noncompliance with subdivision (e) of this section, as added by Chapter 863 of the Statutes of 1989, shall not invalidate any contract or bid awarded by a public agency during which time that subdivision was in effect.

(g) A public employee or officer shall not be subject to a citation pursuant to this section if the public employee, officer, or employing agency made an inquiry to the board for the purposes of

verifying the license status of any person or contractor and the board failed to respond to the inquiry within three business days. For purposes of this section, a telephone response by the board shall be deemed sufficient.

Public Contract Code § 20103.5:

In all contracts subject to this part where federal funds are involved, no bid submitted shall be invalidated by the failure of the bidder to be licensed in accordance with the laws of this state. However, at the time the contract is awarded, the contractor shall be properly licensed in accordance with the laws of this state. The first payment for work or material under any contract shall not be made unless and until the Registrar of Contractors verifies to the agency that the records of the Contractors' State License Board indicate that the contractor was properly licensed at the time the contract was awarded. Any bidder or contractor not so licensed shall be subject to all legal penalties imposed by law, including, but not limited to, any appropriate disciplinary action by the Contractors' State License Board. The agency shall include a statement to that effect in the standard form of pre-qualification questionnaire and financial statement.

Failure of the bidder to obtain proper and adequate licensing for an award of a contract shall constitute a failure to execute the contract and shall result in the forfeiture of the security of the bidder.

License no.: _____ Class: _____ Expiration date: _____

Date _____ Signature _____

INSURANCE REQUIREMENTS

The Contractor shall at all times during the terms of the Contract carry, maintain, and keep in full force and effect a policy or policies of comprehensive general liability insurance in which the City, along with its City Council and each member thereof, and every officer, official, agent, attorney, employee or volunteer of the City, is the named insured or is named as an additional insured with the Contractor in accordance with the General Provisions. The insurance company issuing such policy(ies) must be acceptable to, and approved by, the City Engineer and City Attorney. Contractor shall maintain limits of no less than Two Million Dollars (\$2,000,000) combined single limit coverage per occurrence for personal injury or death or property loss or damage which may arise from or relate directly or indirectly to the acts, operations or omissions of the performance of the Contractor and/or its subcontractors and/or the employees, agents, officers, officials or volunteers of either, in the performance of this Public Works Contract. Such insurance shall include coverage of no less than One Million Dollars (\$1,000,000) for all automobiles utilized by Contractor's or any subcontractor's employees or agents in the performance of the Contract. Contractor shall also provide an endorsement in the forms included in Book II.

WORKER'S COMPENSATION CERTIFICATE OF INSURANCE

WHEREAS, the CITY OF STANTON has required certain insurance to be provided by

NOW THEREFORE, the undersigned insurance company does hereby certify that it has issued the policy or policies described below to the following named insureds and that the same are in force at this time.

1. This certificate is issued to: CITY OF STANTON, City Hall, 7800 Katella Avenue, STANTON, CA 90680-3162.

2. The insureds under such policy or policies are: _____

3. Worker's Compensation Policy or Policies in a form approved by the Insurance Commissioner of California covering all operations of the named insureds, as follows:

POLICY NUMBER

EFFECTIVE DATE

EXPIRATION DATE

4. Said policy or policies shall not be canceled, voided or reduced in coverage or limits of liability, unless and until thirty days' advance written notice thereof has been served upon the City Clerk of the CITY OF STANTON.

By: _____
Its Authorized Representative

ADDITIONAL INSURED ENDORSEMENT COMPREHENSIVE GENERAL LIABILITY

Name and address of named insured ("Named Insured"):

Name and address of Insurance Company ("Company"):

OFFICIAL TITLE OF PROJECT: _____

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached (the "Policy") or in any endorsement now or hereafter attached thereto, it is agreed as follows:

1. The City of Stanton, its elected officials, officers, attorneys, agents, employees, and volunteers are additional insureds (the above named additional insureds are hereafter referred to as the "Additional Insureds") under the Policy in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured. The Additional Insureds have no liability for the payment of any premiums or assessments under the Policy.
2. The insurance coverages afforded the Additional Insureds under the Policy shall be primary insurance, and no other insurance maintained by the Additional Insureds shall be called upon to contribute with the insurance coverages provided by the Policy.
3. Each insurance coverage under the Policy shall apply separately to each Additional Insured against whom claim is made or suit is brought except with respect to the limits of the Company's liability.
4. Nothing in this contract of insurance shall be construed to preclude coverage of a claim by one insured under the policy against another insured under the policy. All such claims shall be covered as third-party claims, i.e., in the same manner as if separate policies had been issued to each insured. Nothing contained in this provision shall operate to increase or replicate the Company's limits of liability as provided under the policy.
5. The insurance afforded by the Policy for contractual liability insurance (subject to the terms, conditions and exclusions applicable to such insurance) includes liability assumed by the Named Insured under the indemnification and/or hold harmless provision(s) contained in or executed in conjunction with the written agreement(s) or permit(s) designated above, between the Named Insured and the Additional Insureds.
6. The policy to which this endorsement is attached shall not be subject to cancellation, change in coverage, reduction of limits (except as the result of the payment of claims), or non-renewal except after written notice to Public Agency, by certified mail, return receipt requested, not less than thirty (30) days prior to the effective date thereof. In the event of Company's failure to comply with this notice provision, the policy as initially drafted will continue in full force and effect until compliance with this notice requirement.
7. Company hereby waives all rights of subrogation and contribution against the Additional Insureds, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured regardless of any prior, concurrent, or subsequent active or passive negligence by the Additional Insureds.
8. It is hereby agreed that the laws of the State of California shall apply to and govern the validity, construction, interpretation, and enforcement of this contract of insurance.

9. This endorsement and all notices given hereunder shall be sent to Public Agency at:

Director of Public Works
City of Stanton
7800 Katella Avenue
Stanton CA 90680-3162

10. Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy to which this endorsement is attached.

TYPE OF COVERAGES TO WHICH THIS ENDORSEMENT ATTACHES	POLICY PERIOD FROM/TO	LIMITS OF LIABILITY
---	--------------------------	------------------------

11. Scheduled items or locations are to be identified on an attached sheet. The following inclusions relate to the above coverages. Includes:

- | | |
|--|--|
| <input type="checkbox"/> Contractual Liability | <input type="checkbox"/> Explosion Hazard |
| <input type="checkbox"/> Owners/Landlords/Tenants | <input type="checkbox"/> Collapse Hazard |
| <input type="checkbox"/> Manufacturers/Contractors | <input type="checkbox"/> Underground Property Damage |
| <input type="checkbox"/> Products/Completed Operations | <input type="checkbox"/> Pollution Liability |
| <input type="checkbox"/> Broad Form Property Damage | <input type="checkbox"/> Liquor Liability |
| <input type="checkbox"/> Extended Bodily Injury | <input type="checkbox"/> |
| <input type="checkbox"/> Broad Form Comprehensive | <input type="checkbox"/> |
| <input type="checkbox"/> General Liability Endorsement | |

12. A ☐ deductible or ☐ self-insured retention (check one) of \$ _____ applies to all coverage(s) except: _____ (if none, so state). The deductible is applicable ☐ per claim or ☐ per occurrence (check one).

13. This is an ☐ occurrence or ☐ claims made policy (check one).

14. This endorsement is effective on _____ at 12:01 A.M. and forms a part of Policy Number _____.

I, _____ (print name), hereby declare under penalty of perjury under the laws of the State of California, that I have the authority to bind the Company to this endorsement and that by my execution hereof, I do so bind the Company.

Executed _____, 20_____

Signature of Authorized Representative

(Original signature only; no facsimile signature or initialed signature accepted)

Phone No.: () _____

ADDITIONAL INSURED ENDORSEMENT AUTOMOBILE LIABILITY

Name and address of named insured ("Named Insured"):

Name and address of Insurance Company ("Company"):

OFFICIAL TITLE OF PROJECT:

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached (the "Policy") or in any endorsement now or hereafter attached thereto, it is agreed as follows: The City of Stanton, its elected officials, officers, attorneys, agents, employees, and volunteers are additional insureds (the above named additional insureds are hereafter referred to as the "Additional Insureds") under the Policy in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured. The Additional Insureds have no liability for the payment of any premiums or assessments under the Policy.

1. The insurance coverages afforded the Additional Insureds under the Policy shall be primary insurance, and no other insurance maintained by the Additional Insureds shall be called upon to contribute with the insurance coverages provided by the Policy.
2. Each insurance coverage under the Policy shall apply separately to each Additional Insured against whom claim is made or suit is brought except with respect to the limits of the Company's liability.
3. Nothing in this contract of insurance shall be construed to preclude coverage of a claim by one insured under the policy against another insured under the policy. All such claims shall be covered as third-party claims, i.e., in the same manner as if separate policies had been issued to each insured. Nothing contained in this provision shall operate to increase or replicate the Company's limits of liability as provided under the policy.
4. The insurance afforded by the Policy for contractual liability insurance (subject to the terms, conditions and exclusions applicable to such insurance) includes liability assumed by the Named Insured under the indemnification and/or hold harmless provision(s) contained or executed in conjunction with the written agreement(s) or permit(s) designated above, between the Named Insured and the Additional Insureds.
5. The policy to which this endorsement is attached shall not be subject to cancellation, change in coverage, reduction of limits (except as the result of the payment of claims), or non-renewal except after written notice to Public Agency, by certified mail, return receipt requested, not less than thirty (30) days prior to the effective date thereto. In the event of Company's failure to comply with this notice provision, the policy as initially drafted will continue in full force and effect until compliance with this notice requirement.
6. Company hereby waives all rights of subrogation and contribution against the Additional Insureds, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured regardless of any prior, concurrent, or subsequent active or passive negligence by the Additional Insureds.

It is hereby agreed that the laws of the State of California shall apply to and govern the validity, construction, interpretation, and enforcement of this contract of insurance.

This endorsement and all notices given hereunder shall be sent to Public Agency at:

Director of Public Works
City of Stanton
7800 Katella Avenue
Stanton, CA 90680-3162

7. Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy to which this endorsement is attached.

TYPE OF COVERAGES TO WHICH
LIMITS OF
THIS ENDORSEMENT ATTACHES
LIABILITY

POLICY PERIOD
FROM/ TO

Scheduled items or locations are to be identified on an attached sheet. The following inclusions relate to the above coverages. Includes:

- | | |
|--|--|
| <input type="checkbox"/> Any Automobiles | <input type="checkbox"/> Truckers Coverage |
| <input type="checkbox"/> All Owned Automobiles | <input type="checkbox"/> Motor Carrier Act |
| <input type="checkbox"/> Non-owned Automobiles | <input type="checkbox"/> Bus Regulatory Reform Act |
| <input type="checkbox"/> Hired Automobiles | <input type="checkbox"/> Public Livery Coverage |
| <input type="checkbox"/> Scheduled Automobiles | <input type="checkbox"/> |
| <input type="checkbox"/> Garage Coverage | <input type="checkbox"/> |

11. A ☐ deductible or ☐ self-insured retention (check one) of \$ _____ applies to all coverage(s) except: _____
(if none, so state). The deductible is applicable ☐ per claim or ☐ per occurrence (check one).

12. This is an ☐ occurrence or ☐ claims made policy (check one).

13. This endorsement is effective on _____ at 12:01 A.M. and forms a part of Policy Number _____

I, _____ (print name),
hereby declare under penalty of perjury under the laws of the State of California, that I have the authority to bind the Company to this endorsement and that by my execution hereof, I do so bind the Company.

Executed _____, 20_____

Signature of Authorized Representative

(Original signature only; no facsimile signature or initialed signature accepted)

Phone No.: () _____

ADDITIONAL INSURED ENDORSEMENT EXCESS LIABILITY

Name and address of named insured ("Named Insured"):

Name and address of Insurance Company ("Company"):

OFFICIAL TITLE OF PROJECT: _____

Notwithstanding any inconsistent statement in the policy to which this endorsement is attached (the "Policy") or in any endorsement now or hereafter attached thereto, it is agreed as follows:

1. The City of Stanton, its elected officials, officers, attorneys, agents, employees, and volunteers are additional insureds (the above named additional insureds are hereafter referred to as the "Additional Insureds") under the Policy in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured. The Additional Insureds have no liability for the payment of any premiums or assessments under the Policy.
2. The insurance coverages afforded the Additional Insureds under the Policy shall be primary insurance, and no other insurance maintained by the Additional Insureds shall be called upon to contribute with the insurance coverages provided by the Policy.
3. Each insurance coverage under the Policy shall apply separately to each Additional Insured against whom claim is made or suit is brought except with respect to the limits of the Company's liability.
4. Nothing in this contract of insurance shall be construed to preclude coverage of a claim by one insured under the policy against another insured under the policy. All such claims shall be covered as third-party claims, i.e., in the same manner as if separate policies had been issued to each insured. Nothing contained in this provision shall operate to increase or replicate the Company's limits of liability as provided under the policy.
5. The insurance afforded by the Policy for contractual liability insurance (subject to the terms, conditions and exclusions applicable to such insurance) includes liability assumed by the Named Insured under the indemnification and/or hold harmless provision(s) contained in or executed in conjunction with the written agreement(s) or permit(s) designated above, between the Named Insured and the Additional Insureds.
6. The policy to which this endorsement is attached shall not be subject to cancellation, change in coverage, reduction of limits (except as the result of the payment of claims), or non-renewal except after written notice to Public Agency, by certified mail, return receipt requested, not less than thirty (30) days prior to the effective date thereto. In the event of Company's failure to comply with this notice provision, the policy as initially drafted will continue in full force and effect until compliance with this notice requirement.
7. Company hereby waives all rights of subrogation and contribution against the Additional Insureds, while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in relation to those activities described generally above with regard to operations performed by or on behalf of the Named Insured regardless of any prior, concurrent, or subsequent active or passive negligence by the Additional Insureds.
8. It is hereby agreed that the laws of the State of California shall apply to and govern the validity, construction, interpretation, and enforcement of this contract of insurance.

9. This endorsement and all notices given hereunder shall be sent to Public Agency at:

Director of Public Works
City of Stanton
7800 Katella Avenue
Stanton, CA 90680-3162

10. Except as stated above and not in conflict with this endorsement, nothing contained herein shall be held to waive, alter or extend any of the limits, agreements, or exclusions of the policy to which this endorsement is attached.

TYPE OF COVERAGES TO WHICH
LIMITS OF
THIS ENDORSEMENT ATTACHES
LIABILITY

POLICY PERIOD

FROM/TO

- ☐ Following Form
☐ Umbrella Liability
☐

10. Applicable underlying coverages:
INSURANCE COMPANY
AMOUNT

POLICY NO.

11. The following inclusions, exclusions, extensions or specific provisions relate to the above coverages:

12. A ☐ deductible or ☐ self-insured retention (check one) of \$ _____
applies to all coverage(s) except: _____
(if none, so state). The deductible is applicable ☐ per claim or ☐ per occurrence (check one).

13. This is an ☐ occurrence or ☐ claims made policy (check one).

14. This endorsement is effective on _____ at 12:01 A.M. and forms a part of Policy Number _____

I, _____ (print name), hereby declare under penalty of perjury under the laws of the State of California, that I have the authority to bind the Company to this endorsement and that by my execution hereof, I do so bind the Company.

Executed _____, 20____

Signature of Authorized Representative

(Original signature only; no facsimile signature or initialed signature accepted)

Phone No.: () _____

PREVAILING WAGES

NOTICE IS FURTHER GIVEN that the City Council has obtained the general prevailing rate of per diem wages in accordance with law to be paid for the construction of the above Work and Improvements. The schedule has been obtained from the Director of the Department of Industrial Relations, pursuant to the provisions of Section 1773 of the Labor Code of the State of California, and reference is hereby made to copies thereof on file in the City's Office, which said copies are available to any interested party upon request. Further, a copy shall be posted at each job site during the course of construction. If prevailing wages change within 10 days of the bid opening date, new prevailing wages will be used.

WAGE RATES AND LABOR CODE REQUIREMENTS

Apprentices

Section 1777.5 requires the Contractor or Subcontractor employing tradesmen in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the contract.

The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeship trade and if other contractors on the public works site are making such contributions.

Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards.

LEGAL RELATIONS AND RESPONSIBILITY

The Contractor shall keep himself/herself fully informed of all existing and future State and Federal laws and all county and city ordinances and regulations which in any manner affect the conduct of the Work, and all of such orders and decrees of bodies or tribunals having any jurisdiction or authority over same. If any discrepancy or inconsistency is discovered in the Contract Documents or the Contract for the Work in relation to any such law, ordinance, regulation, order, or decree, he/she shall forthwith report the same to the Engineer in writing. He/she shall at all times observe and comply with and shall cause all his/her agents and employees to observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall indemnify, protect, defend, and hold harmless the City, the Engineer, and all of their officers, employees, and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by himself/herself or his/her employees, agents, or representatives.

The Contractor's attention is directed to Division 2, Part 7, Chapter 1 of the Labor Code of California and especially to Article 2 (Wages); and Article 3 (Working Hours).

- a. The Director of the Department of Industrial Relations has found and determined the general prevailing rates of wages in the locality in which the public work is to be performed, copies of which are maintained at the City's principal office, and are available to any interested party on request. Contractor shall post a copy of said document at each job site. The Contractor shall forfeit to the City a penalty of twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rate, and shall in addition pay to each worker for each such day the difference between the prevailing rate and the actual wage paid.
- b. In accordance with Sections 1173.1 and 1773.8 of the Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the Work as such travel and subsistence payments are defined in the applicable collective bargaining assurances filed with the Department of Industrial Relations.
- c. Pursuant to Labor Code Section 1810 et seq., it is stipulated hereby that eight (8) hours labor constitutes a legal day's work hereunder.
- d. Pursuant to Labor Code Section 1813, it is stipulated hereby that the Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by the Contractor or by any Subcontractor hereunder for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than one and one-half (1 1/2) times the base rate of pay, in violation of the provisions of Article 3 (commencing with Section 1810), Chapter 1, Part 7, Division 2, of the Labor Code.
- e. The Contractor is aware of and will comply with the provisions of Labor Code Sections 1777.5 and 1777.6, as amended effective January 1, 1977, with respect to the employment of apprentices. Pursuant to Section 1777.5, it is hereby stipulated that the

Contractor will be responsible for obtaining compliance therewith on the part of any and all Subcontractors employed by him/her in connection with this Contract.

In accordance with Section 1777.3 of said Labor Code, the City will file with the Department of Industrial Relations, Division of Apprenticeship Standards, on "Extract of Public Works Contract Award" upon issuing the Notice of Award in the form appended hereto and made a part hereof as page 1-9.3.

- f. Attention is directed to the provisions in Section 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any Subcontractor under him/her.

The Contractor and any Subcontractor under him/her shall comply with the requirements of Section 1777.5 and 1777.6 of the Labor Code in the employment of apprentices.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch office .

Willful violations of Section 1777.5 will result in a forfeiture of fifty dollars (\$50.00) for each calendar day of noncompliance which shall be withheld from progress payments by City upon notice from the Department of Industrial Relations. (Labor Code 1777.7).

WAGE RATES AND LABOR CODE REQUIREMENTS

Wage Rates:

This is a Federally assisted project and Davis-Bacon will be enforced. Federal and State wage rates are applicable to both the prime Contractor and subcontractors. The higher wage rate between the Federal and State wage determinations will be enforced. The Federal Labor Standards Provisions (Form HUD-4010) and the Federal Wage Determination are incorporated into these Provisions. They are considered a physical part of the Contract Agreement and full compliance will be enforced. The same Federal language and wage determinations will be included in an Agreement resulting for the original Agreement.

Apprentices

Section 1777.5 requires the Contractor or Subcontractor employing tradesmen in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the contract.

The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeship trade and if other contractors on the public works site are making such contributions.

Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards.

**City Business License Forms and
Vendor Data Sheet**

ORANGE COUNTY SHERIFF'S STATION **ROOF PROJECT**

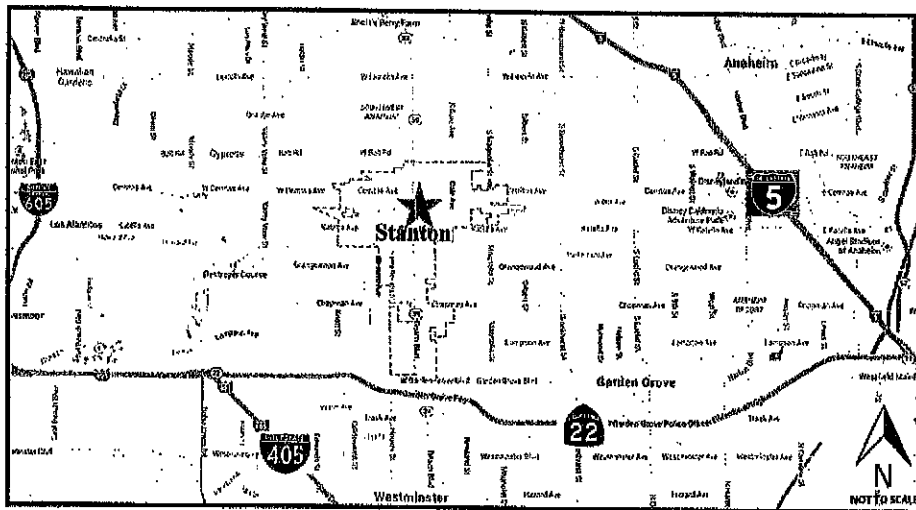
BID REQUEST

The Orange County Sheriff's Station located at 11100 S Cedar Street, Stanton, Ca 90680. The City is requesting bids to provide general roof maintenance on the low slope built-up cap sheet roof areas at the above address. **All quotes for the work are to be submitted via email to the City of Stanton Public Works Department at gperez@ci.stanton.ca.us by 2:00 P.M. February 6, 2019.**

The Contractor shall design, furnish all necessary materials, labor, equipment and other incidental and appurtenant work necessary for the proper construction of this project, including but not limited to the following: See Appendix A. **Mandatory Job Walk** is scheduled for Tuesday, January 29th at 2 p.m. in front of the Sheriff's Station.

The successful bidder selected to complete the work shall possess a valid contractor's license, and shall comply with any applicable City requirements concerning contractor qualifications. Submission of a bid by a bidder without a license subjects the bidder to civil penalties pursuant to Business & Professions Code section § 7028.15. The bidder must possess a Class-A or C-39 Contractor License in the State of California. The Contractor shall not begin work under the Agreement until it has given the City evidence of comprehensive public liability insurance and Workers' Compensation Insurance coverage together with additional Insured Endorsements. Pursuant to Section § 1770 et. seq. of the Labor Code of the State of California, the Director of the Department of Industrial Relations has determined the general prevailing rate of wages applicable to the work to be done. The contractor selected to complete the work and subcontractors under him/her must pay not less than these rates to all workers employed to complete the required work.

DOCUMENTS TO SUBMIT WITH BID:



By *AR*
Allan Rigg P.E., Director of Public Works/City Engineer

1/22/19
Date

These Contract Documents are the exclusive property of the Agency and shall not be used in any manner without prior consent of the Agency. Any reuse of these documents by others shall be at Other's sole risk and without liability to the Agency.

BID SHEET

ORANGE COUNTRY SHERIFF'S STATION PROJECT

BIDDER NAME: Best Contracting Services, Inc.

PRINT or TYPE

#	DESCRIPTION	ESTIMATED QUANTITY	UNIT QTY	ITEM COST (Numbers)
1	All necessary materials, labor, equipment and other incidental and appurtenant work necessary for the proper construction of this project.	1	LS	\$26,096.00

**Total Base Bid in
NUMBERS:**

\$ 26,096.00

**Total Base Bid in
WORDS:**

Twenty Six Thousand Ninety Six Dollars

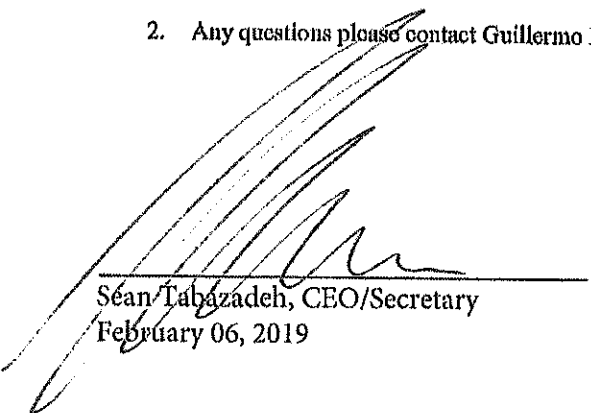
and Zero

Cents

NOTE. The City reserves the right or for various alternates and reserves the right to reject all bids and re-advertise, as appears to be in its best interests of the City. A bid is required for this entire work, the estimated quantities set forth in this Bid Sheet being solely for the purpose of comparing bids, and final compensation under the Contract will be based upon the actual quantities of work satisfactorily completed. The unit and/or lump sum prices bid shall include all appurtenant expenses, taxes, royalties, and fees. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts, and words shall govern over figures. The City reserves the right to increase or decrease the amount of any quantity shown.

GUIDELINES:

1. Contractor to submit material for approval prior start of the project for approval.
2. Any questions please contact Guillermo Perez at 714-890-4204.


Sean Tabazadeh, CEO/Secretary
February 06, 2019

Appendix A

Investigate the source of all previously reported or visibly detected interior roof ceiling or substrate damage. (Special attention will be given to the re-occurring water intrusion above the copy machine in the North West corner.) Repair all discovered causes of said interior or substrate damage as needed. All discovered unusual, unrepairable, or non-roof related sources of water intrusion will be reported to the Public Works Supervisor (Scott Jensen) immediately upon discovery.

Clean prime and repair all lifting or separated perimeter edge metal laps with a 3-course (plastic cement, Webb fabric, plastic roof cement) system. Paint with white reflective roof paint. Delaminating perimeter edge metal needs replacement aprx. 150-250 linear feet in total. Areas of concern are Located along the North, South, East, and West side of the building.

Inspect all large privacy screen stanchion pitch pans (aprx. 48) for signs of excessive movement, leaks and deterioration. Repair as needed.

Inspect all HVAC housings, condensate lines, sheet metal cabinets, gaskets and equipment bases. Report any suspect or unrepairable situations to Public Works Supervisor (Scott Jensen) immediately upon discovery.

Refill all pitch pans and/ or chem. Curbs, with the appropriate compatible sealant. Reinforce and re seal with fabric as necessary.

Reseal plumbing and heating penetration flashings as needed. Cracked or split flashings will be reinforced with an elastomeric sealant and reinforced with web fabric in a 3 course fashion.

Clear all perimeter trough style gutters and drains of all debris. Clean out interior drains and make sure they are functioning properly. Check strainers and clamping rings, reseal and re secure as needed. Any non roof related plumbing drain line cracks or defects in any interior or exterior drain will be reported to Public Works Supervisor (Scott Jensen) upon discovery. Any needed corrective plumbing is not covered in this scope of work.

Repair all visible membrane defects. All loose and or delaminated cap sheet membrane laps will be primed and sealed in 3 course fashion with an application of white topical roof cement, Webb reinforcing fabric and white topical roof cement.

Re secure all loose counter flashings and inspect for signs of movement. Repair and or re-seal as needed. Paint all plastic cement work and repairs with white reflective paint or coat with clay asphalt emulsion and embed ceramic granules.

Remove all debris post and newly generated, including but not limited to, abandoned material dirt, dust, silt, loose granules, vegetation and leaves from the roof and haul off site for proper disposal. No private trash cans and or dumpster bins will be used.

Evidence Room Building:

Scope of work:

Repair the roof with a 4- ply hot mop roofing system at leak area (10' x 15')
Spud back rock roofing in the A/C leak area haul away old rock (10' x 15') Replace bad sheathing boards as needed. Install a fiber cant strip in all angles, Apply (1) layer of 28# fiberglass base sheet, nailed to sheathing. Install new sheet metal roof pipe flashing. Apply (3) layers of 11# fiberglass ply sheet mopped solid with hot Asphalt, between each layer and apply gravel rock over ply sheets. Apply 72# fiberglass mineral surfaced cap sheet on the parapet wall. Install a pitch pan around A/C penetration. Clean up and haul away generated debris.

Storage Building:

Repair the leak area along the West side of the building aprx. 25 linear feet of torch down and replace aprx. 25 linear feet of drip edge metal flashing.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 26, 2018

SUBJECT: AWARD OF A PROFESSIONAL SERVICES AGREEMENT FOR THE DESIGN OF THE CITYWIDE STREET RECONSTRUCTION DESIGN PROJECT TO TAIT & ASSOCIATES

REPORT IN BRIEF:

The Citywide Street Reconstruction Design Project will improve infrastructure throughout the City of Stanton. Staff recommends that the firm TAIT & Associates be retained for the design services of this project.

RECOMMENDED ACTION:

1. Declare that the project is exempt from the California Environmental Quality Act ("CEQA") under Section 15301(c) – Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and
2. City Council approve a Professional Services Agreement with TAIT & Associates for design support and development of plans for the Citywide Street Reconstruction Design Project for the maximum contract sum of \$108,980; and
3. Authorize the City Manager to bind the City of Stanton and TAIT & Associates in a contract to provide these services.

BACKGROUND:

The Citywide Street Reconstruction Project will improve major arterial streets within our city. Knott Avenue between Katella Avenue and Cerritos Avenue as identified in the City's Pavement Management Plan for FY19/20, portions of Cerritos Avenue, Lampson Avenue, Magnolia Avenue, Orangewood Avenue and Purdue Way will be addressed. Three separate sets of construction documents will be produced under this contract.

ANALYSIS/JUSTIFICATION:

On December 20, 2018 a Request for Proposals was issued to qualified engineering firms to provide design services for the Citywide Street Reconstruction Design Project. The proposals were due back to the City on January 22, 2019. Five (5) proposals were received and reviewed by a panel of City staff members represented by the Public Works Department.

Staff was impressed with the proposal submitted by TAIT & Associates. Staff believes TAIT & Associates is the firm best qualified to design the Citywide Street Reconstruction Design Project. TAIT & Associates has extensive experience in designing similar projects and has successfully provided infrastructure design services for other municipalities within Orange County. Staff has used TAIT & Associates in the past for the Overlay Project, Alley Reconstruction and Cerritos Avenue Widening projects.

As part of this Professional Services Agreement, the designer will be required to hold community meetings with the residents/business owners adjacent to the project site to obtain their input on the project and to address their concerns.

FISCAL IMPACT:

Funds for the Citywide Street Reconstruction Design Project have been budgeted in Measure-M Fund Account 220-3510-710190, Gas Tax Fund 211-3500-710190 and RMRA Fund 215-3500-710190.

ENVIRONMENTAL IMPACT:

None at this time. The project will comply with the California Environmental Quality Act and will be discussed further at the time of award of construction.

LEGAL REVIEW:

None.

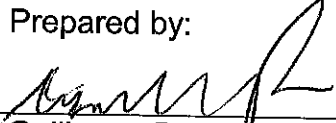
STRATEGIC PLAN OBJECTIVE ADDRESSED:

3 – Provide a quality infrastructure.


PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

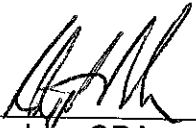
Prepared by:


Guillermo Perez
Associate Engineer

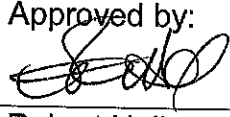
Reviewed by:


Allan Rigg, P.E. AICP
Director of Public Works

Concur:


Stephen Parker, CPA
Assistant City Manager

Approved by:


Robert Hall
Interim City Manager

Attachments:

(1) Professional Services Agreement

**CITY OF STANTON
PROFESSIONAL SERVICES AGREEMENT
FOR CITYWIDE STREET RECONSTRUCTION DESIGN SERVICES**

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 20____, by and between the City of Stanton, a municipal organization organized under the laws of the State of California with its principal place of business at 7800 Katella Avenue, Stanton, California 90680 ("City") and TAIT & Associates, a California Corporation, with its principal place of business at 701 North Parkcenter Drive, Santa Ana, California 92705 ("Consultant"). City and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of professional pavement engineering consultant services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional pavement engineering consultant services to public clients, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project.

City desires to engage Consultant to render such services for the Citywide Street Reconstruction Design Project ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional pavement engineering consultant services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from February 26, 2019 to December 30, 2019, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant shall complete, execute, and submit to City a Request for Taxpayer Identification Number and Certification (IRS Form W-9) prior to commencement of any Services under this Agreement. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: Allan Rigg.

3.2.5 City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. The City Manager hereby designates the Public Works Director, or his or her designee, as the City's contact for the implementation of the Services hereunder.

Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Jacob Vandervis, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.2.10.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, the Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance. If the existing policies do not meet the Insurance Requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

- (a) **Commercial General Liability:** Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least \$1,000,000 per occurrence, and if written with an aggregate, the aggregate shall be double the per occurrence limit. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

- (b) **Automobile Liability Insurance:** Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of \$1,000,000 each accident.
- (c) **Professional Liability:** Professional Liability insurance with minimum limits of \$1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.).

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

- (d) **Workers' Compensation:** Workers' Compensation Insurance, as required by the State of California and Employer's Liability

Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

3.2.10.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval.

- (a) The policy or policies of insurance required by Section 3.2.10.2 (a) Commercial General Liability and (c) Contractor's Pollution Liability shall be endorsed to provide the following:

- (1) Additional Insured: The City, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement.

Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

- (2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

- (b) The policy or policies of insurance required by Section 3.2.10.2 (b) Automobile Liability and (d) Professional Liability shall be endorsed to provide the following:

- (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

- (c) The policy or policies of insurance required by Section 3.2.10.2 (e) Workers' Compensation shall be endorsed to provide the following:

- (1) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

- (2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City

except ten (10) days shall be allowed for non-payment of premium.

3.2.10.4 Primary and Non-Contributing Insurance. All insurance coverages shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.10.5 Waiver of Subrogation. Required insurance coverages shall not prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

3.2.10.6 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.10.7 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.10.8 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due Consultant until Consultant has fully complied with the insurance provisions of this Agreement.

In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Services because of production lost during suspension.

3.2.10.9 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.10.10 Insurance for Subconsultants. All Subconsultants shall be included as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing Subconsultants to purchase the appropriate insurance in compliance with

the terms of these Insurance Requirements, including adding the City as an Additional Insured to the Subconsultant's policies.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "A" attached hereto and incorporated herein by reference. The total compensation shall not exceed one hundred and eighth thousand nine hundred eighty dollars (\$108,980) ("Total Compensation") without written approval of City's City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation.

Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of

prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

TAIT & Associates, Inc.
701 N. Parkcenter Dr.
Santa Ana, California 92705
Attn: David Sloan

City:

City of Stanton
7800 Katella Avenue
Stanton, CA 90680
Attn: Allan Rigg

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

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or

the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.5.3.3 Confidential Information. The City shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the City's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the City shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the Release Notice to give City written notice of Consultant's objection to the City's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the City, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. City shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Consultant fails to fully indemnify, defend (with City's choice of legal counsel), and hold City harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that City release such information.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification.

To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorneys fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Consultant or the City, its officials, officers, employees, agents or volunteers.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent

jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

3.5.7 **Entire Agreement.** This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.8 **Governing Law.** This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.5.9 **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

3.6 **City's Right to Employ Other Consultants.** City reserves right to employ other consultants in connection with this Project.

3.7 **Successors and Assigns.** This Agreement shall be binding on the successors and assigns of the parties.

3.8 **Assignment or Transfer.** Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.9 **Construction; References; Captions.** Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.10 **Amendment; Modification.** No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.11 **Waiver.** No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.12 **No Third Party Beneficiaries.** There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.14 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.15 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.16 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.17 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.19 Declaration of Political Contributions. Consultant shall, throughout the term of this Agreement, submit to City an annual statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of Consultant's employees, including any employee(s) that Consultant intends to assign to perform the Services described in this Agreement.

3.20 Subcontracting.

3.20.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Professional Services Agreement on this ____ day of _____, 201__.

CITY OF STANTON

[INSERT NAME OF CONSULTANT]

By: _____
Bob Hall
Interim City Manager

By: _____
Name: _____
Title: _____

[If Corporation, TWO SIGNATURES,
President **OR** Vice President **AND** Secretary,
AND CORPORATE SEAL OF
CONSULTANT REQUIRED]

ATTEST:

By: _____
Patricia Vazquez
City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
City Attorney

EXHIBIT "A"

SCOPE OF SERVICES/SCHEDULE OF SERVICES/COMPENSATION

**TAIT & ASSOCIATES PROPOSAL FOR
CITYWIDE STREET RECONSTRUCTION DESIGN SERVICES
PROJECT FINANCIAL SUMMARY**

Total Estimated Fee: \$ 108,980
Total Estimated Fee + Optional Items: \$ 236,940

BILLING RATES		210	200	155	110	180	135	310	TOTAL PROJECT COSTS			
WORK TASK	TASK #	PM	QA/QC	Project Engineer	Designer I	Survey PM	Survey Designer	2-Man Crew	Consultant/Expense	ITEM TOTALS		
										HOURS	BILLABLE	
Design Kickoff Meeting & Project Team Meetings (Total of 4 Meetings)												
Existing Records Research & Field Walk	1	8	0	12	0	0	0	0	\$ -	20	\$ 3,540	
Utility Notification & Coordination	2	0	0	40	40	0	0	0	\$ -	80	\$ 10,600	
Project Basemaps	3	0	0	4	24	0	0	0	\$ -	28	\$ 3,260	
Pavement Design Cost Scenarios	4	2	0	24	80	0	0	0	\$ -	106	\$ 12,940	
Design Plans	5	8	0	24	40	0	0	0	\$ -	72	\$ 9,800	
Title Sheet	6	28	4	94	268	0	0	0	\$ -	392	\$ 50,310	
Notes, Details, & Typical Sections	6.1	0	0	2	4	0	0	0	\$ -	6	\$ 750	
Street Improvement Plans	6.2	2	0	16	40	0	0	0	\$ -	58	\$ 7,300	
Signing & Striping Plans	6.3	16	0	40	120	0	0	0	\$ -	176	\$ 22,760	
QA/QC, Compilation, and Submittal of PS&E	6.4	4	0	24	80	0	0	0	\$ -	108	\$ 13,360	
Project Specifications	6.5	4	4	12	24	0	0	0	\$ -	44	\$ 6,140	
Quantity Calculation & Cost Estimate	7	4	2	20	0	0	0	0	\$ -	26	\$ 4,340	
Mylar and Design File Submittal	8	2	1	8	20	0	0	0	\$ -	31	\$ 4,060	
Construction Support Services (As Needed)	9	2	0	8	8	0	0	0	\$ -	18	\$ 2,540	
	10	8	0	22	0	0	0	0	\$ -	30	\$ 5,090	

BILLING RATES		210	200	155	110	180	135	310	TOTAL PROJECT COSTS			
WORK TASK	TASK #	PM	QA/QC	Project Engineer	Designer I	Survey PM	Survey Designer	2-Man Crew	Consultant/Expense	ITEM TOTALS		
										HOURS	BILLABLE	
Optional Items												
Design Topographic Survey	A-1						4	80	\$ -	164	\$ 36,320	
Geotechnical Investigation (Allowance)	A-2								\$ 40,000	0	\$ 40,000	
Plan & Profile Design (Reconstruction)	A-3	20	0	100	240		0	0	\$ -	360	\$ 46,100	
Roadway Plan & Profile (6 Added Sheets)		8		40	100		0	0	\$ -	148	\$ 18,880	
Intersection Grid Grades (8 Added Sheets)		4		20	60		0	0	\$ -	84	\$ 10,540	
Design Cross Sections (30 Added Sheets - ~350 Sections)		8		40	80		0	0	\$ -	128	\$ 16,680	
Railroad Permit Processing	A-4	2		16	24					42	\$ 5,540	
		42	0	216	504	4	80	80	\$ 40,000	926	\$ 127,960	

CLIENT: City of Stanton
PROJECT: Citywide Street Reconstruction
PREPARED BY: DS 2019.01.22

TOTAL BASE FEE + OPTIONAL ITEMS: \$ 236,940



Schedule of Fees

1. Employee Classification

	Hourly Rate
06 – Engineering/Architect Assistant	70.00
18 – Project Administrator	90.00
04 - Designer I	110.00
10 - Designer II	135.00
03 - Project Engineer / Project Architect / Senior Environmental Scientist	155.00
02 – Project Manager / Licensed Surveyor	180.00
17 - Senior Project Manager / Senior Surveyor / Senior Architect	200.00
01 - Principal	210.00
11 - Permit Specialist / Environmental Scientist I / CADD Technician	100.00
09 - Research Analyst / Lead-Asbestos Technician / Environmental Scientist II	110.00
07 – Field Surveyor	90.00
08 – Field Surveyor Party Chief	125.00
00 - Two man survey crew	310.00**
22 - One Man Survey Crew with Robotics	200.00**
00 – Three Man Survey Crew	400.00**

The hourly rate for client authorized overtime and for representation at hearings and meetings after 6:00 p.m. will be invoiced at 1.5 times the posted rate.

The above rates are inclusive of phone charges, fax charges, software and licensing fees, and photocopying charges.

** Survey hourly rates based on Prevailing Wage Rates as of 6/15/2017.

2. Mileage, Travel and Per Diem

Auto Mileage: IRS Rate plus 15 percent

Air Travel and Auto Rental: Actual cost plus 15 percent

Per Diem: Actual cost of lodging and meals, plus 15 percent

3. Materials and Supplies

Office and CADD supplies are included in the hourly rates. Prints, plots and reproductions are charged at cost plus 15 percent from commercial blueprint companies. In-house reproduction charges are as follows:

	<u>Prints</u>	<u>Plots</u>	<u>Color Plots</u>
Bond	\$.95/s.f.	\$.95/s.f.	\$6.00/s.f.
Vellum	1.35/s.f.	1.65/s.f.	7.50/s.f.

4. Reimbursable Expenses

Will be billed at cost plus 15 percent. Client will pay directly for all permit and agency fees; otherwise cost plus 15%. Subconsultant invoices will be billed at cost plus 15%.

5. Insurance Coverage

General Liability: \$5,000,000

Errors/Omissions: \$1,000,000

California Workers' Compensation - Statutory

Certificates of insurance coverage will be provided upon request.

Waivers of Subrogation (if required) will be billed as a 2% surcharge on all invoices.

Special endorsements will be billed to the client at cost plus 15% on the first project.

INTEREST OF 1-1/2 PERCENT PER MONTH WILL BE CHARGED ON ALL PAST DUE ACCOUNTS.
:Fees57



REQUEST FOR PROPOSAL (RFP)

FOR

Citywide Street Reconstruction Design Services

RFP responses to be received until

10:00 A.M. January 18, 2019

In the Office of the Public Works Department

City of Stanton

7800 Katella Avenue,
Stanton, CA 90680-3162

ATTN: Allan Rigg, Director of
Public Works / City Engineer

Approved for Advertising:

Allan Rigg, P.E.

Director of Public Works / City Engineer

Date Issued: December 20, 2018

TABLE OF CONTENTS

SECTION I.	GENERAL DESCRIPTION AND INTRODUCTION
SECTION II.	PROJECT BACKGROUND
SECTION III.	SCOPE OF SERVICES
SECTION IV.	PROGRESS SUBMITTALS
SECTION V.	PROPOSAL SUBMISSION REQUIREMENTS
SECTION VI.	SELECTION CRITERIA
SECTION VII.	SELECTION PROCESS
SECTION VIII.	SUBMISSION DEADLINE
SECTION IX.	REQUEST FOR ADDITIONAL INFORMATION
SECTION X.	TAXES AND LICENSE
SECTION XI.	INSURANCE
APPENDIX A	



SECTION I. GENERAL DESCRIPTION AND INTRODUCTION

The City of Stanton is requesting proposals from qualified professional engineering firms to prepare plans, specifications, and cost estimates to reconstruction for a citywide project that includes the streets: See Appendix A.

Proposals must conform to the requirements of this Request for Proposal (RFP), and must be submitted in a sealed envelope, to the Department of Public Works no later than January 18, 2019 at 10:00AM. The consultant contract is anticipated to be awarded on February 12, 2019. The City reserves the right to waive any irregularity in any proposal, or to reject any proposal that does not comply with this RFP. The City alone, using criteria determined by the City, will select the qualified firm and/or consultant.

The successful consultant will be required to enter into an agreement with the City, which will include the requirements of this RFP as well as other requirements to be specified at a later date. By submitting a proposal, the consultant agrees to all of the terms of this RFP.

SECTION II. PROJECT BACKGROUND

The City of Stanton, Public Works / Engineering Department, is requesting proposals from qualified engineering firms to provide the City of Stanton with design services to reconstruction citywide streets. The selected firm will be responsible for designing a pavement section that result in a 20-year useful life. Information illustrating the location of work is provided in Appendix A.

SECTION III. SCOPE OF SERVICES

The Consultant shall be responsible for providing complete design services for the project in accordance with the Standard Specifications for Public Works Construction (latest edition, including supplements), Standard Plans for Public Works Construction, the County of Orange RDMD Standard Plans and the current Watch Manual. Services shall include the following as a minimum:

1. Provide a design schedule showing dates and duration of start and completion for each task.
2. Provide design surveys (including topography and cross sections) necessary to complete the designs using NAD 83 datum.

3. Provide substructure investigation, including coordinating pothole efforts by utility companies – if needed, prepare and distribute first and second utility notices, and handle responses to each notice. All utility facilities shall be shown on the plans.
4. Provide coordination of plan review, utility adjustment, and plan approval by utility companies and other agencies.
5. Provide stamped and signed construction drawings needed to construct the project on 24" x 36" mylar sheets. The drawing set shall include a Title sheet, Details sheet, and Plan-and-profile sheets. A construction traffic control plan is not required.
6. Prepare complete contract documents **using the City's template documents**, including special provisions, Federal and State requirements where applicable, quantities, bid proposal, and Engineer's Estimate.
7. Submit all drawings in **AutoCAD ".dwg"** file format on CD. All written contract documents shall be prepared in conformance with the City's latest adopted version of Microsoft Word and Excel software.
8. Prepare and submit all bid item quantity estimates per the Director of Public Works.
9. Provide bidding assistance and construction support services such as responding to requests for information and issuance of addendums to the plans and specifications.
10. The Consultant shall prepare an Engineer's Estimate of Probable Cost. The cost estimate shall include all quantity take-off calculations. Unit prices shall be investigated based upon the latest bid prices received for similar projects.
11. Prepare any necessary easement documentation for the project.

SECTION IV. PROGRESS SUBMITTALS

Progress submittals and/or meetings will be required prior to execution of the contract documents. Milestone submittals are:

- A. Preliminary layout. Consultant shall, at a minimum, submit preliminary plan view of project to confirm layout.



- B. 70 percent design review. Consultant shall, as a minimum, submit preliminary title sheet, base plan, and profile sheets, sketches of details and sections, and preliminary quantities and cost estimates.
- C. 90 percent design review. Consultant shall, as a minimum, submit final plans, completed specifications, and final quantities and cost estimates. All 70 percent design review comments shall be addressed at this time.
- D. Final approval review. Consultant shall submit final plans, specifications, and revised final quantities and cost estimates. All 90 percent design review comments shall be addressed at this time.
- E. Approval of plans. Consultant shall submit mylar original drawings and original contract specifications.

The Consultant is responsible for addressing all plan review comments at each of the formal submittals as well as informal coordination throughout the plan preparation process. The City anticipates a period of two weeks for plan review of the 70 percent and 90 percent submittals. The City will require a review meeting at the time of each submittal as a minimum, and other meetings may be required.

SECTION V. PROPOSAL SUBMISSION REQUIREMENTS

The Department has established requirements for proposal format. Proposals shall be submitted in a reusable three ring binder. All pages shall be duplex copied.

Four copies of the proposal must be submitted containing the following elements:

1. Cover Letter.
2. Firm Structure and History. Including the firm's experience managing projects similar in magnitude and scope, key personnel and structure (organization chart), credentials, background, and ownership of the firm. Include the firm's previous experience with preparation of storm drain plans and specifications.
3. Key personnel: List qualifications of personnel with resumes and a breakdown of responsibilities. The Firm's project manager, who will be responsible for planning, coordinating, and conducting the majority of the work, must be identified and committed to the project. The City must approve changes to key personnel committed to work on the project subsequent to award of contract.



4. A narrative briefly describing the proposed approach using general descriptions for the activities and how this approach will ensure timely completion.
5. A list of proposed sub-consultants, sub-contractors, suppliers, and manufacturers, including their qualifications pertinent to this project.
6. A client reference list from previous projects of similar scope and magnitude. List should include key personnel-contacts and their position with the agency.
7. A design schedule indicating milestones and anticipated completion date.
8. Company fee schedule included with the submittal but in a separate sealed envelope. The proposal shall include:
 1. Project cost proposal submitted in a separate, sealed envelope.
 2. A table indicating the anticipated staff-hours dedicated to perform each of the tasks to complete the project.

SECTION VI. SELECTION CRITERIA

The proposals will be evaluated on the following factors, but may not be limited to just these factors:

Staffing Capabilities / Technical Competence

Extensive knowledge and background with design of sewer systems within Orange County is desirable. The firm should have direct experience and knowledge of all regulatory agencies. Consultant shall demonstrate proven expertise with hydrology and water quality.

Past Performance Record

Experience in completion of projects of similar complexity and scale for other agencies within Southern California is desirable. Efficiency and timeliness in completion of program requirements.

Approach to Work

Methodology to be implemented to address and coordinate the various elements within the program.

Cost Control

Demonstrated ability to provide innovative and reliable solutions using available City resources.

SECTION VII. SELECTION PROCESS



Selection of the consultant will be made in accordance with the provision of Chapter 10 of the California Government Code, Sections 4526 and 4529.5. Stating that selection of professional services is made on the basis of competence and qualifications without regard to fee. The fee will be opened and evaluated after selection of the consultant is complete.

Each RFP will be reviewed to determine if it meets the submittal requirements contained within this RFP. Failure to meet the requirements for the RFP will be cause for rejection of the proposal. The City may reject any proposal if it is conditional, incomplete or contains irregularities. The City may waive an immaterial deviation in a proposal, but this shall in no way modify the proposal document or excuse the consultant from compliance with the contract requirements if the consultant is awarded a contract.

Proposals that meet the criteria of this RFP will be reviewed by a panel. The Department may conduct oral interviews. The selected firms will be notified, in advance, of the time and place for the oral interviews. Consultants will also be advised of additional information, if any, to be submitted at the oral interviews. Failure to appear at the interview will be considered non-responsive and the firm will be eliminated from any further consideration. Upon completion of the oral interviews, the City of Stanton will select the top ranked consultant deemed to be most qualified.

The successful consultant to whom work is awarded shall, within ten (10) days after being notified, enter into a contract with the City for the work in accordance with the specifications and shall furnish all required documents necessary to enter into said contract. Failure of the successful bidder to execute the contract within said ten (10) days shall be just cause for the City to contract with the next responsible consultant.

SECTION VIII. SUBMISSION DEADLINE

In order to be considered, the Consultant must submit four responses to the RFP to the following office:

Attention: *Allan Rigg, P.E.* Director of Public Works / City Engineer
City of Stanton Department of Public Works
7800 Katella Avenue
Stanton CA 90680-3162

The proposal must be received at the above office no later than the date listed on the cover.

There is no expressed or implied obligation for City to reimburse firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act

(Government Code Sec. 6250 et seq.). Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disregarded.

The City reserves the right to retain all proposals submitted, and to use any idea in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP, unless clearly, and specifically noted in the proposal submitted and confirmed in the contract between the City and the selected firm.

All property rights, including publication rights of all reports produced by the selected firm in connection with services performed under this agreement shall be vested in the City.

Section IX. REQUEST FOR ADDITIONAL INFORMATION

To receive any written responses to Requests for Information or other addenda issued by the City to be made a part of this Request for Proposal prior to the submittal date please e-mail contact information to:

gperez@ci.stanton.ca.us

Re: Citywide Street Reconstruction Project

SECTION X. TAXES AND LICENSES

All taxes and licenses, including, but not limited to, a Stanton City Business License, required for this project shall be obtained at the sole expense of the consultant.

SECTION XI. INSURANCE

Before the City executes a contract, the selected firm shall furnish the City a certificate evidencing Workmen's Compensation Insurance with limits no less than \$1,000,000 per accident and Comprehensive Professional Liability Insurance or General Liability Insurance with limits no less than \$2,000,000 per occurrence. The City shall be named as the Additional Insured. Certificates of Insurance must be accompanied by the applicable endorsements for the specific insurance policy.



Appendix A

	Year	BranchName	Section n ID	From	To	Section Rank
1	2018	CERRITOS AVE	05	Dale Ave e/s	City Limit	C
2	2018	KNOTT AVE	01	Cerritos Ave n/s	Katella Ave n/s	B
3	2018	LAMPSON AVE	02	City Limit	Beach Blvd w/s	C
4	2018	MAGNOLIA AVE	02	City Limit n/o Cerritos	City Limit n/o Syracuse	B
5	2018	ORANGEWOOD AVE	03	Beach Blvd e/s	City Limit	C
6	2018	PURDUE WAY	01	Landers Way	End	E

	Surface Type	Lanes	Section Length	Section Width	True Area	PCI Before	Zone	Condi on	Critical Condition	Cost	Treatment
1	AAC	5	1,300	80	78,000	72.78	08	76	74	\$124,574	2" ARHM (10% Localized Repair)
2	AC	4	2,568	80	205,440	56.41	08	57	74	\$648,985	2" ARHM (20% Localized Repair)
3	AC	4	1,755	30	52,650	59.58	08	60	74	\$149,631	2" ARHM (20% Localized Repair)
4	AAC	4	2,340	80	187,200	56.45	08	57	74	\$590,615	2" ARHM (20% Localized Repair)
5	AC	4	1,300	58	75,400	72.82	08	76	74	\$120,266	2" ARHM (10% Localized Repair)
6	AC	2	95	20	1,900	67.25	06	76	74	\$3,874	2" ARHM (20% Localized Repair)



J a n u a r y 2 2 , 2 0 1 9



Submitted To:
ATTN: Allan Rigg,
Director of Public Works /
City Engineer
City of Stanton
7800 Katella Avenue,
Stanton, CA 90680-3162



Submitted By:
TAIT & Associates, Inc.
701 N. Parkcenter Dr.
Santa Ana, CA 92705
(714) 560-8200

www.tait.com

PROPOSAL FOR CITYWIDE STREET RECONSTRUCTION DESIGN SERVICES



701 N. Parkcenter Drive, Santa Ana, CA 92705

p:714/560/8200 www.tait.com

1. COVER LETTER

January 22, 2019

ATTN: Allan Rigg,
Director of Public Works / City Engineer
City of Stanton
7800 Katella Avenue,
Stanton, CA 90680-3162

RE: Request for Proposals (RFP) for Citywide Street Reconstruction Design Services

Dear Allan,

TAIT & Associates (TAIT) is pleased to provide the City of Stanton with this proposal to provide Citywide Street Reconstruction Design Services.

TAIT at a Glance. At TAIT, we have provided innovative engineering solutions to our clients for more than 50 years. We understand that public projects have their own specific issues, and with 150 associates, we have the right blend of professional engineers, surveyors, environmental assessors, and construction personnel with the experience necessary to address critical and big picture concerns. Since TAIT was founded in 1964 in Orange County, we have built mature relationships with state and local agencies throughout Southern California, and consistently create successful partnerships with the agencies for which we work.

Experience and Expertise. With a diverse engineering staff, our firm has expertise in the many facets of civil engineering, both on and off site, planning, and design services including: roadways, pavement and parking rehabilitation, storm drains, water quality, water and waste water, utilities, site development and remediation, surveying, and mapping. In addition to engineering services, our company also has architecture, entitlements, and environmental groups which are ready to serve the City should the opportunity arise. Our project experience is vast and includes recent projects such as the **City of Stanton's** Overlay, Alley Reconstruction & Cerritos Widening Project, Irvine Campus Drive Pavement Rehabilitation for City of Irvine, Portola Parkway Resurfacing Project for City of Lake Forest, FY13/14 Major Street Rehabilitation for City of Pomona, and the Harbor Boulevard Street Reconfiguration Project for City of Garden Grove, to name a few.

Project Team. As part of our project approach, we have reviewed the project needs and site requirements in order to propose the most effective staff. With 33 years of experience, **Jacob Vandervis, PE**, will act as Principal in Charge and will personally lead the team to success.

David Sloan, PE, will serve as the Project Manager for this contract. David's career has been rooted exclusively in public roadway design and construction. His background and experience with street rehabilitation projects will be invaluable to the City on this contract. David will be supported by expert project engineer, Christopher Engelbach, EIT.

Mr. Todd Schmieder, PE, will be the QA/QC Manager of TAIT's services to the City. Mr. Schmieder has over 39 years of public works experience. His extensive background in public street rehabilitation projects will allow for a value assessment of the proposed design while ensuring the quality expected by the City.





701 N. Parkcenter Drive, Santa Ana, CA 92705

p:714/560/8200 www.tait.com

Service. We aim to act as an extension of the City's staff and will place an emphasis on customer service which has been and will remain one of TAIT's corporate goals "To Completely Satisfy our Customers". We are very excited to be given this opportunity to propose on this project and look forward to developing a successful relationship with the City of Stanton. We understand that TAIT will have contractual obligation with the City of Stanton with regard to this project.

Our legal name is TAIT & Associates, Inc. and we are a California Corporation (C0495510) headquartered at 701 Park Center Drive, in the city of Santa Ana, CA 92705. The contact person for this procurement will be Jacob Vandervis, P.E. at (714) 560-8677 or jacobv@tait.com, who you may contact at any time during the period of the proposal. Thank you for your consideration of TAIT & Associates on this contract. We are confident in the quality and dedication of our team, and look forward to starting our first design project for the City of Stanton.

Very truly yours,

TAIT & ASSOCIATES, INC.


Jacob Vandervis, P.E.

Vice President, COO, and Principal in Charge



TABLE OF CONTENTS

1. Cover Letter	1
Table of Contents	3
2. Firm Structure and History	4
Firm Profile	4
Firm's Experience	6
Organization Chart of Key Personnel	14
3. Key Personnel	14
Key Personnel Qualifications	14
Availability	16
4. Proposed Approach	16
Approach & Work Plan	16
Approach to Managing Resources	24
5. Sub-Consultants	25
6. Client Reference List from Similar Projects	26
7. Design Schedule	27
8. Fee Proposal	28
Appendix - Resumes	29

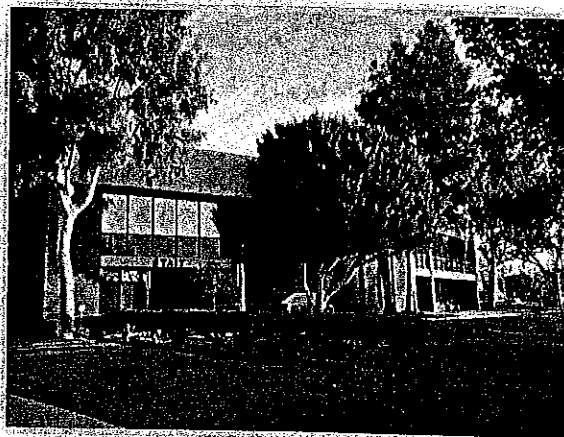
2. Firm Structure and History

Firm Profile

FIRM BACKGROUND

TAIT is a Southern California based family owned engineering firm founded by Dr. Kenneth E. Tait, P.E. established in 1964 and incorporated in the State of California. TAIT has grown to have 8 offices throughout the Western United States and is headquartered in Santa Ana, CA. We have approximately 150 associates who work together as a team to provide a full range of engineering services.

TAIT has dedicated itself to offering quality design services, and each project presents new challenges that we use as an opportunity to learn something new and apply that knowledge to future projects. Whether it is a new technical approach, a better management system, or simply improving our communication with clients, the end result is always improved service while strengthening our existing relationships with our clients.



TAIT Headquarters, Santa Ana, CA

ORGANIZATIONAL STRUCTURE

Under the direction of its President (K. Richard Tait) along with his brother and Chief Executive Officer (Thomas F. Tait), TAIT maintains a rather unique and proactive approach to its organizational structure. Instead of emphasizing detailed and complicated vertical channels of reporting like many other firms use, TAIT operates within a very flat organizational structure. This offers many benefits to clients because it encourages a free-flow of communication between project managers in different departments and opens direct communication channels with the President so decisions can be made in a timely and cost-effective manner. This structure also provides the head of each department the authority to customize his/her service to meet the client's needs.

Within this organization structure, **TAIT boasts a wide array of Professional Engineers, QSP & QSD Certified Engineers, Professional Land Surveyors, Licensed Architects, Licensed Geologists, Construction Managers, Construction Inspectors, and a skilled bench of Design and Project Engineers.** We pride ourselves on our engineering diversity, and actively train our in-house staff with weekly design seminars on topics such as ADA compliance, Water Quality Design and Compliance, Civil 3D Design Best Practices, and Water, Waste Water, Pavement and Storm Drain Design Principals.

COMPANY CAPABILITIES

TAIT's multi-disciplined firm offers an array of consulting services to both public agencies and private development clients. TAIT has been providing civil design and management services to local agencies for over 50 years. Within the Engineering Group, our in-house design and management services include:

- Public Roadway Rehabilitation, Widening, and New Construction
- Water Quality Design & Review (LID Plan, SWPPP, etc.)
- Storm Drain Design and Hydrologic & Hydraulic Analysis
- Water & Waste Water Rehabilitation & New Construction
- Public Building Site Improvements
- Public Parking Facilities Site Improvements
- Public Improvement & Private Development Design Plan Checking
- Structural Design & Architectural Services
- Phase I and Phase II Environmental Assessments
- Construction Management, Inspection & Surveying Services
- Design and Construction Survey Services

EXPERIENCE

Today our family-owned, multi-disciplined firm offers a full array of consulting services to public agencies and private development clients. More specifically, we offer project management, civil engineering, surveying, construction management and inspection, architecture, planning, entitlement, right of way engineering, environmental investigation, and remediation. TAIT has been providing public design and management services to local public agencies for many years. Some of the most recent relevant projects that we are either currently under contract or have recently completed are:

- Irvine Campus Drive Pavement Rehabilitation for City of Irvine
- Overlay, Alley Reconst. & Cerritos Widening for City of Stanton
- Portola Parkway Resurfacing Design Project for City of Lake Forest
- FY 2013-2014 Major Street Rehabilitation for the City of Pomona
- Harbor Boulevard Street Improvement Project for the City of Garden Grove
- Newport Heights Alleys Replacement for City of Newport Beach
- Pier F-G Sewer Line Improvement for Port of Long Beach
- Reagan & Peterson Park Parking Lot Reconfiguration for the City of Diamond Bar
- Citywide Comprehensive Drainage Analysis for City of Diamond Bar
- SR 395 Street Widening and Regional Storm Drain Improvements for the City of Victorville
- Quadrant III Water Line Replacement for City of Chino
- Water Main Replacement Design Build Projects for Golden State Water District
- 100 Acre USMC El Toro Air Station Development Conversion for the County of Orange
- Tustin Family Campus Construction Plans for Orange County Facilities Division
- Tustin Metrolink Facility Redevelopment for OCTA

Few firms can match our combination of services, local in-house talent, industry knowledge, and commitment. By constantly learning and improving, our expertise enables us to overcome our clients' toughest challenges, which has resulted in a very high amount of repeat business from our existing clients.

STRENGTHS - WHAT SETS US APART

TAIT has built a reputation of successfully managing projects from concept to completion, simultaneously with both **big company expertise** and a **small company family culture** dedicated to customer service. We have specific expertise in public infrastructure development, land development, natural resource preservation, and environmental management. A key component of TAIT's strength is based upon our ability to focus on solutions that are cost-effective. We understand the tight time and money constraints under which our clients frequently operate, and strive to provide unique solutions that allow our client's projects to be completed on time and within budget.

Firm's Experience

OVERLAY, ALLEY RECONSTRUCTION, AND CERRITOS AVE. WIDENING PROJECT

Stanton, CA

TAIT & Associates was selected by the City of Stanton to provide roadway and drainage design services on three separate project areas.

1. Cerritos Avenue Widening & Drainage Improvement Project
2. Palais Alley Reconstruction Project
3. Bradford Community and Rutledge Avenue Rehabilitation Project

Cerritos avenue widening project required the widening of Cerritos avenue from Rose Ave to Flower Street which included removal and reconstruction of existing parkway improvements, relocation of power poles, fire hydrant, water meter, and roadway signs, construction of new curb and gutter, curb ramps, and alley approach, and the relocation and construction of a new storm drain catch basin and lateral. The existing storm drain lateral was discovered to be extremely shallow which required special design and consideration for the relocated condition. TAIT checked the capacity and flows of the existing inlets to ensure proposed conditions were not constrained.

Palais Alley reconstruction required the full removal of existing AC paved alley surface and construction of a new PCC paved alley surface to ultimate flowline. Design of this alley segment included checking joints at driveways, design of alley approaches, and joining of existing drainage channel/course at the project limits to ensure storm water flows were conveyed adequately.

Bradford Community and Rutledge Avenue Rehabilitation Project included the grind and overlay of Rutledge Avenue from Western Avenue to Bradford Street, as well as the full depth reconstruction of all internal development streets to repair severely damaged roadway conditions. Design of this project segment also included removal and replacement of existing curb ramps, adjustment of utilities to grade, and the replacement of custom storm drain plate covers for an existing catch basin in order to provide an ADA compliant path of travel.

Reference Contact:

Allan Rigg
(714) 890-4203

Client:

City of Stanton

Construction Cost:

\$1.3 M

Project Dates

Design: Jan-May, 2017

Construction: Summer, 2017

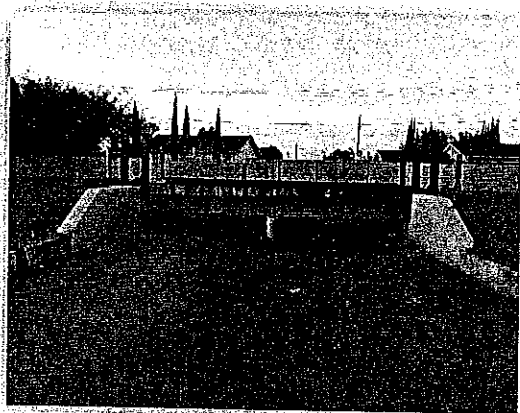
Project Team:

PIC: Jacob Vandervis

PM: David Sloan

QA/QC: Todd Schmieder

PE: Chris Engelbach



CAMPUS DRIVE PAVEMENT REHABILITATION PROJECT

Irvine, CA

TAIT was selected by the City of Irvine to provide civil engineering and surveying on the Campus Drive Rehabilitation Project from Michaelson Drive to University Drive. The project limits include a total of 4000 linear feet of arterial roadway rehabilitation and reconstruction on Campus Drive which is a 2 lane arterial roadway with bike lanes extending through the City of Irvine. The project includes the design of pavement rehabilitation strategies as well as the identification and replacement of non-ADA compliant curb ramps, sidewalk, replacement of damaged curb and gutter, reconstruction and re-grading of the low point of the roadway due to flooding and ponding issues, coordination with IRWD and UCI for right of way and wetlands protection, and the identification and adjustment/protection of utility facilities throughout the project limits.

Careful attention was paid to the roadway profile which required modification in order to raise the low point of the roadway by more than 6". Plan and profile for the roadway was re-designed per CA Highway Design Manual standards, and extensive coordination was conducted with the City to verify that the pavement replacement scenario is in line with the proposed and revised grades.

This project was also further complicated due to excessively saturated subgrade soils which required careful consideration and design of the structural section. After design review and consideration of conventional pavement rehabilitation scenarios, it was selected to conduct full depth AC pavement sections within the saturated soil limits so as to limit the depth of excavation in saturated soils.

Reference Contact:

Darrell Hartman, PE
(949) 724-7556

Client:

City of Irvine

Construction Cost:

\$2.6 M

Project Dates:

Design: 2017-2018

Construction: 2018

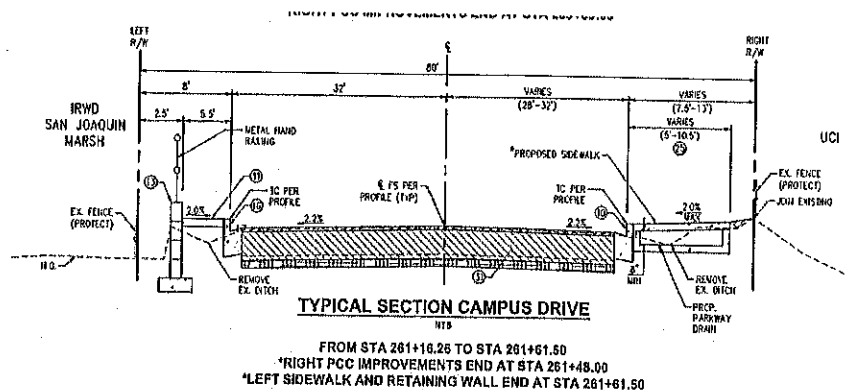
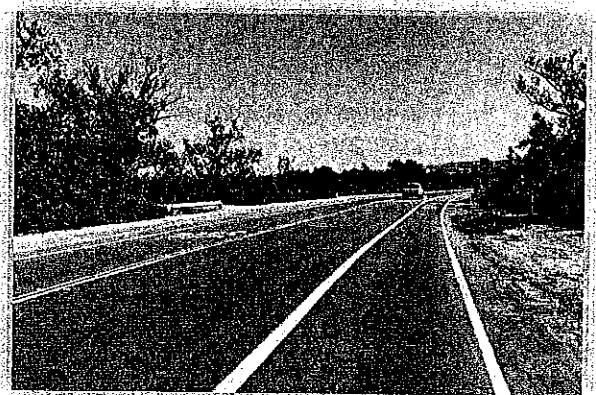
Project Team:

PIC: Jacob Vandervis

PM: David Sloan

QA/QC: Todd Schmieder

PE: Chris Engelbach



PORTOLA PARKWAY RESURFACING DESIGN PROJECT

Lake Forest, CA

TAIT was selected by the City of Lake Forest to provide civil engineering, surveying, geotechnical engineering and federal funding assistance services on the Portola Parkway Resurfacing Project from Alton Parkway to El Toro Road. The project limits include a total of 2 miles of arterial roadway rehabilitation on Portola Parkway which a 6 lane arterial roadway with bike lanes extending through the City of Lake Forest. The project includes the design of pavement rehabilitation strategies as well as the identification and replacement of non-ADA compliant curb ramps, sidewalk, replacement of damaged curb and gutter, and the identification and adjustment/protection of utility facilities.

This project also included the relocation of an existing median at Portola Parkway and Bake Parkway in order to construct an additional left turn lane. The scope of the reconstruction included design of plan and profiles and design sections as well as the analysis of the existing and proposed traffic signal system to ensure adequate capacity is available in the existing conduits/system. TAIT also provided federal funding assistance services on this contract which included preparing and submitting the Preliminary Environmental Study (PES), Right of Way Certification, and the Request for Authorization to Proceed (RFA). TAIT is working closely with the City to ensure that the federal funding documentation is processed, submitted, and approved in a timely manner in order to avoid project delays. Due to the expedited timeframe in the project, TAIT was able to suggest to the City some project design improvements which have successfully aided in the expedited submittal of the right of way certification and PES documentation top Caltrans for Review.

The project limits also included on and off ramps for SR-241 which has required coordination with Caltrans in order to submit and obtain an encroachment permit through Caltrans.

Reference Contact:

Doug Erdman, PE
(949) 282-5233

Client:

City of Lake Forest

Construction Cost:

\$1.5 M

Project Dates

Design: 2015-2016

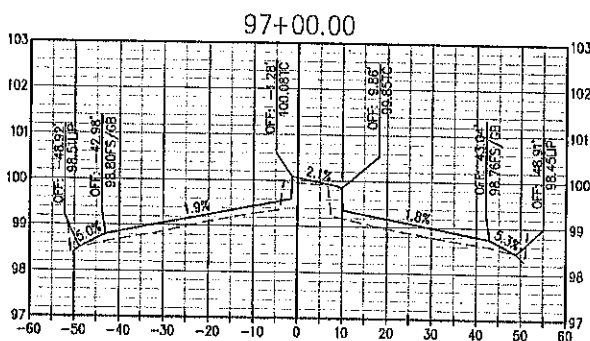
Construction: 2016

Project Team:

PIC: Jacob Vandervis

PM: David Sloan

QA/QC: Todd Schmieder



FY 13/14 MAJOR STREET REHABILITATION PROJECT

Pomona, CA

TAIT & Associates was selected by the City of Pomona to provide major street rehabilitation design services on eight streets located throughout the City. The streets to be rehabilitated include two lane residential streets with on street parking and four-lane divided arterial highways. In addition to the implantation of a pavement rehabilitation program for the 7.4 miles of city streets, the project also includes improvements to pedestrian and bicycle mobility. Class II or Class III bike lanes will be added to the city streets, broken or raised segments of sidewalks and curbs will be replaced, and sidewalk access ramps will be improved to comply with state accessibility regulations. The proposed pavement rehabilitation methodologies on this contract include the use of Cold Central Plant Recycled Asphalt (CCPR-AC), Conventional AC Overlays, ARHM Overlays, and Slurry/Fog Seals.

This project also required coordination as warranted with existing utility providers to avoid future utility cuts in the new refurbished streets as well as with SCRAA/Metrolink in order to obtain a railroad crossing encroachment permit for the work proposed within the crossing.

The streets to be rehabilitated as part of this project include:

1. San Bernardino Avenue
2. Dudley Street
3. Ridgeway Streets
4. Kingsley Avenue
5. Monterey Avenue
6. San Antonio Avenue
7. Alvarado Avenue
8. Garey Avenue

Reference Contact:

Matthew Pilarz, PE
(909) 620-3652

Client:

City of Pomona

Construction Cost:

\$5 M

Project Dates

Design: 2014-2015

Construction: 2016

Project Team:

PIC: Jacob Vandervis

PM: David Sloan

QA/QC: Todd Schmieder



HARBOR BOULEVARD STREET RECONFIGURATION PROJECT

Garden Grove, CA

This project included street reconfiguration (approximately 1/3-mile total length), improvements to an existing raised median, a new traffic signal, abandonment of existing 8-inch ACP and 12-inch DIP City water lines, installation of a 800 LF of 16-inch water line, relocation of SCE and AT&T main distribution service lines, and the installation of new public storm drains and sewer and water services to accommodate a future redevelopment project along Harbor Boulevard from Palm Street to Lampson Avenue in the City of Garden Grove. Water line improvements also included new connections to existing City 12-inch and 8-inch water lines and the installation of two new fire hydrants. Engineering services required extensive research, review, and a potholing program for the installation of the new utilities and storm drain improvements within the existing six-lane Harbor Boulevard roadway.

TAIT, working with City Water Department, proposed the installation of a cut-in valve to ensure continuous water service to a medical facility during the construction of the water line improvements. The proposed traffic signal improvements included phased construction to allow installation of underground conduits with the current street improvement project and the final completion of the signal improvements as part of the future redevelopment project. The Construction Bid cost was approximately \$1,400,000 with a 2013 completion.

Reference Contact:

Mr. Bill Murray, P.E.
(714) 741-5379

Client:

City of Garden Grove

Construction Cost:

\$1.4 M

Project Dates

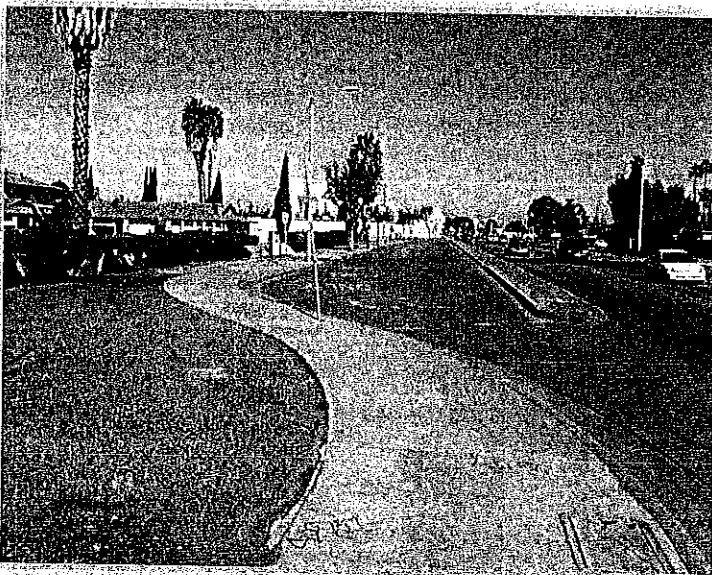
Design: 2012

Construction: 2013

Project Team:

PIC: Jacob Vandervis

PM: Todd Schmieder



REAGAN & PETERSON PARK PARKING LOT EXPANSION PROJECT

Diamond Bar, CA

TAIT was hired by the City of Diamond Bar to analyze, design, and provide construction management and inspection services for the expansion of two public park parking lots. The design services included topographic survey, geotechnical investigation, water quality management design, Los Angeles County Flood Control District storm drain permit processing, and the preparation of detailed PS&E for the construction of the park improvements. Design analysis included addition of handicapped parking stalls, design of optimal cross and longitudinal grades and the installation of retaining curbs to optimize the parking stall configuration.

Careful attention was required while designing the parking lot expansion in order to ensure full ADA access is provided to the park while avoiding damage or impact to the existing facilities. Design of low flow and high flow diversion systems were required in order to ensure proper drainage for the site. Due to soft subgrade soils, the design also included the analysis and coordination of subgrade stabilization. The final design included the installation of stabilizing geogrids under the crushed base layer which helped provide structural stability for the pavement structure.

Extensive coordination between the City's public works and Park Maintenance Division was required in order to ensure the design was both in compliance with public works standards as well as the park division's ultimate master plan.

During the construction phase, TAIT coordinated and managed the construction activities of this contract by scheduling pre-construction meetings, reviewing and approving submittals, and providing full time construction management and inspection services. Extensive coordination was required with the City's contractor in order to ensure contract compliance for scheduling and quality of construction. TAIT was a strong advocate for the City during the construction phase and was able to identify field deficiencies observed by the inspector in order to require the Contractor to replace any and all non-compliant items. The design of this contract was completed in June, 2015, and the construction was completed in December, 2016.

Reference Contact:

John Beshay
(909) 839-7043

Client:

City of Diamond Bar

Construction Cost:

\$575 K

Project Dates

Design: 2014-2015

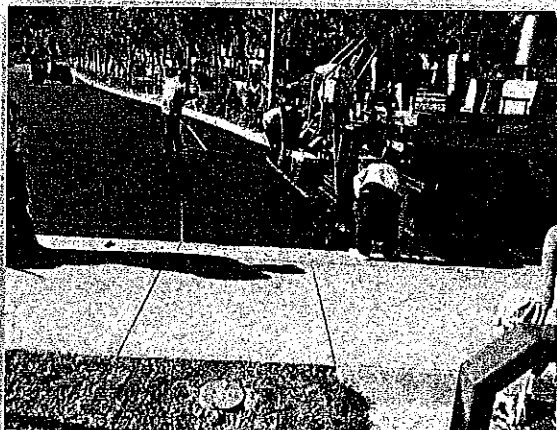
Construction: 2016

Project Team:

PIC: Jacob Vandervis

PM/CM: David Sloan

QA/QC: Todd Schmieder



NEWPORT HEIGHTS ALLEY AND SEWER REPLACEMENT PROJECT

Newport Beach, CA

TAIT was selected by the City of Newport Beach to provide civil engineering services on Newport Height Alley and Sewer Replacement Projects. The project limits spanned across an entire neighborhood in the City's coastal community of Newport Heights and include a total of 3+ miles of alley reconstructions as well as the review and repair of existing alley sewer and lateral connections. In order to facilitate the City's budget and timelines, the design project was split in to three phases which required separate design PS&E for each project. Phase 1 included all sewer main replacements while Phases 2 and 3 included the alley removal and replacements in the neighborhoods.

The proposed design includes the preparation of design plan and profile for each alley, prepare of design cross sections at 25' intervals for review of proposed cross falls, preparation of sewer main replacement and lateral replacement plans, field review of all alley locations to field locate existing utilities, conflicts, and join locations, identification of sewer laterals that have been recently been replaced for protection, and the detailing of all alley approaches for ADA compliance.

In total, the design package includes 60+ sheets of alley and sewer replacement plans. Due to the narrow alley widths (15' typical), design cross falls and alley drainage capacity was a critical issue in the design. TAIT is carefully checking each alley limit to ensure that the proposed design cross section improves the drainage condition both on the longitudinal as well as the horizontal cross sections.

As part of this design, TAIT also included the installation of LID seep drains at the low point of each alley in order to capture nuisance flows to infiltrate in to the sand bed rather than entering the storm drain system. TAIT is also working closely with City staff to determine the extent and need for private repairs for encroaching improvements within the alleys.

The design of this contract is anticipated to be completed for the sewer project in early April, 2016, with the alley reconstruction design being completed in June, 2016. Construction of the sewer improvements are scheduled for June of 2016, with the alley replacements being constructed later in 2016, or early 2017.

Reference Contact:

Frank Tran, PE
(949) 644-3340

Client:

City of Newport Beach

Construction Cost:

\$1.3 M (Sewer)
\$1.8 M (Alley)

Project Dates

Design:

2016 (Sewer & Alley)

Construction:

2016 (Sewer TBD)

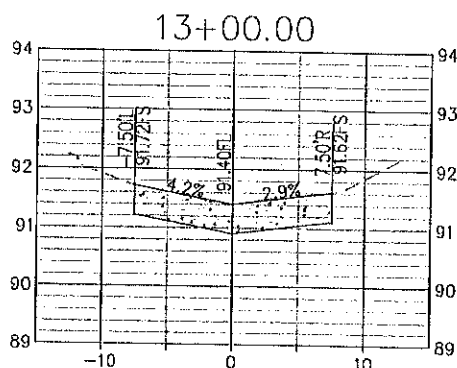
2016-2017 (Alley)

Project Team:

PIC: Jacob Vandervis

PM: David Sloan

QA/QC: Todd Schmieder



ADDITIONAL TAIT PROJECT EXPERIENCE

Our design process is fully automated from survey data collection through plan preparation. TAIT has extensive experience in the planning, design, and construction of street improvement projects including street rehabilitation, widening, realignment, and new streets. A list of additional street projects is presented below:

Street Extension

Daycreek Boulevard
City of Rancho
Cucamonga,
\$1.5 M
Constructed in 2007

Street Widening & Rehabilitation

Gene Autry Way, State
College Blvd. and
Katella Ave.
City of Anaheim, \$2.4 M
Design Completed 2007

Street Improvements

Columbus Square
Alley, Street, Drainage,
and Utility
Improvements
City of Tustin
Constructed in 2008

Street Improvements

Street Reconstruction and
Storm Drain
Pacific Coast HWY (SR-1)
6th Street and Walnut Ave.
City of Huntington Beach
Constructed in 2009

Widening and Median Improvements

SR-18 – Palmdale Road
City of Victorville, \$1 M
Constructed in 2014

Street & Median Widening

Dale Evans Parkway
Town of Apple Valley
\$1.4 M
Design Completed 2011

Highway Improvements

State Route 395
San Diego County, \$1 M
Constructed in 2014

Street Improvements

Flood Protection and Street
Widening Improvements
US HWY 395
City of Victorville, \$3.8 M
Constructed in 2014

Street Improvements

Median and Traffic
Signal
Bear Valley Road
City of Victorville,
\$400,000
Constructed in 2014

Widening and Traffic Signal

Amargosa Road
City of Victorville,
\$600,000
Constructed in 2014

New City Street

Canteina Street
City of Victorville,
\$350,000
Construction in 2014

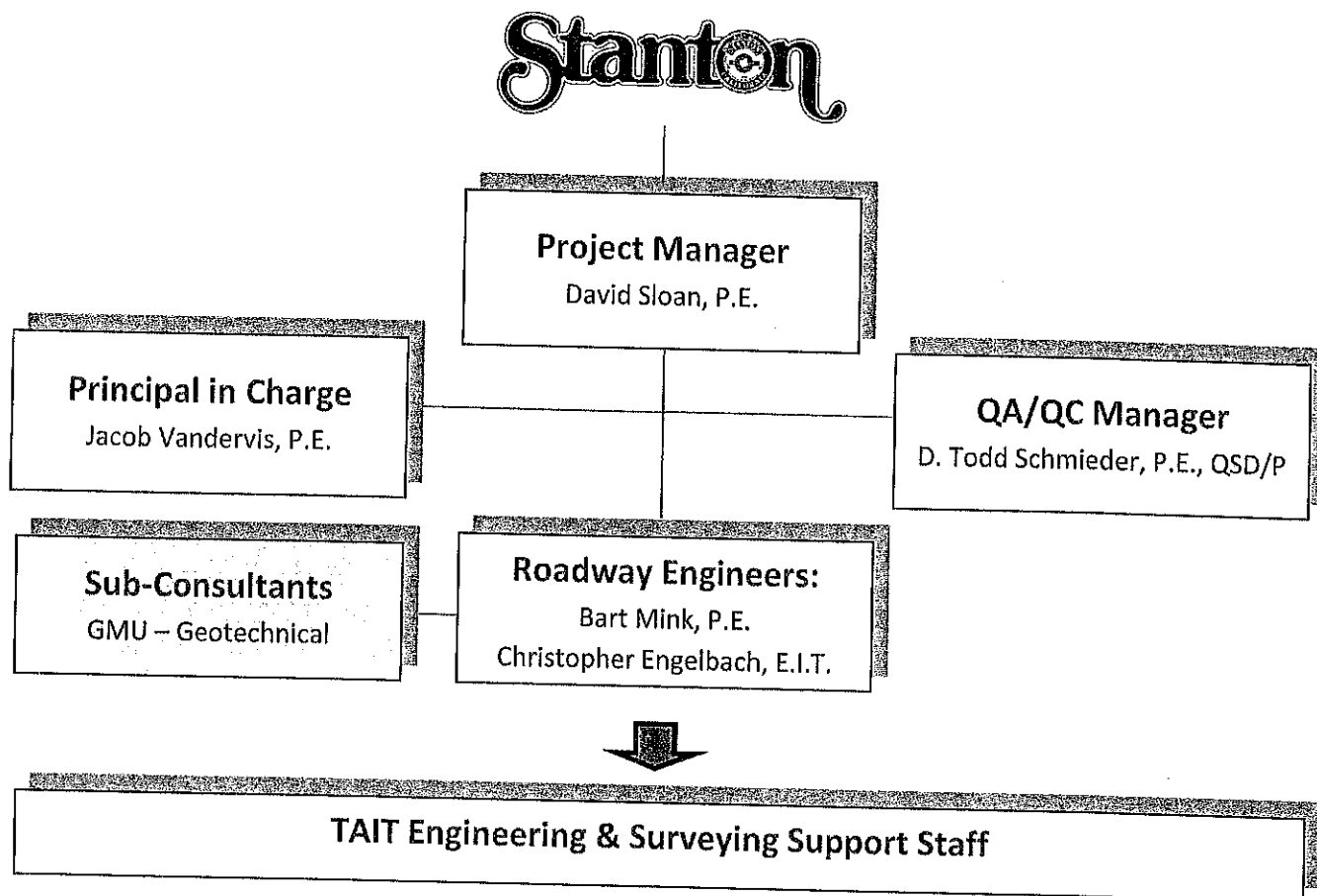
Street Improvements

Realignment, New Storm
Drain, and Public Utilities
Neil Armstrong Street and
Marketplace Drive
City of Montebello
Design Completed 2015

Street Improvements

Rehabilitation and
Extension Greenwood
Avenue, City of
Monterey Park, Design
Completed 2016

Organization Chart of Key Personnel



3. KEY PERSONNEL

Key Personnel Qualifications

The key personnel for the TAIT Team are identified below, including a short bio of their qualifications as well as their responsibilities proposed for this project. Full resumes have been included in our Appendix.

Name	Classification/ Designation	Licenses/Certifications/ Registrations	Years of Experience	Time with Firm
Jacob Vandervis, P.E.	Principal-in-Charge	CA No. C46301	33	22
David Sloan, P.E.	Project Manager	CA No. C82595	12	4
Todd Schmieder, P.E., QSD/P	QA/QC	CA No. C37167	39	14
Bart Mink, P.E., LEED AP	Project Engineer	CA No. C82953	21	1
Christopher Engelbach, E.I.T.	Project Engineer	E.I.T.	10	3

JACOB VANDERVIS, P.E. PRINCIPAL-IN-CHARGE

As Principal-In-Charge Mr. Vandervis will ensure that the TAIT team has the adequate staff resources to complete our services to the City. He will provide the corporate support required to meet the projects schedule, budget, and staffing requirements. Throughout his career he has demonstrated expertise in engineering, project management, and controls. He has a successful track record of organizing and leading teams to execute work in a profitable manner and with a high degree of client satisfaction. He currently serves as a Vice President and Chief Operating Officer with TAIT. His technical expertise includes pipeline design, land surveying, structural engineering, street design, drainage design, and site development engineering.

DAVID SLOAN, P.E., PROJECT MANAGER

David is TAIT's public infrastructure project manager and serves as the project lead for public projects at TAIT. David has performed and coordinated detailed designs on arterial roadways, water mains, conducted utility coordination for major relocations on high profile projects, and coordinated project management efforts on multiple projects throughout the Southern California region. Additionally, David acts as a community coordinator for high profile projects which require community coordination and presentations. A sampling of other recent projects managed or designed by David include: Rehabilitation of 9 Arterial/Collector Streets within the City of Pomona, design & construction management for the rehabilitation of over 50% of the city of Placentia's residential streets, and the design & construction management for the rehabilitation of nearly 30% of the City of Diamond Bar's residential streets and 20% of their arterial streets.

D. TODD SCHMIEDER, P.E., QA/QC MANAGER

In his 39 years of professional experience Mr. Schmieder has worked on numerous public infrastructure and private development projects throughout Los Angeles and Orange County, ranging from small public, residential, and commercial projects to a 30-mile long toll road. A sampling of recent projects include: Tustin Metrolink Station Site Reconfiguration and Waterline Relocation for OCTA and the City of Tustin, Harbor Blvd. Water Main Replacement plans for the City of Garden Grove, A-Town Sewer Capacity and Street Widening Improvement Projects for the City of Anaheim, and the Armstrong and Valencia Avenue Sewer Lining Project for Irvine Ranch Water District.

BART MINK, P.E. LEED AP, PROJECT ENGINEER

Bart Mink registered civil engineer in California and LEED AP certified brings 21 years of multidisciplinary experience to our team. Bart is results-driven and detail-oriented. He is proficient in many facets of civil site engineering, including the public roadway, industrial, commercial and residential design. He is skilled in state and federal funding policies and procedures and is efficient with Autodesk Civil 3D including grading, corridors, and pipe networks. Bart is proficient in water hydraulic modeling utilizing KY Pipe and WaterCAD. He is also proficient in wastewater modeling using SewerCAD. Bart has in depth knowledge and experience in water/wastewater treatment and design. Bart is experienced and knowledgeable in hydrology and hydraulics utilizing such programs as TR-55 and HEC-RAS. He is also knowledgeable with FEMA Letters of Map Amendment and Map Revision procedures.

CHRISTOPHER ENGELBACH, E.I.T., PROJECT ENGINEER

Chris is an experienced Project Engineer in design, approval, and quality control of residential and commercial land development as well as public work projects. He has expertise in preparation of tentative tract maps, street, rough grading, erosion control, storm drain, sewer and water, and precise grading plans; hydrology and hydraulic calculations utilizing Civil-D and WSPG; WQMP employing new low impact development methods; coordination with clients, sub-consultants, site managers, contractors, and survey crew. Chris technical skills include AutoCAD Civil 3D, Water Surface Profile Gradient Software (WSPG), Civil-D, and Microsoft Project.

Availability

All key staff will be available for the duration of the proposed project and no person designated as key personnel shall be removed or replaced without prior written notification to the City.

4. PROPOSED APPROACH

Approach & Work Plan

APPROACH/PROJECT UNDERSTANDING

The City of Stanton is seeking a civil engineering firm to provide design engineering services for the Citywide Street Reconstruction Design project. Based on review of the RFP, a total of 6 project segments have been included in the design project as described below:

- | | |
|--|------------|
| • Cerritos Avenue from Dale Ave to City Limits | (1,300 LF) |
| • Knott Avenue from Cerritos Ave to Katella Ave | (2,550 LF) |
| • Lampson Avenue from City Limit to Beach Blvd | (1,750 LF) |
| • Magnolia Avenue from City Limits at Cerritos Ave to Syracuse Ave | (2,350 LF) |
| • Orangewood Avenue from Beach Blvd to City Limit | (1,300 LF) |
| • Purdue Way from Landers Way to End | (95 LF) |

Pavement Conditions & Design Approach

The City's RFP indicates that the PCI for the given segments are all below critical condition PCI (74) and currently have PCIs ranging from 57 to 76 which would require reconstruction or significant rehabilitation. Based on our initial review, though, the current pavement condition on all roadway segments appear to be in the fair to good range which would indicate a much higher PCI for the roadway segment. Given a field review of the current conditions, it would appear that a conventional ARHM grind and overlay would suffice for the roadway segments in order to extend the pavement life for one more pavement cycle. Given this information, TAIT has structured our proposal as follows:

- 1) Base scope assuming grind and overlay with localized pavement reconstruction in failed areas
- 2) Additive Optional Scope to Include:
 - a. Design Survey
 - b. Geotechnical Investigation and Pavement Recommendations
 - c. Design of Plan and Profile for each roadway segment

Prior to award of the contract, it is recommended that TAIT & the City meet to discuss goals and needs so that the final scope can be structured to create savings and value for the City.

The key elements for the design of this contract include:

- ✓ Meeting with the City to better understand the City's needs and goals for the project
- ✓ Conducting an initial pavement walk and review, estimate, and pricing to determine best course of action for the pavement rehabilitation or reconstruction
- ✓ Cost Effective Design Approach to Deal With Non-Standard Roadway Scenarios
- ✓ Clear and Constructible PS&E to be Prepared for a Successful Construction of the Project.

In order for this contract to be successful, it will be critical that the selected design consultant design the project with the City's ultimate budget in mind while achieving the City's goals.

Railroad Coordination/Permit

Based on review of the project limits, it was noted that Magnolia has a railroad crossing within the project limits which would either require omission of the roadway work within the railroad right of way, or the processing of a railroad encroachment permit. TAIT's scope has been structured to allow for an alternate work item for railroad permit processing at the City's option.

WORK PLAN

The following scope of work has been prepared in accordance with the City's RFP.

1 Design Kick-Off Meeting & Project Team Meetings

A design kick-off meeting with TAIT's Project Manager, City staff, and other affected parties, will be held at the start of the project to identify clear lines of communication and review the final scope, schedule, milestones and other project details of concern. At this meeting the project's schedule will be confirmed with the City. It is anticipated that the City will provide all pertinent record information for the existing City streets and utilities including as-built plans, record plans, and CAD files and GIS files (As applies) for the project limits.

Based on our actual NTP date, TAIT will prepare and present an update of our project schedule to be reviewed with the City Project Manager during our Kick-off Meeting. Any revisions or adjustments that need to be made to the project schedule will be thoroughly discussed with the City Project Manager prior to finalization.

TAIT will prepare a meeting agenda for initial circulation. Upon completion of the meetings, TAIT will also prepare meeting minutes for circulation, review and comments. All meeting agendas, minutes and exhibits will be filed in our project folder for final submittal to the City at the completion of the project.

This task also includes an additional 3 project team meetings which are assumed over the course of the project.

Deliverables:

- ✓ Meeting Agenda & Minutes
- ✓ Updated Project Schedule

2 Existing Records Research & Field Walk

Records Research & Review

Review of record Information provided from the City files will be conducted to verify existing field conditions. TAIT will also research acquire existing available design records and utility information. It is anticipated that the information collected during the research phase will be used to assist in the development of the project base maps.

The records research will include obtaining records from the City of Stanton, utility providers and all other jurisdictions within the project limits. In addition, TAIT will document, contact, and coordinate with other public and private agencies/entities/jurisdictions involved to inform them about the project and obtain their records, approval, and permit requirements, as applies.

Obtained records will be reviewed and correlated with the Topographic and aerial (Bing Map) data in order to prepare the final project Base map.

Design Field Walk

This sub-task includes all hours necessary for the field review and design required to observe and document the existing site conditions and to identify anticipated work items along each project segment. Existing condition photos will be along the project limits in order to aid the City in construction coordination. All field notes will be compiled and stored in the design file for reference. Grades at existing ramps will be noted for review and recommendation of removal and replacement.

Deliverables:

- ✓ Digital Copies of Obtained Records
- ✓ Field Notes, Observations, & Photos

3 Utility Notification & Coordination

Utility Notifications

At project inception, TAIT will conduct utility research through Dig-Alert and City records and will prepare and distribute the 1st utility notifications which will identify the project intent, limits, and general scope of work and will request that each utility provide our office with the associated As-Built records for the project limits. TAIT will review and compile the received responses in to the project Utility matrix for tracking of existing utilities and conflicting facilities.

Upon completion of the 75% design, TAIT will distribute a 2nd notice to all present utilities and will include a current set of plans for the utility's review and comment. All foreseen utility relocations or conflicts will be identified in this notice for the Utility's review and action. TAIT will actively coordinate with all utilities in order to ensure all relocations are coordinated and completed prior to the start of the City's project.

The final notice will be sent at the design completion stage and will include a signed print of the plans for the utilities records. TAIT will review all obtained record data and will coordinate with utilities that may be affected in order to obtain further design and construction requirements. All utility coordination, records and data will be compiled at the end of the project and will be submitted to the City for future reference.

Utility Coordination

TAIT will coordinate with all present and affected utilities during the course of the design. All potential conflicts with the improvements will be identified, and contact will be made with the appropriate utility coordinator.

Utility relocations or permits are not anticipated as part of this project.

Deliverables:

- ✓ Utility Correspondence and Design Records
- ✓ 1st, 2nd & Final Utility Notices

4 Project Basemaps

As part of this contract, TAIT will prepare the following basemaps for incorporation in the project design:

- Roadway
- Right of way
- Utility
- Aerial Image (Bing/Google)

It is assumed that the City will provide TAIT with any available GIS and record basemaps for features within the project limits. TAIT will format and update the base with the noted existing records, Bing/Google Maps aerial reference imagery, and all other applicable existing improvements (loops, signal equipment, striping, legends, etc.).

Deliverables:

- ✓ Project Basemaps (Roadway, Right of Way, Utility, & Aerial Image)

5 Pavement Design Cost Scenarios

Upon completion of the initial field walk, base mapping, and record review, TAIT will conduct an initial pavement design cost scenario analysis for the City which outlines potential pavement rehabilitation or reconstruction scenarios. The analysis will be based on record data, and will include design, and construction costs. A total of three design scenarios are anticipated for each segments:

- 1) Grind & Overlay (Low Cost)
- 2) Roadway Reconstruct (High Cost)
- 3) Alternate Pavement (Potential Savings)

The purpose of this task will be to present the design options and provide the City with flexibility during the design phase to adjust the overall project costs in order to best match the City's needs. Upon completion of the analysis TAIT will meet with City staff to review the results.

Should the roadway reconstruct or alternate pavement method be selected, TAIT will then authorize the alternate scope items described above. Should the grind and overlay scenario be selected, only the base scope presented in this proposal will be required.

Deliverables:

- ✓ Pavement Design Cost Scenarios

A-1 Design/Topographic Survey

Should roadway reconstruction be required, TAIT will initiate the topographic survey task. This task includes the hours necessary to set control, conduct topographic survey for the roadway limits, and update the project base maps with the correlating topographic information. Based on final segments selected for reconstruction, TAIT will reduce this scope item to match the final limits of work.

Deliverables:

- ✓ Topographic Pickup Survey (Isolated Areas)

A-2 Geotechnical Investigation

Should the City opt to include a roadway reconstruction option, TAIT will obtain final pricing and proposals from our preferred pavement geotechnical engineer, GMU, to provide the necessary pavement analysis and recommendation. If authorized, this task will include the following sub-tasks:

- Task 1 – Document Review
- Task 2 – Pavement Corings
- Task 3 – Laboratory Testing Program
- Task 4 – Pavement Engineering Analysis
- Task 5 – Pavement Recommendation Report

Based on the final segments selected for reconstruction, TAIT will adjust pricing and scope on this task to maximize the benefit to the City.

Deliverables:

- Geotechnical Pavement Recommendation Report

6 Design Plans

Upon City approval of the pavement rehabilitation scenario, TAIT will initiate the preparation of the design PS&E. Based on our review of the project limits, this based scope task assumes the grind and overlay scenario. Alternate tasks are also provided below should the plan and profile option be required.

The following are the anticipated plan sheets for this project area:

SHEET DESCRIPTION	SCALE	SHEET COUNT
Title Sheet	N/A	1 Sheet
Notes, Details, & Typical Sections	Varies	3 Sheet
Street Improvement Plans (Plan View Only)	1" = 40'	8 Sheets
Signing & Striping Plans	1" = 40'	8 Sheet
Total Sheet Count		Sheets

6.1) Title Sheet:

The title sheet will include all City of Stanton standard notes, project construction notes, bench mark and basis of bearing, vicinity map, list of utility contacts and project abbreviations and legends. The plan set will be prepared on the City of Stanton standard title block on 24"x36" bond paper. It is assumed that a separate plan set will be required for each project area.

6.2) Notes, Details, & Typical Sections:

General project notes, a master list of construction notes, and typical roadway sections will be included on these sheets that depict the nature of the proposed improvements based on the proposed stationing and intersecting streets.

Construction details will be prepared for all work items that cannot be built by standard plan, or do not have adequate space on the plan sheet for the necessary detailed callouts.

6.3) Street Improvement Plans:

Street improvement plan sheets will be prepared for the entire project limits at a 1"=40' horizontal scale in plan view only (for base scope – see below for alternate scope of plan and profile). Roadway stationing will be established from the GIS based roadway centerline network and will identify all limits of pavement, sidewalk, and curb and gutter replacement. Curb ramps, and other isolated improvements will also be identified.

6.4) Signing & Striping Plans:

Signing and striping plans will be prepared for all roadway segments based on current CA-MUTCD requirements. It is assumed that all striping will be replaced in kind and that damaged or faded signs will be replaced. TAIT will coordinate with City staff at the kickoff meeting to identify any other minor modifications that are desired/requested along the project limits.

6.5) QA/QC, Compilation, and Submittal of PS&E

The following submittals are anticipated as part of this project:

- ✓ 70% PS&E
- ✓ 90% PS&E
- ✓ Final PS&E

Prior to each submittal, TAIT will conduct a full QA/QC review per our quality assurance protocols described at the end of this section. Additionally, TAIT will plot, compile and deliver the noted number and format of PS&E to the City for each submittal per the RFP requirements.

Deliverables:

- ✓ 75% Plans (Digital & Hard Copy)
- ✓ 90% Plans (Digital & Hard Copy)
- ✓ Final Plans (Digital & Hard Copy)

A-3 Plan & Profile Design (Reconstruction)

Should the City elect to reconstruct all roadway segments, additional sheets and design hours will be required. The following additional sheets are anticipated should the roadway reconstruction be necessary.

SHEET DESCRIPTION	SCALE	SHEET COUNT
Roadway Plan & Profile	1"=40'H, 1"=4' V	6 Added Sheet
Intersection Grid Grade Sheets	1" = 20' H	8 Added Sheets
Design Cross Sections (25' O.C = ~350 Sections)	1" = 40'	30 Added Sheet
Total Sheet Count		44 Added Sheets

As was noted above – prior to authorization of any added plan sheets, it is strongly recommended that the City meet with the TAIT team to discuss approach and desired level of design and effort. For instance – should full depth reclamation be selected as the preferred options, the sheet count and design effort may be reduced. Additional – treatment of median curbs, and other roadway improvements should be discussed prior to authorization of this tasks.

7 Project Specifications

TAIT will prepare technical specifications for the proposed project based on the City boilerplate specifications. Each work item will have a clear measurement and payment clause in order to avoid costly change orders during the construction phase. Specifications will also include clear delineation of the traffic control requirements, water pollution control requirements, survey monument protection and replacement requirements, and construction scheduling parameters as well as coordination requirements with utilities. Utility owners, coordination and contact requirements, and additional permitting requirements will also be included in the specifications. The project specifications will be reviewed by the QA/QC Manager prior to each submittal per the quality assurance program.

Deliverables:

- ✓ 70% Draft Project Specifications (Digital & Hard Copy)
- ✓ 90% Project Specifications (Digital & Hard Copy)
- ✓ Final Project Specifications (Digital & Hard Copy)

8 Quantity Calculation and Cost Estimate

TAIT will prepare cost estimates at the 75% & 100% PS&E stage for City review and input. Unit prices will be checked against recent City projects. Work items will be prepared to correlate with the specifications and will include all work items including mobilization, storm water compliance, traffic control and striping. The cost estimate will be reviewed by the QA/QC Manager prior to each submittal per the quality assurance program.

Deliverables:

- ✓ 70% Engineer's Cost Estimate (Digital & Hard Copy)
- ✓ 90% Engineer's Cost Estimate (Digital & Hard Copy)
- ✓ Final Engineer's Cost Estimate (Digital & Hard Copy)

9 Mylar and Design File Submittal

Upon City approval and confirmation of the 100 %PS&E, a final signed mylar plan set will be routed through the City for signature. Final Specifications and cost estimate will also be plotted, signed, and compiled per RFP requirements. All electronic support documents (CAD, Word, Excel, Records, Etc.) will also be compiled and submitted to the City at this time.

Deliverables:

- ✓ 1 Set Mylar Plans (Wet Singed Copy)
- ✓ Final Bid Document
- ✓ Design Files/Documents

10 Construction Support Services (As Needed)

TAIT will continue to support the City during the Construction phase on an as needed basis. This task includes assumed hours for the design team in order to review and respond to RFI's, prepare any necessary addenda's, and to attend construction meetings (as needed). This task assumes the following items:

- Review and Responding to Bidding RFIs
- Preparation of Addenda (as needed)
- Attendance at the Pre-Construction Meeting
- Review and Responding to Construction RFIs/Submittals
- Attendance at a single construction meeting/site visit at City's option

It is assumed that the construction phase for each of the three projects within this RFP will be conducted separately. Should the construction phases be combined, TAIT will combine the construction support services task to create savings for the City.

Deliverables:

- ✓ Response to RFIs
- ✓ Addenda Documents/Plans
- ✓ Coordination Records

Approach to Managing Resources

Public works engineering contracts require careful planning, effective communication, and precise execution. For each project assigned to TAIT, we will employ our proven 5 step project management protocol (*Understand*→*Assign*→*Plan*→*Execute*→*QA/QC*) in order to ensure a successful project:

UNDERSTAND: Upon receipt of an RFP from the City, TAIT will conduct a cursory project review and will research existing conditions in order to ensure we have a full understanding of the scope. We will meet with the City to discuss the project in an effort to understand the City's needs, and will coordinate with and obtain design requirements from all stakeholders or jurisdictions that will be affected by the project. All records obtained during the proposal will be compiled for future reference and benefit during the design phase.

ASSIGN: TAIT's engineering division has expertise in public works water, sewer, roadway, storm drain, hydrology/hydraulics, pre/post construction water quality control, surveying, and minor structural engineering and analysis. Based on the scope of the project, TAIT's project manager will assign a lead project engineer to each contract whose background best matches the needs of the project. Key sub-consultants such as geotechnical, traffic, landscaping, environmental, and MEP team members will then be assigned to the project at this phase based on the needs of the project.

PLAN: We will prepare and submit a clear and concise scope of work, project schedule, and fee proposal that includes all necessary tasks to successfully complete the contract. Key considerations in the planning phase will include the funding source (local/state/federal) and associated permitting/documentation requirements, stakeholder requirements/needs, level of design detail desired by the City (plan/plan & profile), storm water quality requirements, coordination and meeting needs, and the overall scheduling needs.

EXECUTE: Upon issuance of the notice to proceed, TAIT will actively and effectively execute the scope of work for the contract. Our assigned project manager will stay in constant contact with the City and will remain available and responsive to the City's needs through the life of the project.

QA/QC: The final component to each of our projects is the implementation of our Quality Assurance/Quality Control (QA/QC) program. Our QA/QC Program focuses on the following four primary objectives:

1. Ensure that a quality design has been provided to the City, by following established in-house design checklists that meets our own requirements as well as the agency's,
2. Verify that different disciplines and agencies have been coordinated with in the development of the design plans,
3. Verify that the proposed improvements are able to be constructed, and
4. Verify that a cost effective analysis approach was followed to achieve the City's specific project goals and objectives.

TAIT utilizes a **Total Quality Management approach**. TAIT's philosophy is that quality control begins at day one and does not end until the project is constructed.

Quality Control is the responsibility of each and every team member. It includes the selection of project team members who have demonstrated the experience and the ability to understand and apply the project objectives to achieve a specific goal. It also requires open and continuous communication between all team members.

Timely reviews are provided prior to making submittals. Before plans are submitted to outside parties and the City, a senior member of TAIT will conduct a detailed review of the design to verify the quality, constructability and completeness of the documents to be submitted. If a Value Engineering measure is identified by the reviewer, it will be discussed with the Project Manager to determine the next appropriate action (i.e.: implement the measure, review the measure with the City, or conduct additional analysis to determine the feasibility and potential cost savings). At the completion of TAIT's in-house review, the design documents are returned to the design team for corrections. The Project Manager is then responsible to ensure that all review comments have been properly addressed prior to submittal of the plans and reports for agency review and approvals.

TAIT understands the needs of public agencies and their projects, and we look forward to proving our value to the City of Gardena on your upcoming design engineering projects.

5. SUB-CONSULTANTS

The base scope of this contract does not include any sub-consultants.

Should the City elect to include the alternate roadway reconstruction task, TAIT will obtain the services of GMU Geotechnical to provide all required pavement analysis and design services. GMU's brief bio is included below:

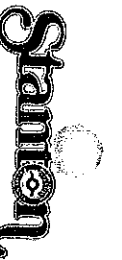
GMU Geotechnical – Geotech/Pavement Engineering

GMU Geotechnical (GMU) has built a reputation over 45 years as a trusted consultant for some of the most challenging and recognizable projects throughout Southern California. GMU prides itself on providing cost effective, innovative solutions utilizing a pro-active approach for both public and private development and improvement projects. GMU's in-house laboratory is approved by the California Department of Transportation (Caltrans), AASHTO Materials Reference Lab (AMRL), the County of Orange, and other public agencies.



6. CLIENT REFERENCE LIST FROM SIMILAR PROJECTS

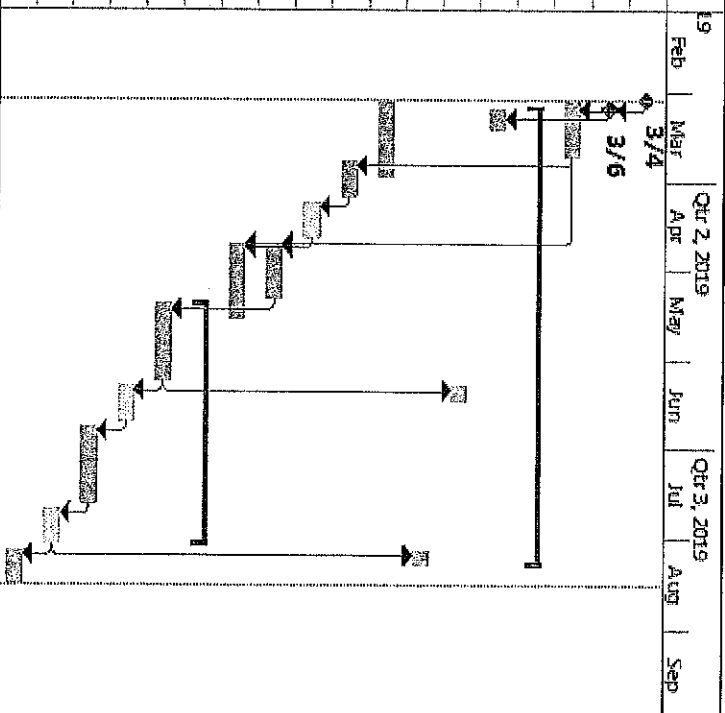
Client	Contact/Title	Address/Phone Number	Project Description
City of Irvine	Darrell Hartman, PE, Senior Civil Engineer	1 Civic Center Plaza, Irvine, CA 92606 P: 949-724-7556	Campus Drive Pavement Rehabilitation - From Michaelson Drive to University Drive. The project limits include a total of 4000 linear feet of arterial roadway rehabilitation and reconstruction on Campus Drive which is a 2 lane arterial roadway with bike lanes extending through the City of Irvine.
City of Lake Forest	Doug Erdman, PE, Principal City Engineer	25550 Commercentre Drive, Suite 100, Lake Forest, CA P: 949-282-5233	Portola Resurfacing Design Project - The project includes the design of pavement rehabilitation strategies as well as the identification and replacement of non-ADA compliant curb ramps, sidewalk, replacement of damaged curb and gutter, and the identification and adjustment/ protection of utility facilities.
City of Pomona	Matthew Pilarz, PE, Senior Engineer	505 South Garey Ave., Pomona, CA P: 909-620-3652	FY 13/14 Major Street Rehabilitation Project - The streets to be rehabilitated include two lane residential streets with on street parking and four-lane divided arterial highways. In addition to the implantation of a pavement rehabilitation program for the 7.4 miles of city streets, the project also includes improvements to pedestrian and bicycle mobility.
City of Garden Grove	Bill Murray, PE, Public Works Director	11222 Acacia Pkwy, Garden Grove, CA P: 714-741-5379	Harbor Blvd. Street Reconfiguration Project - This project included street reconfiguration (approximately 1/3-mile total length), improvements to an existing raised median, a new traffic signal, abandonment of existing 8-inch ACP and 12-inch DIP City water lines, installation of a 800 LF of 16-inch water line, relocation of SCE and AT&T main distribution service lines, and the installation of new public storm drains and sewer and water services to accommodate a future redevelopment project along Harbor Boulevard



7. DESIGN SCHEDULE

The following schedule has been prepared to show our understanding and proposed order/duration of activities. TAIT will work closely with City staff during the design phase to update and adjust our schedule based on the City's needs.

ID	Task Name	Duration	Start	Finish	19
1	Notice to Proceed Issued	0 days	Mon 3/4/19	Mon 3/4/19	Feb 3/4
2	Design Kickoff Meeting	0 days	Wed 3/6/19	Wed 3/6/19	Mar 3/6
3	Existing Records Research & Field Walk	15 days	Mon 3/4/19	Fri 3/22/19	
4	Utility Notification & Coordination	112 days	Thu 3/7/19	Fri 8/9/19	
5	Prepare & Send 1st Utility Notice	5 days	Thu 3/7/19	Wed 3/13/19	
6	Prepare & Send 2nd Utility Notice	5 days	Mon 5/10/19	Fri 6/14/19	
7	Prepare & Send Final Utility Notice	5 days	Mon 8/5/19	Fri 8/9/19	
8	Project Basemaps	20 days	Mon 3/4/19	Fri 3/29/19	
9	Pavement Design Cost Scenarios	10 days	Mon 3/25/19	Fri 4/5/19	
10	City Review & Approve Recommendations	10 days	Mon 4/8/19	Fri 4/19/19	
11	Topographic Survey (if Needed)	15 days	Mon 4/22/19	Fri 5/10/19	
12	Geotechnical Investigation (if Needed)	20 days	Mon 4/22/19	Fri 5/17/19	
13	Street Improvement PS&E	60 days	Mon 5/13/19	Fri 8/2/19	
14	Prepare & Submit 70% PS&E	20 days	Mon 5/13/19	Fri 6/7/19	
15	City Review 70% PS&E	10 days	Mon 5/10/19	Fri 6/21/19	
16	Prepare & Submit 90% PS&E	20 days	Mon 6/24/19	Fri 7/19/19	
17	City Review 90% PS&E	10 days	Mon 7/22/19	Fri 8/2/19	
18	Submit Mylars & Design Files	10 days	Mon 8/5/19	Fri 8/16/19	



Date: 1/22/19
Project: Citywide Reconstruction Project

Task Team Task City Task Milestone Summary



8. FEE PROPOSAL

TAIT's cost proposal and fee schedule is included in a separate sealed envelope per the RFP's request. Below is a table of the anticipated staff-hours dedicated to perform each of the tasks to complete the project:

WORK TASK	TASK #	PM	QA/QC	Project Engineer	Designer I	Survey PM	Survey Designer	2-Man Crew	TOTAL HOURS
Design Kickoff Meeting & Project Team Meetings (Total of 4 Meetings)	1	8	0	12	0	0	0	0	20
Existing Records Research & Field Walk	2	0	0	40	40	0	0	0	80
Utility Notification & Coordination	3	0	0	4	24	0	0	0	28
Project Basemaps	4	2	0	24	80	0	0	0	106
Pavement Design Cost Scenarios	5	8	0	24	40	0	0	0	72
Design Plans	6	26	4	94	268	0	0	0	392
Title Sheet	6.1	0	0	2	4	0	0	0	6
Notes, Details, & Typical Sections	6.2	2	0	16	40	0	0	0	58
Street Improvement Plans	6.3	16	0	40	120	0	0	0	176
Signing & Striping Plans	6.4	4	0	24	80	0	0	0	108
QA/QC, Compilation, and Submittal of PS&E	6.5	4	4	12	24	0	0	0	44
Project Specifications	7	4	2	20	0	0	0	0	26
Quantity Calculation & Cost Estimate	8	2	1	8	20	0	0	0	31
Mylar and Design File Submittal	9	2	0	8	8	0	0	0	18
Construction Support Services (As Needed)	10	8	0	22	0	0	0	0	30
LABOR HOUR TOTALS BY CLASSIFICATION		60	7	256	480	0	0	0	803
WORK TASK	TASK #	PM	QA/QC	Project Engineer	Designer I	Survey PM	Survey Designer	2-Man Crew	EM TOTAL HOURS
Optional Items									
Design Topographic Survey	A-1					4	80	80	164
Geotechnical Investigation (Allowance)	A-2								0
Plan & Profile Design (Reconstruction)	A-3	20	0	100	240	0	0	0	360
Roadway Plan & Profile (6 Added Sheets)		8		40	100	0	0	0	148
Intersection Grid Grades (8 Added Sheets)		4		20	60	0	0	0	84
Design Cross Sections (30 Added Sheets - ~350 Sections)		8		40	80	0	0	0	128
Railroad Permit Processing	A-4	2		16	24				42
		22	0	116	264	4	80	80	566

APPENDIX - RESUMES



Jacob Vandervis, PE

PRINCIPAL-IN-CHARGE



Mr. Vandervis currently serves as a Vice President/Chief Operations Officer in TAIT's Corporate Office in Santa Ana. In addition to his management duties, he acts as the primary point of contact for several national retail and residential developers. Mr. Vandervis is a licensed civil engineer with over 33 years of experience with land development projects in the western United States. He has been a member of the TAIT team for the past 22 years. His areas of expertise include site design, grading design, drainage studies, water pollution control plans, erosion & sediment control plans, as well as street improvement plans. He is experienced in site design of all sizes for commercial development, involved in preliminary design to develop cost estimates & due diligence packages, as well as experienced in the entitlement phase of projects. His surveying experience includes the preparation of ALTA and topographic surveys, parcel maps, record of survey, and legal descriptions. He is a certified Qualified SWPP Developer (QSD), Certified Development, Design & Construction Professional (CDP), and Certified Retail Property Executive (CRX)

Education

B.S. -- Civil Engineering
California State
University, Long Beach

**Year of TAIT Team
Enlistment**

1997

Total Experience

33

Certifications

Registered Professional
Engineer, Civil –
California, Oregon,
Arizona, Utah, Nevada,
and Alaska

**Harbor Blvd. Street Reconfiguration, Water Main Replacement & Utility Relocations,
City of Garden Grove, Principal-in-Charge, 2013**

Principal-in-Charge of the work being conducted by all TAIT staff to provide Design Engineering Service for then \$500 K water main replacement and utility relocation project and the \$ 1 M Street Reconfiguration Project in the City of Garden Grove. Primary responsibilities were to ensure the project was properly staffed and that the work was completed to the satisfaction of both TAIT & Associates as well as the City of Garden Grove.

On-Call Engineering Services, Orange County Public Works, Principal-In-Charge, 2010 – Present

Principal-in-Charge of the work being conducted by all TAIT staff and sub-consultants to provide Plan Check and On-Call Engineering Services for the County of Orange Planned Communities. Primary responsibilities were to ensure the project is properly staffed and that the work is completed to the satisfaction of both TAIT & Associates as well as the County of Orange.

100 Acre Parcel Development El Toro Marine Base, Orange County Public Works, Project Director, 2009 - Present

Services provided to the County have included a study of the existing and planned infrastructure for the redevelopment of several County of Orange parcels. Additional infrastructure assessment and cost studies have been prepared for the placement of a potential waterpark with the County's parcels. TAIT also conducted an assessment of five existing warehouse structures for a potential interim reuse. These projects required an extensive site review and assessment of existing conditions including the review of existing and future sewer, water, gas, electrical, telephone and drainage infrastructure available for redevelopment and the preparation of potential costs for redevelopment of the County property.

City Hall Underground Fuel Storage Tank Removal and Replacement, City of Irvine, Principal-In-Charge, 2013
As Principal-In-Charge Mr. Vandervis made sure that the project was completed to the satisfaction of the City of Irvine Project Manager. He also made sure that we had qualified staff and resources working the project to be sure that all the deliverables were to a standard that was expected by both TAIT as well as the City of Irvine.

Columbus Square Community, Tustin, CA, Principal-In-Charge, 2008

Working closely with Lennar Homes, the City of Tustin and Irvine Ranch Water District, Mr. Vandervis was able to direct the preparation of planning studies and final design for the development of infrastructure improvements to provided underground wet and dry utilities, public and private streets, storm drain systems and site grading for this 110-acre planned residential development on the former USMC Tustin Air Station. His efforts included review and coordination with Southern California Edison for design of the backbone electrical services.

FBI Training Center, Orange County Public Works, Principal-In-Charge/Structural Engineer, 2007 -2008

Provided structural design for a 1,480 square foot masonry block structure to be constructed at new FBI training facility on the former El Toro Marine Base. The site improvements were to include the construction of a new classroom and a covered training area adjacent to an existing structure. The site was a former USMC shooting range and was being upgraded by the FBI. To help minimize the overall construction cost and to speed up construction, the use of a pre-manufactured roof truss for the structure was proposed. The design/build construction of the facility was completed in August 2008.

Tuscany Senior Apartments – Los Angeles, CA 2004-2007 (Principal-In-Charge)

Supervised civil engineering design services for a new 315-unit, 13-acre senior care facility constructed in collaboration with Shapell Industries and the City of Los Angeles. ADA access required consideration in developing the ultimate arrangement of and improvements to the seniors' complex. In addition to preparing grading, drainage, and utility plans for the project, our services included the preparation and processing of tentative map and final parcel maps. Public street improvements along the project frontages were designed and plans were processed through the City of Los Angeles, Bureau of Engineering.

Abridged List of Additional Project Experience by Jake:

- Foothill Crossing, City of Rancho Cucamonga (Principal-In-Charge)
- Columbus Square Infrastructure Improvements, City of Tustin, (Principal-In-Charge)
- Entertainment Park, City of Anaheim (Senior Project Manager)
- Chino Hill Center, City of Chino Hills (Senior Project Manager)



David Sloan, PE

PROJECT MANAGER



As a Project Manager, David has performed and coordinated detailed designs on arterial roadways, conducted utility coordination for major relocations on high profile projects and assisted in coordination and project management efforts on multiple projects throughout the Southern California region. David has acted as community coordinator for high profile projects and has coordinated presentations of the project scope, intent and impact in front of the affected stakeholders and local communities. David is an effective communicator and actively stays in contact with his clients throughout the life of his projects. David has also been responsible for multiple public work construction management projects, which brings value to design projects by fully understanding the methods and costs of construction projects. David is also responsible for supervising staff at TAIT on the preparation of public and private development projects throughout the Southern California region.

Education

BS Civil Engineering –
Tau Beta Pi Honor
Society & Chi Epsilon,
University of Southern
California

BS Physical Science,
Biola

**Year of TAIT Team
Enlistment**

2014

Total Experience

12

Certifications

Professional Engineer
California No. 82595

Campus Drive Rehabilitation, City of Irvine, Project Manager, 2017

Project Manager providing PS&E documents for the rehabilitation of Campus Drive as it crosses through San Joaquin Marsh (an environmentally sensitive area). This 3500 LF rehabilitation requires full reconstruction of the existing roadway and bike lanes for the City.

Newport Height Alley & Sewer Reconstruction Project, City of Newport Beach, Project Manager, 2015-2016

David is currently acting as the Project Manager to the City of Newport Beach for the Newport Heights Alley & Sewer Reconstruction Project. The project includes the survey, design, and reconstruction of over three miles of residential alleys. The project is designed in three phases with phase 1 being sewer main replacements, and phase 2 & 3 being alley reconstructions within select neighborhoods. The alley replacement design included the geometric and profile analysis of each alley along with the preparation of design plan and profile sheets for each alley segment. The design also included the preparation and analysis of design cross sections (via use of Civil 3D corridors) to ensure design crossfalls along the alley are appropriate. The project completed phase 1 design in April, 2016, and phase 2 & 3 design in July, 2016.

Portola Parkway Resurfacing Project, City of Lake Forest Project Manager, 2015

David is currently serving as the Project Manager to the City of Lake Forest on this federally funded arterial pavement rehabilitation project which included design engineering, geotechnical engineering, surveying, and federal documentation/ approvals. The project included the rehabilitation of the arterial roadway as well as the identification and replacement of non-ADA compliant or non-functional PCC sidewalk, curb ramp, curb and gutter and other improvements. The design also included the replacement and updating of the roadway and bike lane striping throughout the project limits. The project also included the relocation and reconstruction of an existing median at Bake parkway in order to construct an additional left turn pocket.

FY13/14 Major Street Rehabilitation, City of Pomona, Project Manager, 2014

David is currently acting as the Project Manager to the City of Pomona for their annual major street rehabilitation project. The project includes the rehabilitation of eight arterial and collector segments of roadway throughout the City. The project required analysis of the existing pavement conditions, recommendation of alternate rehabilitation methods by use of recycled pavement options, obtaining an SCRRRA railroad encroachment permits, upgrading of 4 roadway segments in add new bike lanes and the analysis and replacement of all curb ramps along the project limits.

STPL Woodruff Ave. & Palo Verde Ave. Rehab. Project, City of Bellflower, Project Engineer, 2013

As Project Engineer, David provided Design engineering and Federal Aid Documentation services to the City of Bellflower for this STPL-funded project. The project spanned 5,200 LF of arterial roadway, along Woodruff Avenue, from Alondra Boulevard to Somerset Boulevard and Palo Verdes Avenue, from the South City Limits to Artesia Boulevard. The project was designed as a single project, but split for construction. The scope included full-width grind and ARHM overlay, localized full-depth reconstruction, PCC sidewalk, curb & gutter, driveway, installing 16 ADA-compliant curb ramps, as well as extensive traffic control to allow access to open businesses during construction. David prepared an E-76 Construction Authorization Package to obtain Caltrans approval on the project and to secure funding. David continued to coordinate with Caltrans for the duration of this contract.

2012 Citywide Street Rehab. Project, City of Placentia, Project Engineer/CM, 2013

David served as Project Engineer and Construction Manager for the City of Placentia on the 2012 City-wide Residential Street Rehabilitation Project. The project was funded by a variety of sources including Gas Tax, Proposition 1B, Measure M1, and Measure M2. Our analysis included 75 miles of roadway and the actual design spanned 35 miles. The scope of work included rehabilitating the roadway using primarily Type II Slurry Seal, chip seal, and portions of full R&R. The final design included rehabilitating 41% of the City's residential roadways, including 109 new ADA compliant curb ramps, 5,445 tons of slurry, 105,050 square yards of chip seal, grind and overlay with 235,070 tons of AC paving, adjusting 209 manholes and 369 water valve, and 2,363 LF of curb and gutter.

Area 7/Zone 5 Road Maintenance Project, City of Diamond Bar, Project Engineer/CM, 2012

David served as Project Engineer and Construction Manager to the City of Diamond Bar on their Area 7 and Arterial Zone 5 Road Maintenance Project. The limits of this project include a total of 19.5 centerline miles of residential, collector and arterial streets. The scope of work included rehabilitating the roadway using primarily slurry seal and chip seal methods. In areas of extreme degradation, an asphalt overlay or full width grind and replacement was recommended depending on funding availability. To provide a complete and accurate design, David and the team individually walked each proposed roadway to note necessary localized AC remove and replace patches, damaged curb & gutter and uplifted or non-ADA compliant sidewalks.

Jamboree Road Roadway Rehabilitation Project, City of Irvine, Project Engineer, 2013

David served as Project Engineer for the City of Irvine to rehabilitate Jamboree Road, from MacArthur to Camp. Funding deadlines required an expedited design, and the design was modified mid-way through to eliminate anticipated median island improvements on this 119-foot-wide major arterial. The design included grind and ARHM overlay, 2,232 tons of 10-inch FDR, upgrading 9 ramps to meet ADA compliance, loop installation, and video detection at 2 intersections.

STPL Bellflower Blvd. & Woodruff Ave. Rehabilitation, City of Bellflower, Project Engineer, 2011

David provided design engineering and project coordination services to the City of Bellflower on this Federal Surface Transportation Program Local (STPL) funds project. The project was designed as a single project, but split for construction. The total design covered approximately 3,500 LF of arterial roadway rehabilitation design. The rehabilitation design varied, and included full-width and variable-depth grind and ARHM overlay, localized full-depth reconstruction, PCC sidewalk, curb & gutter, driveway and curb ramp replacement and traffic striping design. David expedited the design schedule to meet E-76 requirements, and ensured all other funding requirements and deadlines were met to secure funding.

SRTS Campus Drive Class I Bikeway Project, City of Irvine, Project Engineer, 2011

David served as Project Engineer and Project Coordinator to the City of Irvine for a 1,600 LF bikeway separated from traffic. The project limits spanned the south side of Campus Drive between Culver Drive and California Avenue. The final design included the 11-foot wide off street bikeway, constructed of 6-inch thick PCC. A 3.5-foot-high split face block retaining wall was designed and a trail lighting system was installed along the bikeway for cyclist safety. David verified existing right-of-way and determined required easements from UCI to obtain an E-76 permit from Caltrans and secure Federal Funding. The design also included the preparation of a WQMP and installation of bioswales to improve runoff water quality in compliance with NPDES requirements.

Culver Drive Pavement Rehabilitation Project – City of Irvine, Project Engineer, 2011

David served as Project Engineer, providing PS&E to the City of Irvine on the Culver Drive Rehabilitation Project. The project spanned 1,800 LF along Culver Drive, from the north railroad tracks to Walnut Avenue. Culver Drive is a principal arterial roadway, providing northeast/southwest access through the western portions of the City of Irvine, while also serving as a primary travel route through a variety of commercial, residential and institutional zoning areas. David designed localized pavement reconstruction at the Northbound #3 lane and the Southbound #1 lane, where pavement conditions were considerably worse than adjacent lanes; the length of the project was treated with full width 2-inch grind, a 2-inch AC leveling course and 2-inch ARHM overlay. The project also entailed removing and replacing the existing median shed gutter with a standard 8-inch median curb, median island landscape improvements, and ensuring ramps throughout the project were ADA compliant.

Abridged List of Additional Project Experience by David:

- Citywide Comprehensive Drainage Study, Diamond Bar, Project Manager
- FTA-Administrated 2010 Bus Shelter Replacement Project – Norwalk Transit, Project Engineer
- Area 2 & Zone 1 Roadway Maintenance Project, City of Diamond Bar, Project Engineer
- Irvine Center Drive Rehabilitation Project, City of Irvine, Project Engineer
- ARRA Red Hill Avenue Rehabilitation Project – City of Irvine, Project Engineer



D. Todd Schmieder, PE

Sr. PROJECT MANAGER/QA/QC MANAGER



Mr. Schmieder has worked on numerous public infrastructure and private development projects ranging from small residential and commercial projects to a 30-mile long toll road, a 40-acre commercial center, and 1000-home master planned communities. His project experience includes plan check services, preparation of feasibility, and site assessment studies, site planning studies and preliminary and final design plans, tentative and final maps, and environmental studies and reports. Mr. Schmieder's technical experience also includes conducting design reviews, development of traffic signing and striping plans, preparation of traffic control and construction staging plans, preparation of construction specifications and cost estimates, and providing construction management and inspection. His project management experience includes utility coordination, master planning, and project scheduling.

FY13/14 Major Street Rehabilitation, City of Pomona, QA/QC Manager, 2014

The project includes the rehabilitation of eight arterial and collector segments of roadway throughout the City. The project required analysis of the existing pavement conditions, recommendation of alternate rehabilitation methods by use of recycled pavement options, obtaining an SCRRA railroad encroachment permits, upgrading of 4 roadway segments in add new bike lanes and the analysis and replacement of all curb ramps along the project limits.

Harbor Boulevard Street Reconfiguration, Water Main Replacement & Utility Relocations, City of Garden Grove, Senior Project Manager, 2013

Project Manager of the work being conducted by all TAIT staff to provide Design Engineering Service for then \$500 K water main replacement and utility relocation project and the \$ 1 M Street Reconfiguration Project in the City of Garden Grove. Primary responsibilities were to review and stamp the plans, supervise engineering team, and attend and coordinate project meetings with City staff and other stakeholders. Project included Providing Plans Specifications and Cost estimate for City improvements to Harbor Boulevard that will accommodate the future redevelopment of several city-owned parcels. This project included reconfiguration of Harbor Boulevard from Palm Street to Lampson Avenue (approximately 1/3-mile total length), improvements to an existing raised median, abandonment of existing 8-inch ACP and 12-inch DIP City water lines, installation of a 800 LF of new 16-inch water line, relocation of SCE and AT&T main distribution service lines, and the installation of new public storm drains, sewer and water services.

Silverado Campus Conversion, County of Orange, Sr. Project Manager, 2013-Present

TAIT's current task order assignment with OC Parks includes preparing plans for the demolition of several existing campus structures with the conversion of the former classrooms and office space into a County Library, offices for County Park staff, and community meeting rooms that cover 3500 square feet of usable enclosed space. Site work in the initial phase will consist of implementing Code-required ADA improvements for public

Education

B.S. – Civil Engineering
Ohio State University,
1980

Year of TAIT Team

Enlistment

2005

Total Experience

39

Certifications

Professional Engineer
California No. C37167

Certificate program in
light construction and
development
management

University of
California—Irvine
Extension, 2004

Affiliations

Transportation
Committee Member

access at the campus and for public restrooms, upgrading of the existing parking lot, and provisions to provide security lighting for night-time use of the facility.

Public Sewer and Street Improvements, City of Anaheim, Sr. Project Manager, 2007

Engineering design services included the design of sewer capacity enhancements for over 2 miles on new 15-inch and 21-inch sewer lines in Katella Ave., Gene Autry Way and Santa Cruz Rd. in the City's Platinum Triangle area. Encroachment permits were obtained from the Orange County Sanitation District for connections to a district sewer line and with Caltrans District 12 (Orange County) for work within Interstate I-5 right of way. The engineering design services also included the preparation street widening plans for Katella Avenue, State College Boulevard and Gene Autry Way (approximately one-mile) that included a new raised landscape median in Katella Avenue, and the reconstruction of a City Changeable Message Sign.

Red Hill Median & Streetscape Feasibility Study, City of Tustin, Sr. Project Manager, 2012

Served as the Project Manager responsible for the completion of a feasibility study to add a landscape median, bike lanes, and improved pedestrian circulation on Red Hill Avenue, a major arterial street, in the City of Tustin from I-5 to Bryant Avenue. The City recently restriped Red Hill from four to six lanes eliminating parking along both sides of the street within the project limits. The feasibility study required that several options for potential on-street and off-street bike lanes be developed while looking at improvements for pedestrian mobility, and streetscape improvements that would include gateway signage, median landscaping and street trees within the study limits. As part of this effort construction cost estimates for street improvements and for undergrounding overhead power lines were developed during the alternative analysis phase. The results on the study presented two final options to City Public Works Department for their consideration.

Tustin Metrolink Station Redevelopment, City of Tustin/OCTA, Sr. Project Manager, 2011

This OCTA project consisted of the redevelopment of an existing 4-acre Metrolink Station in order to provide parking for 870 vehicles and improve traffic circulation and bus loading operations. Design required preparation of plans for the reconfiguration of the existing surface parking lot for a new five-story parking structure, relocation of sewer, water and storm drain lines, and the installation of storm water treatment devices to satisfy the new storm water discharge permit requirements. Design services required extensive coordination and/or permitting with the City of Tustin, Irvine Ranch Water District, Orange County Sanitation District and the State Water Board. Access to the existing Metrolink platform was maintained throughout construction and the entire station was reopened to the public in November 2011.

Abridged List of Additional Project Experience by Todd:

- Antonio Parkway Widening Improvements, County of Orange
- Marketplace Drive and Neil Armstrong Street Reconfiguration, City of Montebello
- Greenwood Street Rehabilitation and Extension, City of Monterey Park
- Tustin Family Campus, County of Orange/OCSSA



Bart Mink, PE, LEED AP

PROJECT ENGINEER



Education

BS Civil Engineering –
Arkansas State University

Year of TAIT Team Enlistment

2018

Total Experience

21

Certifications

Professional Engineer
California No. 82953
Arkansas No. 12169

2009/LEED Accredited
Professional

Associations

American Public Works
Association, US Green
Building Council
Leadership in Energy and
Environmental Design,
American Society of Civil
Engineers

Past Memberships:

National Society of
Professional Engineers,
American Water Works
Association, Arkansas
Water Works, and Water
Environment Association

Bart Mink, PE, LEED AP, a registered civil engineer in California and LEED AP certified brings 21 years of multidisciplinary experience to our team. Bart is results-driven and detail-oriented. He is proficient in many facets of civil site engineering, including the municipal, industrial, commercial and residential fields. Bart is proficient in water hydraulic modeling utilizing KY Pipe and WaterCAD. He is also proficient in wastewater modeling using SewerCAD. Bart has in depth knowledge and experience in water/wastewater treatment and design. He is skilled in state and federal funding policies and procedures and is efficient with Autodesk Civil 3D including grading, corridors, and pipe networks. Bart is experienced and knowledgeable in hydrology and hydraulics utilizing such programs as TR-55 and HEC-RAS. He is also knowledgeable with FEMA Letters of Map Amendment and Map Revision procedures.

Pavement Rehabilitation Ximeno Avenue and Redondo Avenue, City of Long Beach, CA

Project engineer for engineering services for the pavement rehabilitation of Ximeno Avenue (from Atherton Street to Los Coyotes Diagonal) and Redondo Avenue (from Reservoir Drive to Stearns Street). Design and support during construction services include supervising, coordinating, monitoring and reviewing design for conformance with local agency standards, policies and procedures.

Del Cerro Park/Burma Road Entrance to Palos Verdes Nature Preserve ADA Access Improvements, City of Rancho Palos Verdes, CA

Project engineer for design engineering services to complete the City's ADA Access Improvements for the Del Cerro Park/Burma Road Entrance to the PV Nature Preserve. The project involved removing vegetation and natural physical impediments to provide unobstructed mobility and access for the elderly and severely disabled adults. The project entailed the construction of three ADA curb ramps, including curb and gutter along the ramps as well as 800 feet of new sidewalk to create pedestrian linkage to the PV Nature Preserve entrance. These improvements are constructed along Crenshaw Boulevard/Burma Road, between Park Place and Burrell Lane.

Phase 2 Neighborhood Street Rehabilitation, City of La Mirada, CA

Project engineer for roadway improvements, street resurfacing and appurtenant infrastructure repairs. Provided PS&E as required, for bidding and construction of the proposed improvements. The intent of this project was to renovate the roadway pavement and hardscape leaving the neighborhood with a like new appearance. APP's initial recommendation was to mill 0.5" of the existing pavement (avoiding impacting the existing macadam), construct 2" of new pavement for much of the roadway, remove 4" of the outside six feet of A.C./macadam, and construct 4" of new A.C. pavement and resulted in significant cost savings for the City relative to the approach they used in previous years.

Firestone Boulevard Median Project, Downey, CA

Project engineer for raised median islands, entry monument sign, street rehabilitation and water facilities improvements on Firestone Boulevard between Old River School Road and West City Limits. Work includes preparation of traffic study, complete plans, technical specifications and estimate (PS&E) for the proposed improvements, providing the bidding document, suitable for bidding and award of a formal unit price public works construction contract, and construction support.

Lincoln Avenue Widening, Anaheim, CA

Performed hydrology and hydraulic calculations as well as catch basin sizing due to the moving of existing catch basins in Lincoln Avenue.

Brookshire Avenue Pavement Rehabilitation, Downey, CA

Served as project engineer responsible for assisting the project engineer on the road rehabilitation project for the City of Downey, CA. The project included rehabilitation of the street to a new centerline profile while utilizing the existing curb and gutter location and elevation.

Pavement Evaluation and Analysis, Santa Fe Springs, CA

Served as project engineer responsible for assisting the project team and the City of Santa Fe Springs by analyzing pavement inspection data, developing a prioritized 5-year pavement rehabilitation recommendation, preparation of a summary report and incorporation of the evaluation into the City's existing GIS system.

Sidewalk Evaluation and Analysis, Santa Fe Springs, CA

Served as project engineer responsible for assisting the project team and the City of Santa Fe Springs by analyzing sidewalk inspection data, developing a representative unit price cost estimate for repairs, preparation of a summary report and incorporation of the evaluation into the City's existing GIS system.

Richmond Street Arterial Improvements, El Segundo, CA

Project engineer responsible for providing engineering services for Richmond Street arterial improvements located between El Segundo Blvd. and Holly Ave. within the downtown area for 1,600 lineal feet with 60 feet of street and sidewalk width. Design work includes street, sidewalk, parking, survey, traffic and landscape improvements.

Bellflower/Imperial Intersection, City of Downey, CA

PS&E for the widening and rehabilitation of this federally funded key intersection project including traffic queuing analysis for right and left turns, preparation of a MND, median construction, pavement reconstruction and rehabilitation, landscape and irrigation, traffic signal upgrade, reconstruction of curb ramps per current ADA criteria, and signing and striping.



Christopher Engelbach, E.I.T.

PROJECT ENGINEER



Education

BS Civil Engineering,
California State
Polytechnic University,
Pomona

Year of TAIT Team Enlistment

2016

Total Experience

10

Certifications

E.I.T.

Chris is an experienced Project Engineer in design, approval, and quality control of residential and commercial land development as well as public work projects. He has expertise in preparation of tentative tract maps, street, rough grading, erosion control, storm drain, sewer and water, and precise grading plans; hydrology and hydraulic calculations utilizing Civil-D and WSPG; WQMP employing new low impact development methods; coordination with clients, sub-consultants, site managers, contractors, and survey crew. Chris technical skills include AutoCAD Civil 3D, Water Surface Profile Gradient Software (WSPG), Civil-D, and Microsoft Project.

Campus Drive Rehabilitation, City of Irvine, Project Engineer, 2017

Project Engineer providing PS&E documents for the rehabilitation of Campus Drive as it crosses through San Joaquin Marsh (an environmentally sensitive area). This 3500 LF rehabilitation requires full reconstruction of the existing roadway and bike lanes for the City.

Newport Heights Alley Replacement, City of Newport Beach, Project Engineer, 2016

Chris is currently a Project Engineer on this alley rehabilitation project which includes design engineering, utility research and sewer replacement. Chris is responsible for rehabilitation of the alley-ways as well as the addition of ADA compliant PCC sidewalks, curb ramps, curb and gutter and other improvements.

Redlands Packing House, City of Redlands, Project Engineer, 2016

Chris is currently a Project Engineer on this 10 acre commercial development in the City of Redlands which includes design engineering, utility research, and coordination with consultants and field crew. The project includes Street Improvements, and on-site Rough Grading and Stockpile, Utilities, Water Quality, and Precise Grading. Chris is responsible for Street Improvements including relocation and reconstruction of medians, traffic signal relocation, identification and replacement of non-ADA complaint curb ramps, and updated crosswalks and landings designed to enhance urban feel, encourage pedestrian traffic, and increase safety.

Limonite Sumner Retail Development, City of Eastvale, Project Engineer, 2016

Chris is currently a Project Engineer on this 7 acre commercial development in the City of Eastvale. The project includes Off-site Street Improvements, Rough Grading, Water Quality, Precise Grading, Utility, and on-site Storm Drain design. Chris is responsible for street improvements including relocation and reconstruction of existing medians and updated signing and striping as well as On-site Storm Drain design including Hydraulic calculations and utilization of the most current Low Impact BMPs.

Orange County Animal Care Facility, City of Tustin, Project Engineer, 2016

Chris is currently a Project Engineer on this Orange County Animal Care Facility in the City of Tustin. The project includes Public Sewer, Water, Fire Water, Water Quality, On-

site Utilities, and Grading plans. Chris is responsible for the public Sewer, Water, and Fire Water plans

Vons-Albertsons Distribution Center, City of El Monte, Project Engineer, 2016

Chris is currently the Project Engineer on this 36 acre Industrial Project which includes Demolition, Grading, and Utility Research. Chris is responsible for the Demotion, and Grading Plans as well as coordination with Utility Providers. These plans include the removal and disposal of Hazardous materials as well as the protection of existing ground-water monitoring wells and grading design which duplicates existing flow patterns.

Limonite Marketplace, City of Jurupa Valley, Assistant Project Manager, 2015

Chris was the Assistant Project Manager and Engineer for this 39 acre mixed use development in the City of Jurupa Valley. This mixed use project combined Retail development with private, high-density, residential. Chris was responsible for the Tentative Tract and Parcel Maps, Site Development Plan, on and off-site Street Improvements, Water Quality, Hydrology, Storm Drain, Rough Grading, and Precise Grading Plans. Off-site Street Improvement Plans included relocation of traffic signals, roadway widening, new signing and striping, addition of ADA ramps, bus turn-outs, and horse trails, and development of 1 mile of unpaved rural dirt road.

Stoneridge, County of Riverside, Assistant Project Manager, 2015

Chris was the Assistant Project Manager and Engineer for this 700 acre Master-Planned residential community in Riverside County. This project included Tentative Maps, Phasing Exhibits, Street Improvements, Water Quality, Hydrology, Storm Drain, Rough Grading, Precise Grading, and Traffic Studies. Chris was responsible for Street Improvement, Rough Grading, Storm Drain, and Phasing of this project. Street improvement plans included the development of 20 miles of new roadway along with signing, stripping and signalization.

Crossroads at Chino Hills, City of Chino Hills, Assistant Project Manager, 2015

Chris was the Assistant Project Manager and Engineer for this 15 acre high density residential development. This project included on-site Street, Utility, Storm Drain, Water Quality, and Grading. Chris was responsible for on-site Street, Sewer, Water, Grading and Storm Drain design.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

DATE: FEBRUARY 26, 2019

SUBJECT: CONTRACT AMENDMENT FOR PROFESSIONAL CONSTRUCTION INSPECTION SERVICES FOR THE FY 18/19 RESIDENTIAL AND ARTERIAL STREETS REHABILITATION PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

REPORT IN BRIEF:

On September 11, 2018, the City Council awarded a contract for inspection services for the FY 18/19 Residential and Arterial Streets Rehabilitation Project to NV5. The cost for completing these services is a maximum of \$31,360. Due to a longer construction schedule, rain delays, and additional soils testing, NV5 has requested a contract amendment for additional fees in the amount of \$29,000.

RECOMMENDED ACTIONS:

1. Declare this project to be categorically exempt under the California Environmental Quality Act, Class 1, Section 15301 (c); and
2. City Council approve a contract amendment for professional construction engineering services to NV5 to provide construction engineering services for a maximum contract amount of \$29,000; and
3. Authorize the City Manager to bind the City of Stanton and NV5 in a contract amendment to provide professional construction engineering services.

BACKGROUND:

The City Council awarded a construction contract to The R.J. Noble Company for the FY 18/19 Residential and Arterial Streets Rehabilitation Project. The scope of this project included asphalt improvements on various streets in the City along with associated concrete repairs.

Staff is unable to provide for the inspection of this project and needed the assistance of a consultant to provide these specialized services. On September 11, 2018 the City Council awarded a contract to NV5 to provide said services.

ANALYSIS/JUSTIFICATION:

NV5 projected their original proposal on 40 working days of construction. However, due to unsuitable soils, rain delays, removal and recompaction of dirt due to the rain, and the contractor needing additional time to perform the work the project is anticipated to take 62 working days. Additionally, the soils encountered in the two alleys in areas of complete removal and reconstruction were found to be poor and testing was needed to assure proper compaction.

FISCAL IMPACT:

Funds for these services are available from the Gas Tax Fund 211-3500-710190.

ENVIRONMENTAL IMPACT:

This project is categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301 (c) as replacement of existing facilities.

LEGAL REVIEW:

The City Attorney has reviewed the contract amendment.


STRATEGIC PLAN OBJECTIVE ADDRESSED:

3 – Provide a quality infrastructure.

PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

Prepared by:



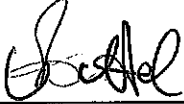
Allan Rigg, P.E., AICP
Director of Public Works/City Engineer

Reviewed by:



Stephen Parker
Assistant City Manager

Approved by:



Bob Hall
Interim City Manager

Attachment:

- (1) Contract Amendment

CITY OF STANTON
FIRST AMENDMENT TO
AGREEMENT FOR INSPECTION SERVICES

1. PARTIES AND DATE.

This First Amendment to the Agreement for Inspection Services ("First Amendment") is entered into on the ____ day of _____, 20____, by and between the City of Stanton (hereinafter referred to as the "City") and NV5 (hereinafter referred to as the "CONSULTANT"). City and CONSULTANT are sometimes collectively referred to herein as the "Parties."

2. RECITALS.

2.1 Agreement. The Parties entered into that certain Agreement for Inspection Services dated September 11, 2018 ("Agreement").

2.2 First Amendment. The Parties now desire to amend the Agreement in order to provide for additional inspection and testing services and increase the total compensation.

3. TERMS.

3.1 Scope of Services. The Agreement is hereby amended to include the scope of services set forth in Exhibit "A," attached hereto and incorporated herein by reference.

3.2 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this First Amendment at the rates set forth in Exhibit "A" attached hereto and incorporated herein by reference. The total compensation for the Services provided pursuant to the Agreement and this First Amendment shall not exceed **Sixty Thousand Three Hundred and Sixty Dollars (\$60,360)** without written approval of the City Manager. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this First Amendment at the rates set forth in Exhibit "A" attached hereto.

3.3 Declaration of Political Contributions. Prior to the City's approval of this Amendment, Consultant shall submit to City a statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of Consultant's employees, including any employee(s) that Consultant intends to assign to perform the Services described in this Agreement.

3.4 Remaining Provisions of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Agreement on this ____ day of _____, 2019.

CITY OF STANTON

NV5

By: _____ By: _____
Robert Hall
Interim City Manager

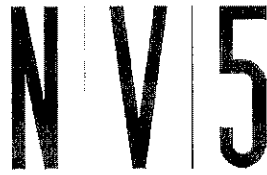
ATTEST:

By: _____ By: _____
Patricia Vazquez
City Clerk

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
City Attorney

EXHIBIT "A"
TO FIRST AMENDMENT TO
AGREEMENT FOR INSPECTION SERVICES
SCOPE OF SERVICES AND COMPENSATION



February 14, 2019

Allan Rigg, P.E.
City Engineer/Public Works Director
City of Stanton
7800 Katella Avenue
Stanton, CA 90680

Subject: City of Stanton – 2018 Overlay Project – Amendment Request – Construction Inspection Services

Dear Mr. Rigg,

NV5 submits this contract amendment request for a total of \$29,000 for additional construction support services. Specifically, the requested amount is required to cover the following additional services:

1. Additional Resident Inspection – Our original fee proposal dated August 17, 2018, included 40 working days of Resident Inspection coverage. Based on the current status of the work, we are projecting a total of 62 working days to complete the project. We also provided a half-day of pre-construction coverage to mark-out and measure proposed pavement repair areas. This results in a total additional coverage of 22.5 working days. At our contract rate of \$98/hr, this equates to a cost of \$17,640.
2. Geotechnical/Materials Testing and Inspection – On January 4, 2019, the City requested Geotechnical/Materials Testing and Inspection services. These services were provided on a time and materials basis. The total cost of these services is \$11,490.

Attached is a breakdown of these costs.

Please know that we do not take this request lightly and, that we do not submit such requests unless the conditions of the project have changed, or additional scope has been added to our task order, making it infeasible for us to provide the required services within the original budget proposal.

We greatly appreciate your consideration of this matter, and we thank you for the opportunity to work with the City on this project. Should you have any questions or require additional information, please contact me at (949) 585-0477 or via email at peter.salgado@nv5.com

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Peter Salgado'.

Peter Salgado, P.E.
Director of Construction Management

Attach.

STANTON - 2018 OVERLAY INSPECTION					
ADDITIONAL SERVICES SUMMARY					
Description	WD	Hours	Rate	Extension	Notes
Resident Inspector	22.5	180	\$ 98.00	\$ 17,640.00	Based on current projection of 62 total working days to complete project and 1/2 day for preconstruction mark-outs of R and R areas. Original fee included 40 working days.
Geotech/Materials Testing and Inspection				\$ 11,490.00	See attached breakdown of costs
Total Required				\$ 29,130.00	

Remit Payment To:**NV5 West****PO Box 74008680, Chicago, IL 60674-8680****Tel: 858.715.5800 Fax: 858.715.5810****Federal Tax ID # 27-1979620****INVOICE****NV5**

Peter Salgado

CivilSource, Inc.

9890 Irvine Center Drive

Irvine, CA 92618

February 13, 2019

Project No: 113819-0001096.00

Invoice No: 000000115687

Project 113819-0001096.00 CQA Inspection Services - Stanton

Civil Source Project # 227018-0000886.00

Professional Services**Professional Personnel**

		Hours	Rate	Amount
Senior Soil Tech				
Din, Arthur	1/7/2019	5.50	100.00	550.00
Din, Arthur	1/29/2019	8.00	100.00	800.00
Din, Arthur	2/7/2019	8.00	100.00	800.00
Torres, Joseph	1/9/2019	8.00	100.00	800.00
Torres, Joseph	1/10/2019	8.00	100.00	800.00
Torres, Joseph	1/11/2019	8.00	100.00	800.00
Torres, Joseph	1/23/2019	8.00	100.00	800.00
Torres, Joseph	1/24/2019	8.00	100.00	800.00
Torres, Joseph	1/25/2019	8.00	100.00	800.00
Torres, Joseph	1/28/2019	8.00	100.00	800.00
Senior Soil Tech OT				
Din, Arthur	1/29/2019	1.50	150.00	225.00
Din, Arthur	2/7/2019	1.50	150.00	225.00
Torres, Joseph	1/9/2019	1.50	150.00	225.00
Torres, Joseph	1/10/2019	1.50	150.00	225.00
Torres, Joseph	1/11/2019	1.50	150.00	225.00
Torres, Joseph	1/23/2019	1.50	150.00	225.00
Torres, Joseph	1/24/2019	1.50	150.00	225.00
Torres, Joseph	1/25/2019	1.50	150.00	225.00
Torres, Joseph	1/28/2019	1.50	150.00	225.00
Project Engineer/Geologist				
Bouknight, Joseph	1/18/2019	2.00	145.00	290.00
Report Review				
		93.00		10,065.00
Total Labor				10,065.00

Project	113819-0001096.00	CQA Inspection Services - Stanton	Invoice	000000115687
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Unit Billing

Laboratory Compaction Test

1/7/2019	Lab No 117396, Report No 7083	1.0 Unit @ 165.00	165.00
1/23/2019	Lab No 117523, Report No 7115	1.0 Unit @ 165.00	165.00
1/23/2019	Lab No 117523, Report No 7115	1.0 Unit @ 165.00	165.00

Laboratory Compaction w/Rock Correction

1/7/2019	Lab No 117397, Report No 7083	1.0 Unit @ 210.00	210.00
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Vehicle/Nuclear Gauge Usage

1/7/2019	Din, Arthur	1.0 Day @ 80.00	80.00
1/9/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/10/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/11/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/23/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/24/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/25/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/28/2019	Torres, Joseph	1.0 Day @ 80.00	80.00
1/29/2019	Din, Arthur	1.0 Day @ 80.00	80.00

Total Units **1,425.00** **1,425.00**

Total This Invoice **\$11,490.00**

Billings to Date

	Current	Prior	
Labor	10,065.00	0.00	10,065.00
Unit	1,425.00	0.00	1,425.00
Totals	11,490.00	0.00	11,490.00

For billing questions, please contact Brittani Escobedo at 858.385.2105 or email brittani.escobedo@nv5.com

CITY OF STANTON

REPORT TO STANTON HOUSING AUTHORITY

TO: Honorable Chair and Members of the Stanton Housing Authority

DATE: February 26, 2019

SUBJECT: CONSIDERATION OF AN EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH KB HOMES FOR THE PROPERTY LOCATED AT 7455 KATELLA AVENUE

REPORT IN BRIEF:

The Development Committee, upon review of options related to the Authority owned property at 7455 Katella Ave., directed staff to pursue the potential sale of the property. In furtherance of that direction, an Exclusive Right to Negotiate Agreement (ENA) with KB Homes for the future sale and potential development of the property has been prepared.

RECOMMENDED ACTION:

1. Declare that the project is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly).
2. Approve the Exclusive Right to Negotiate Agreement with KB Homes and authorize the City Manager to execute all necessary documents.

BACKGROUND:

City staff has been in communication with a number of developers and brokers interested in developing the subject property for a potential residential development. The Development Committee met in December 2018 to discuss the different opportunities associated with the sale of the site, and the potential developers interested in the site. KB Homes has submitted an official Letter of Intent to purchase the property for the appraised value of \$810,000, and requested the City enter into an Exclusive Negotiating Agreement (ENA) to negotiate the sale and potential development of the site.

ANALYSIS/JUSTIFICATION:

The proposed ENA sets out a schedule to allow the parties to explore the potential development of the site for a residential development. This includes the due diligence process to evaluate the site and potential development, entering into negotiations for a Disposition and Development Agreement, applying for the necessary entitlements from the City and conducting the appropriate California Environmental Quality Analysis. KB Homes has also agreed to deposit funds into an account to pay for the Housing Authorities costs associated with this transaction.

Future proceeds from the sale of the property received by the Housing Authority will be utilized for the preservation, acquisition and construction of affordable housing. At this time, Staff anticipates that any revenues would be used to fund the Tina/Pacific Affordable Housing Project.

FISCAL IMPACT:

Administrative costs associated with the drafting of the ENA and negotiations.

ENVIRONMENTAL IMPACT:

Declare that the approval of the ENA is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly).

LEGAL REVIEW:

The City Attorney's Office has reviewed the staff report and drafted the attached ENA.


PUBLIC NOTIFICATION:

Through the regular agenda posting process.

STRATEGIC PLAN:

5 – Provide a High Quality of Life

Prepared by:



Kelly Hart
Community & Economic
Development Director

Approved by:



Robert W. Hall
Interim City Manager

Attachments:

A. Exclusive Right to Negotiate Agreement for 7455 Katella Ave.

EXCLUSIVE NEGOTIATION AGREEMENT (KB HOME)

THIS EXCLUSIVE NEGOTIATION AGREEMENT (KB HOME), is dated as of February __, 2019, for reference purposes only (this "**Agreement**"), and is entered into by and between the HOUSING AUTHORITY OF THE CITY OF STANTON, a public body, corporate and politic ("**HA**"), and KB HOME, a California corporation ("**Developer**"), to provide a specified period of time to negotiate the sale of property from the HA to Developer. HA and Developer are sometimes referred to in this Agreement, individually, as a "**Party**" and, collectively, as the "**Parties.**" This Agreement is entered into by the Parties with reference to the following recited facts (each, a "**Recital**"):

RECITALS

- A. On December 19, 2018, the HA received an unsolicited offer from Developer to acquire the property located at 7455 Katella Avenue, Stanton (APN 079-371-09) ("**Property**").
- B. Pursuant to Health and Safety Code section 34172, the Stanton Redevelopment Agency was dissolved as of February 1, 2012 and the HA became the Housing Successor Agency to the Stanton Redevelopment Agency; and
- C. The Developer has proposed the development of the a Property with for a housing project inclusive of eight condominium/townhome units; and
- D. The intent of the HA and the Developer in entering into this Agreement is to establish a specific, limited period of time to negotiate an agreement between them governing the potential acquisition of the Property by Developer and development of the Project, all subject to mutually agreeable terms, conditions, covenants, restrictions and agreements to be negotiated and documented in a future Disposition and Development Agreement ("**DDA**"); and
- E. The DDA is anticipated to cause the HA to sell the Property to Developer subject to development obligations.

NOW, THEREFORE, in consideration of the mutual covenants, restrictions and conditions contained in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

- 1. **Incorporation of Recitals.** The Recitals of fact set forth above are true and correct and are incorporated into this Agreement, in their entirety, by this reference.
- 2. **Term of Agreement.**

(a) **Effective Date.** The rights and duties of HA and Developer established by this Agreement shall commence on the first date on which all of the following have occurred ("**Effective Date**"): (i) the authorized representative(s) of Developer have signed three (3) originals of this Agreement and delivered such signed originals of this Agreement to HA, which

shall occur no later than seven (7) calendar days from the date first written above; (ii) the HA governing board has approved this Agreement; and (iii) the authorized representatives(s) of HA have signed this Agreement and delivered one (1) signed original of this Agreement to Developer; This Agreement shall continue in effect for a period of One Hundred Eighty (180) calendar days beginning on the Effective Date ("**Negotiation Period**"), subject to the provisions of Section 2(b).

(b) Extension of Negotiation Period. The Negotiation Period may be extended for one additional period of sixty (60) days upon the mutual written agreement of the HA's Executive Director or his or her designee and Developer, provided that Developer submits a written request for said extension no later than thirty (30) calendar days prior to the expiration of the Negotiation Period. If the Negotiation Period is extended pursuant to this Section 2(b), the HA's Executive Director may also modify the deadlines for any remaining actions to be taken by either HA or Developer, within such extended Negotiation Period. Notwithstanding the immediately preceding sentence, Section 8 or any other part of this Agreement, in no event (including any Unavoidable Delay(s)), shall the Negotiation Period exceed Two Hundred Forty (240) consecutive calendar days.

(c) Expiration or Termination. Notwithstanding any other term, condition, covenant, restriction or agreement contained in this Agreement, this Agreement shall automatically expire and be of no further force or effect on the earlier to occur of any of the following: (i) the expiration or earlier termination of the Negotiation Period; (ii) entry into a separate DDA by both HA and Developer, in their respective sole and absolute discretion; (iii) the determination of HA's legal counsel, in their sole and exclusive discretion, that any litigation or statute prohibits HA from proceeding; or (iv) either party reasonably determines that the identification of a site or the development of the of an affordable housing project is infeasible under the then existing circumstances..

3. **Deposits.**

(a) Concurrent with the Developer's execution of this Agreement, the Developer shall provide to the HA a deposit in the amount of Thirty Thousand Dollars (\$30,000) in immediately available funds ("Initial Deposit") to ensure that the Developer will proceed diligently and in good faith to fulfill its obligations under this Agreement during the Negotiation Period (as defined in Section 2(a)), to defray certain costs of the HA in pursuing the contemplated negotiations with the Developer during the Negotiation Period, pursuant to this Agreement. The HA shall charge all costs (including staff time, consultant fees and attorney fees associated with review and implementation of this Agreement or preparing the DDA) against the Initial Deposit (and Extension Deposit pursuant to Section 3(b) below, as applicable). At the termination of this Agreement, any remaining funds shall, at the Developer's option, either be applied to the purchase price of the Property or returned to the Developer. Developer acknowledges that the Initial Deposit (and any Extension Deposit, pursuant to Section 3(b) below) shall be in addition to those fees and expenses required by the City for any permit, other required entitlement or Project processing. A portion of the Initial Deposit in an amount equal to One Hundred Dollars (\$100) shall immediately become non-refundable upon Developer's transfer of the Initial Deposit to the City under this Agreement as consideration for the City's agreement to dedicate resources to the development property. Upon extension of the Negotiation Period occurring pursuant to the provisions of Section 2(b), if any, the Developer shall provide to the HA an additional deposit of

Ten Thousand Dollars (\$10,000) in immediately available funds on the first day of the extension of the Negotiation Period ("Extension Deposit"). Extension Deposit is intended to ensure that the Developer will proceed diligently and in good faith to fulfill its obligations under this Agreement during any extension of the Negotiation Period, as part of the consideration for the HA's agreement not to negotiate with other persons during any such extension of the Negotiation Period, and to defray certain costs of the HA in pursuing the contemplated negotiations with the Developer during the extension of the Negotiation Period, pursuant to this Agreement. At the termination of this Agreement, any remaining funds from the Extension Deposit shall be refundable to the Developer as provided in Section 3(a), above.

4. Obligations of Developer. During the Negotiation Period, Developer shall proceed diligently and in good faith to do all of the following:

(a) A proposed complete conceptual development plan for the Project on the Property that describes and depicts: (1) the location and placement of proposed buildings and (2) the architecture and elevations of the proposed buildings;

(b) A proposed time schedule and cost estimates for the development of the Project on the Property; and

(c) A preliminary financial analysis demonstrating the costs and benefits to the HA and the City regarding all construction, maintenance and operations of all proposed public improvements, the costs of additional or increased levels of public services and any new public revenues anticipated to be generated by the Project.

5. Negotiation of Disposition and Development Agreement. During the Negotiation Period, Developer shall proceed diligently and in good faith to develop and submit to HA all of the documents and information set forth in Section 4(a) and both HA and Developer shall proceed diligently and in good faith to negotiate and document the potential terms, conditions, covenants, restrictions and agreements of a DDA between them. HA and Developer shall generally cooperate with each other and supply such documents and information as may be reasonably requested by the other to facilitate the conduct of the negotiations. Both HA and Developer shall exercise reasonable efforts to complete discussions relating to the terms, conditions, covenants, restrictions or agreements of a DDA as may be mutually acceptable to both HA and Developer, in their respective sole and absolute discretion. The exact terms and conditions of a DDA, if any, shall be determined during the course of these negotiations. Nothing in this Agreement is intended nor shall be interpreted or construed to be a representation or agreement by either HA or Developer that a mutually acceptable DDA will be produced from negotiations under this Agreement. Nothing in this Agreement shall impose any obligation on either Party to agree to a definitive DDA in the future. Nothing in this Agreement shall be interpreted or construed to be a guaranty, warranty or representation that any proposed DDA that may be negotiated by HA staff and Developer will be subsequently approved by the HA governing board. Developer acknowledges and agrees that the HA governing board's consideration of any future DDA is subject to the independent and reserved sole and absolute discretion of the HA governing board and any and all legally required public hearings, public meetings, notices, factual findings and other determination or activities required by law.

(a) Notwithstanding the foregoing, the Parties acknowledge that Developer has presented the following as proposed terms for the transaction:

(i) Purchase Price: Eight Hundred Ten Thousand Dollars (\$810,000) plus Developer's share of closing costs less the amount of any Deposit

(ii) First Deposit: Ten Thousand Dollars (\$10,000) to be deposited into escrow within three (3) days of escrow opening

(iii) Second Deposit: Ten Thousand Dollars (\$10,000) to be deposited within three (3) days of the expiration of the Due Diligence Period

(iv) Due Diligence Period: Ninety (90) days from opening of escrow opening

(v) Outside Close of Escrow: Fourteen (14) months from end of Due Diligence Period.

6. **No HA Commitment to Transfer Property.** Nothing in this Agreement is intended to be an express or implied commitment by HA to provide financing and/or HA Funds, exercise any power of eminent domain or other power, or take any other action regarding the transfer of any property or financial resources for the Project or otherwise.

7. **Restrictions Against Change in Ownership, Management and Control of Developer and Assignment of Agreement.**

(a) HA Reliance on Developer Qualifications. The qualifications and identity of Developer and Developer's principals are of particular concern to HA. Developer's qualifications and identity are the reason that HA has entered into this Agreement with Developer. During the Negotiation Period, no voluntary or involuntary successor-in-interest of Developer shall acquire any rights or powers under this Agreement, except as expressly provided in Section 7(c).

(b) Notice to HA of Organizational Changes. Developer shall promptly notify HA in writing of any and all changes whatsoever in the identity of the business entities or individuals either comprising or in Control (as defined in Section 7(d)) of Developer, as well as any and all changes in the interest or the degree of Control of Developer by any such person, of which Developer or any of Developer's shareholders, partners, members, directors, managers or officers are notified or may otherwise have knowledge or information. Upon the occurrence of any significant or material change (more than 10%), whether voluntary or involuntary, in ownership, management or Control of Developer (other than such changes occasioned by the death or incapacity of any individual) that has not been approved by HA, prior to the time of such change, HA shall have the right, in HA's sole and absolute discretion, to terminate this Agreement, without liability to Developer or any other person, by sending written notice of termination to Developer, referencing this Section 7(b).

(c) Developer Assignment. Developer may only assign Developer's rights under this Agreement to an Affiliate (as defined in Section 7(d)), subject to all of the following

conditions: (1) such Affiliate expressly assumes all of the obligations of Developer under this Agreement in a written assumption agreement reasonably satisfactory to HA; and (2) Developer, shall, at all times, Control any such Affiliate. Notwithstanding any assignment of this Agreement, Developer shall, at all times, be responsible and obligated directly to HA for performance of Developer's obligations under this Agreement.

(d) Definitions of "Affiliate" and "Control." For the purposes of this Agreement, the term "**Affiliate**" means any person, directly or indirectly, Controlling or Controlled by or under common Control with Developer, whether by direct or indirect ownership of equity interests, by contract, or otherwise. For the purposes of this agreement, "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether by ownership of equity interests, by contract, or otherwise.

8. **Unavoidable Delay.** The time period for performance of any action to be taken by either HA or Developer pursuant to this Agreement shall be extended by the number of days by which an Unavoidable Delay actually delays such performance, subject to the limitations set forth in this Section 8 or in Section 2. For the purposes of this Agreement "**Unavoidable Delay**" means delay in either Party performing any obligation under this Agreement arising from or on account of any cause whatsoever beyond the Party's reasonable control, including casualty, third-party legal actions related to HA's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, war, acts of terrorism or riots. Unavoidable Delay shall not include delay caused by a Party's financial condition or insolvency. Any Party claiming Unavoidable Delay shall notify the other Party: (a) within ten (10) calendar days after such Party knows of any such Unavoidable Delay; and (b) within ten (10) calendar days after such Unavoidable Delay ceases to exist. To be effective, any notice of an Unavoidable Delay must describe the Unavoidable Delay in reasonable detail. The Party seeking to be excused by an Unavoidable Delay shall exercise such Party's commercially reasonable efforts to cure the condition causing the Unavoidable Delay, within a reasonable time. Each Party expressly agrees that adverse changes in economic conditions of either Party specifically or the economy generally, or changes in market conditions or demand, shall not operate to excuse or delay the performance of each and every one of each Party's obligations or covenants arising under this Agreement. Both Parties expressly assume the risk of such adverse economic or market changes, whether or not foreseeable as of the Effective Date.

9. **Developer Obligations to Review Draft Agreements and Attend Meetings.**

(a) During the Negotiation Period, each Party shall diligently review and comment on draft versions of a DDA provided by the other Party and, if the terms and conditions of such a DDA are agreed upon between HA staff and the Developer, the Developer shall submit the DDA fully executed by the authorized representative(s) of the Developer to the City Manager for submission to the HA governing body for review and approval or disapproval. Any future DDA shall consist of terms and conditions acceptable to the Developer, the HA governing body, in its sole and absolute discretion.

(b) During the Negotiation Period, the Developer shall also keep HA advised on the progress of the Developer in performing its obligations under this Agreement, on a regular

basis or as requested by HA staff, including, without limitation, having one or more of the Developer's employees or consultants who are knowledgeable regarding this Agreement, the design and planning of the Project and the progress of negotiation of a DDA, such that such person(s) can meaningfully respond to HA questions regarding the progress of the design and planning of the Project or the negotiation of a DDA, attend both: (1) periodic meetings with HA staff, as reasonably scheduled and requested by HA staff during the Negotiation Period, and (2) meetings of the HA governing body, when reasonably requested to do so by staff

(c) CEQA Documents. During the Negotiation Period, Developer shall diligently review and comment on draft environmental review documents relating to any proposed project prepared by HA's environmental consultant, if any.

10. **Developer to Pay All of its and HA's Costs and Expenses, Deposit.** All fees or expenses of engineers, architects, financial consultants, legal, planning or other consultants or contractors, retained by Developer for any study, analysis, evaluation, report, schedule, estimate, environmental review, planning or design activities, drawings, specifications or other activity or matter relating to the Obligations of Developer set forth in Section 3, including the negotiation or documentation of a DDA that may be undertaken by Developer during the Negotiation Period or otherwise, pursuant to or in reliance upon this Agreement or in Developer's discretion, regarding any matter relating to this Agreement, or a DDA shall be the sole responsibility of and undertaken at the sole cost and expense of Developer and no such activity or matter shall be deemed to be undertaken for the benefit of, at the expense of or in reliance upon HA. HA shall not be obligated to pay, reimburse or refund any expenses, fees, charges or costs incurred by Developer or HA in pursuit of any study, analysis, evaluation, report, schedule, estimate, environmental review, planning or design activities, drawings, specifications or other activity or matter relating to this Agreement or negotiation or documentation of a DDA that may be undertaken by Developer or HA during the Negotiation Period or otherwise, whether or not this Agreement is eventually terminated or extended or an DDA is entered into between HA and Developer.

11. **HA Not To Negotiate With Others.** During the Negotiation Period, the HA governing board and HA staff shall not negotiate with any other person regarding the Property. The term "**negotiate**," as used in this Agreement, means and refers to engaging in any discussions with a person other than Developer, regardless of how initiated, with respect to that person's development of the Property, without Developer's written consent, subject to the other provisions of this Section 11. Notwithstanding the preceding provisions of this Section 11, HA shall have the right to receive and retain unsolicited offers regarding development of the Property from persons other than Developer, but shall not negotiate with the proponent of any such offer during the Negotiation Period. Nothing in this Agreement shall prevent or prohibit HA from discussing or disclosing the fact that HA is a Party to this Agreement. Nothing in this Agreement shall limit, prevent, restrict or inhibit HA from providing any information in HA's possession or control that would customarily be furnished to persons requesting information from HA concerning HA's activities, goals or matters of a similar nature as required by law to be disclosed, upon request or otherwise.

12. Acknowledgments and Reservations.

(a) No Project Commitment. HA and Developer agree that, if this Agreement expires or is terminated for any reason, or a DDA is not approved and signed by both HA and Developer, for any reason, neither HA nor Developer shall be under any obligation, nor have any liability to each other or any other person regarding the development of an affordable housing project, the HA Funds or the financing considered to assist with the development of an affordable housing project.

(b) No HA Offer or Acceptance. Developer acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by HA, nor an acceptance by HA of any offer or proposal from Developer, for HA to convey or receive any estate or interest in property or for HA to provide any financial assistance, to Developer for any proposed development.

(c) No Conveyance. Developer acknowledges and agrees that Developer has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in any real or personal property from HA.

(d) Development Standards. Certain development standards and design controls for a project may be established between Developer and HA, but HA and Developer understand and agree that any project must conform to all City of Stanton and other applicable governmental development, land use and architectural regulations and standards. Drawings, plans and specifications for any project shall be subject to the approval of the City of Stanton, through the standard development application and design review processes for similar projects. Nothing in this Agreement shall be considered approval of any plans or specifications for a project by HA or the City of Stanton. The Parties enter into this Agreement further acknowledging and intending that a complete and definitive DDA may not be entered into between them, if at all, prior to review of any project in accordance with CEQA.

(e) No HA Approval. Nothing in this Agreement, nor any comments provided by HA staff, nor any failure of HA staff to provide comments to any submittal under or pursuant to this Agreement shall: (i) modify or replace any land use entitlement process of HA or City of Stanton applicable to the Project; (ii) limit the police power land use jurisdiction of HA or City of Stanton relative to the Project; (iii) constitute an approval of all or any portion of a project the City of Stanton pursuant to the police power land use jurisdiction of HA or City of Stanton; or (iv) constitute any approval of all or any portion of a DDA with Developer by HA.

(f) HA Due Diligence. HA reserves the right to reasonably obtain further information, data and commitments to ascertain the ability and capacity of Developer to purchase, develop or operate a project. Developer acknowledges that Developer may be requested to make certain financial disclosures to HA, HA staff, HA's legal counsel or other HA retained consultants, as part of the financial due diligence investigations of HA relating to the potential sale and development of HA property by Developer and that any such disclosures may become public records. HA shall maintain the confidentiality of financial information of Developer to the extent allowed by law, as determined by the HA's legal counsel.

(g) Required HA Approval. HA shall not be deemed to be a Party to any agreement for the acquisition of, lease of or disposition of real or personal property, financial commitments to Developer or development of a project, except pursuant to the terms and conditions of a complete DDA approved by the HA governing board, in its sole and absolute discretion, following all required public hearing(s), determinations, findings or other procedures. Developer expressly acknowledges and agrees that HA will not be bound by any statement, promise or representation made by HA staff or representatives during the course of negotiations of a DDA and that HA shall only be legally bound upon the approval of a complete DDA in the future by the HA governing board, in its sole and absolute discretion, in accordance with law.

(h) No Intent to be Bound. Further efforts by either Party to perform due diligence, arrange or obtain financing or carry out other acts in contemplation of the possible acquisition, transfer or development of the Property or the Project shall not be deemed evidence of intent by either Party to be bound by any terms, conditions, covenants, restrictions or agreements relating to acquisition, transfer or development a project.

13. **Nondiscrimination.** Developer covenants by and for itself, himself or herself, its, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through Developer, that this Agreement is made and accepted upon and subject to the following conditions:

(a) Standards. There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property nor shall Developer, itself, himself or herself, or any person claiming under or through Developer 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 in the property or a project.

(b) Interpretation. Notwithstanding Section 13(a), with respect to familial status, Section 13(a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in Section 13(a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to Section 13(a).

14. **LIMITATION ON DEVELOPER REMEDIES AND DAMAGES.**

(a) DEVELOPER WAIVER AND RELEASE. IF THE DEVELOPER TERMINATES THIS AGREEMENT AS A RESULT OF A MATERIAL DEFAULT UNDER THIS AGREEMENT BY HA, SUBJECT TO ALL APPLICABLE NOTICE AND CURE PERIODS, THE DEVELOPER'S SOLE AND EXCLUSIVE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT. HA AND DEVELOPER EACH ACKNOWLEDGE AND AGREE THAT HA WOULD NOT HAVE ENTERED INTO THIS AGREEMENT, IF HA

WERE TO BE LIABLE TO DEVELOPER FOR ANY MONETARY DAMAGES, MONETARY RECOVERY OR ANY REMEDY IN THE EVENT OF A DEFAULT OF THIS AGREEMENT BY HA, OTHER THAN TERMINATION OF THIS AGREEMENT. ACCORDINGLY, HA AND DEVELOPER AGREE THAT DEVELOPER'S SOLE AND EXCLUSIVE RIGHT AND REMEDY DURING A DEFAULT OF THIS AGREEMENT BY HA IS TO TERMINATE THIS AGREEMENT. DEVELOPER WAIVES ANY RIGHT TO PURSUE ANY REMEDY OTHER THAN TERMINATION OF THIS AGREEMENT AS A RESULT OF ANY DEFAULT OF THIS AGREEMENT BY HA.

(b) DEVELOPER 1542 ACKNOWLEDGMENT. DEVELOPER ACKNOWLEDGES THAT DEVELOPER IS AWARE OF THE MEANING AND LEGAL EFFECT OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

(c) DEVELOPER 1542 WAIVER. CALIFORNIA CIVIL CODE SECTION 1542 NOTWITHSTANDING, THE INTENTION OF DEVELOPER IS TO BE BOUND BY THE LIMITATION ON DAMAGES AND REMEDIES SET FORTH IN THIS SECTION 14, AND DEVELOPER HEREBY WAIVES AND RELEASES ANY AND ALL CLAIMS AGAINST HA FOR MONETARY DAMAGES, MONETARY RECOVERY OR OTHER LEGAL OR EQUITABLE RELIEF RELATED TO ANY DEFAULT OR BREACH OF THIS AGREEMENT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 14, WHETHER OR NOT ANY SUCH RELEASED CLAIMS WERE KNOWN OR UNKNOWN TO DEVELOPER AS OF THE EFFECTIVE DATE. DEVELOPER SPECIFICALLY WAIVES THE BENEFITS OF CALIFORNIA CIVIL CODE SECTION 1542 AND ALL OTHER STATUTES AND JUDICIAL DECISIONS OF SIMILAR EFFECT WITH REGARD TO THE LIMITATIONS ON DAMAGES OR REMEDIES AND WAIVERS AND RELEASES OF ANY SUCH DAMAGES OR REMEDIES CONTAINED IN THIS SECTION 14.

Initials of Authorized
HA Representative

Initials of Authorized
Developer Representative

15. **Default; Breach; Remedy.**

(a) Default. Failure or delay by either Party to perform any material term, provision, obligation or agreement or observe any restriction, condition or covenant set forth in this Agreement shall constitute a "**Default**" under this Agreement. If the Party that is claimed to be in Default by the other Party cures, corrects or remedies the alleged Default within fifteen (15) calendar days after receipt of written notice specifying such Default, such Party shall not be in Default under this Agreement. The notice and cure period provided in the immediately preceding sentence shall not, under any circumstances, extend the Negotiation Period. If notice of an alleged Default is given with fifteen (15) or fewer calendar days remaining in the Negotiation

Period, this Agreement shall automatically terminate on the date of such notice, without further notice to or action by either Party, and the Party alleged to have been in Default shall be deemed to have cured such Default on the termination of this Agreement. The Party claiming that a Default has occurred shall give written notice of Default to the Party claimed to be in Default, specifying the alleged Default. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default. However, the injured Party shall have no right to exercise any remedy for a Default under this Agreement, without first delivering written notice of the Default.

(b) Breach; Termination. If a Default of either Party remains uncured for more than fifteen (15) calendar days following such Party's receipt of written notice of such Default, a "**Breach**" of this Agreement by the Defaulting Party shall have occurred, except as otherwise provided in Section 15(a) during the last fifteen (15) calendar days of the Negotiation Period. In the event of a Breach of this Agreement, the sole and exclusive remedy of the Party who is not in Breach shall be to terminate this Agreement by serving written notice of termination on the Party in Breach except that the HA shall retain all rights pursuant to Section 9 of this Agreement. The failure of Developer to timely submit any item described in Section 3 shall be a Default under this Agreement by Developer.

(c) No Waiver. Any failure or delay by a Party in asserting any of such Party's rights or remedies as to any Default or Breach shall not operate as a waiver of any Default or Breach or of any rights or remedies associated with a Default or Breach.

16. **Compliance with Law.** Developer acknowledges that any DDA, if approved by the HA governing board, will require Developer (among other things) to carry out the development of a project in conformity with all applicable laws, including all applicable building, planning and zoning laws, environmental laws, safety laws and labor and wage laws.

17. **Notice.** All notices required under this Agreement shall be presented in person, by nationally recognized overnight (one business day) delivery service (i.e., Federal Express, United Parcel Service, etc.) or by first class United States mail, with postage prepaid, to the address for the Party set forth in this Section 17. Notice shall be deemed received by United States Postal Service delivery as of the third (3rd) business day after deposit with the United States Postal Service, addressed as required by this Section 17. Notice by personal service shall be effective on delivery. Notice by nationally recognized overnight delivery service shall be effective upon the earlier of: (a) delivery; or (b) the date of the second attempt to deliver such notice, as set forth in the written records of the delivery service. Either Party may change its address for receipt of notices by notifying the other Party in writing. Rejection, other refusal to accept or the inability to deliver a notice because of a changed address of which no notice was given or other action by the Party to whom the notice is transmitted, shall be deemed receipt of the notice. An attorney representing a Party may give notice on behalf of such Party.

To Developer:

KB Homes

To HA:

Attn: Executive Director
Housing Authority of the City of Stanton
City of Stanton
7800 Katella Ave
Stanton, CA 90680

18. **Warranty Against Payment of Consideration for Agreement.** Developer represents and warrants that: (a) Developer has not employed or retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of Developer and third persons to whom fees are paid for professional services related to planning, design or construction of the Project or documentation of this Agreement; and (b) no gratuities, in the form of entertainment, gifts or otherwise have been or will be given by Developer or any of Developer's agents, employees or representatives to any elected or appointed official or employee of HA in an attempt to secure this Agreement or favorable terms or conditions for this Agreement. Breach of the representations or warranties of this Section 17 shall entitle HA to terminate this Agreement on two (2) days' notice to Developer. Upon any such termination of this Agreement by HA, Developer shall immediately refund any payments made to or on behalf of Developer by HA pursuant to this Agreement prior to the date of any such termination and Developer's obligations pursuant to Section 17 shall remain.

19. **Press Releases.** Developer agrees to obtain the approval of HA's executive director or his or her designee or successor in function regarding any press release(s) Developer may propose relating to this Agreement or negotiation of a DDA, at least five (5) calendar days prior to publication.

20. **Counterpart Originals.** This Agreement may be signed by HA and Developer in multiple counterpart originals, each of which shall constitute an original and all of which together shall constitute a single agreement.

21. **No Third-Party Beneficiaries.** Nothing in this Agreement is intended to benefit any person other than HA or Developer.

22. **Governing Law.** HA and Developer acknowledge and agree that this Agreement was negotiated, entered into and is to be fully performed in the City of Stanton, California. HA and Developer agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the substantive and procedural laws of the State of California, without application of conflicts or choice of laws principles.

23. **Waivers.** No waiver of any Breach or Default of any term or condition contained in this Agreement shall be deemed a waiver of any preceding or succeeding Breach or Default of such term or condition, or of any other term or condition contained in this Agreement. No extension of the time for performance of any obligation or act, no waiver of any term or

condition of this Agreement, nor any modification of this Agreement shall be enforceable against HA or Developer, unless made in writing and signed by the Party against whom such extension, waiver or modification is sought to be enforced.

24. **Principles of Interpretation.** No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have both participated substantially in the negotiation, drafting, and revision of this Agreement, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in the singular in this Agreement may be used in the plural, and vice versa, all in accordance with ordinary principles of English grammar, which shall govern all language in this Agreement. The words "include" and "including" in this Agreement shall be construed to be followed by the words: "without limitation." Each collective noun in this Agreement shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to any document, including this Agreement, refers to such document, as modified from time to time (excepting any modification that violates this Agreement), and includes all exhibits, schedules, addenda and riders to such document. The word "or" in this Agreement includes the word "and." Every reference to a law, statute, regulation, order, form or similar governmental requirement refers to each such requirement as amended, modified, renumbered, superseded or succeeded, from time to time. Headings at the beginning of each section or sub-section of this Agreement are solely for the convenience of reference of HA and Developer and are not a part of this Agreement. Whenever required by the context of this Agreement, the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits referred to in this Agreement are attached to this Agreement, unless otherwise specified. If the date on which HA or Developer is required to take any action pursuant to the terms of this Agreement is not a business day of HA, the action shall be taken on the next succeeding business day of HA.

[Signatures on the following page]

**SIGNATURE PAGE
TO
EXCLUSIVE NEGOTIATION AGREEMENT
(KB HOME)**

IN WITNESS WHEREOF, HA and Developer have signed and entered into this Exclusive Negotiation Agreement (KB HOME) through the signatures of their authorized representative(s) set forth below:

HA:

HOUSING AUTHORITY OF THE CITY OF
STANTON, a public body, corporate and
politic

By: _____
Executive Director

ATTEST:

By: _____
Authority Secretary

APPROVED AS TO FORM:

Best Best & Krieger LLP

By: _____
Authority Counsel

DEVELOPER:

KB HOME,
A California corporation

By: _____

By: _____

EXHIBIT "A"
TO
EXCLUSIVE NEGOTIATION AGREEMENT
(KB HOME)

Property Legal Description

S TWP 4 RGE 11 SEC 23 SEC 23 T 4 R 11 POR S1/2 SE1/4 SW1/4

Exhibit A

CITY OF STANTON

REPORT TO CITY COUNCIL & STANTON HOUSING AUTHORITY

TO: Honorable Mayor and City Council

DATE: February 26, 2019

SUBJECT: JOINT PUBLIC HEARING – MAKING CERTAIN FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33433, ADOPTING THE RELATED SUMMARY REPORT AND APPROVING THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH TINA PACIFIC II HOUSING PARTNERS, L.P

REPORT IN BRIEF:

The Housing Authority owns certain parcels in the Tina Pacific neighborhood and is in the process of acquiring additional parcels. If approved, this Disposition and Development Agreement will provide for the potential acquisition of the additional parcels and the sale of all the parcels owned by the Housing Authority to Tina Pacific II Housing Partners, LP, for the design and construction of a seventy-eight (78) unit affordable housing development.

RECOMMENDED ACTION:

1. Conduct a public hearing; and
2. Declare that the action is not a project is exempt from the California Environmental Quality Act ("CEQA") under Section 15060(c)(3) and 15378(b); and
3. Approve Resolution Number 2019-04, making certain findings pursuant to Health and Safety Code 33433, adopting the Summary Report prepared pursuant to Health and Safety Section 33433, approving the sale of certain real property located at 8841, 8851, 8861, 8871, 8881, 8891, 8870, and 8880 Pacific Ave. (APN: 126-481-29, 28, 27, 26, 25, 24, 126-482-05, and 06) and 8890 Tina Way (APN: 126-481-07) and, if acquired by the Housing Authority, the sale of 8830, 8840, 8850, 8860, 8871, and 8880 Tina Way (APN: 126-481-01, 02, 03, 04, 05, and 06); and 8890 Pacific Ave. (APN: 126-482-07) to Tina Pacific II Housing Partners, LP, by the Stanton Housing Authority through the Disposition and Development Agreement; and
4. Authorize the Executive Director to execute any necessary documents to facilitate the sale of the property.

BACKGROUND/ANALYSIS:

The former Stanton Redevelopment Agency ("Agency") was the owner of nine (9) real properties located in the Tina Pacific development in City of Stanton, consisting of six (6) properties currently occupied by tenants and three (3) properties that are unoccupied and on which the improvements have already been demolished (collectively, the "Authority Properties"):

- 8841 Pacific Avenue
- 8851 Pacific Avenue
- 8861 Pacific Avenue
- 8871 Pacific Avenue
- 8881 Pacific Avenue
- 8891 Pacific Avenue
- 8870 Pacific Avenue
- 8880 Pacific Avenue
- 8890 Tina Way

Pursuant to Health and Safety Code Section 34172, the Agency was dissolved on February 1, 2012, and the Agency's housing functions and assets, including the Authority Properties, were transferred to the Housing Authority ("Authority") pursuant to Health and Safety Code Section 34176. The transfer of the Authority Properties from the dissolved Agency to the Authority was approved on the Housing Asset Transfer form submitted to and approved by the California Department of Finance.

Additionally, the Authority is in the process of negotiating the acquisition of seven (7) properties also located in the Tina Pacific development ("Acquisition Properties") which include:

- 8830 Tina Way
- 8840 Tina Way
- 8850 Tina Way
- 8860 Tina Way
- 8870 Tina Way
- 8880 Tina Way
- 8890 Pacific Avenue

The Authority Properties and Acquisition Properties are located adjacent to one another, and are collectively referred to as the "Properties." The Properties are generally located at Magnolia Ave. to the east, Sherrill St. to the west, an alleyway south of Pacific Ave. to the south, and Tina Way to the north.

The Agency and now the Authority has been in negotiations with Tina Pacific II Housing Partners, LP, a single purpose entity created by The Related Companies ("Developer") for the development of the site as affordable housing.

Developer desires to construct the Tina Pacific Neighborhood Revitalization Phase II project on the Properties consisting of a seventy-eight (78) unit residential development that would include the new construction of fifty-four (54) two bedroom units, one of which will be occupied by an on-site property manager, and twenty-four (24) three bedroom units that are rented to low income households (the "Project"). The Disposition and Development Agreement ("DDA") provides for the potential acquisition of the Acquisition Properties and subsequent conveyance of the Properties to Developer to facilitate the development of the

Project, subject to Developer securing the financing necessary for the development of the Project. The DDA commits the Developer to maintain seventy-seven (77) of the units as affordable housing units that will be rented in accordance with the terms of the Regulatory Agreement and one (1) two bedroom unit as an unrestricted manager's unit.

As the Project will be assisted by the Authority in its role as the housing successor to the Agency, the Authority is subject to new regulations, including Senate Bill 341 ("SB 341"), which requires that 30% of the Authority's funds received pursuant to the redevelopment dissolution law be spent for development of rental housing affordable to and occupied by households earning 30% or less of area median income ("AMI") and no more than 20% of the funds may be spent for the development of housing affordable to and occupied by households earning between 60% and 80% AMI. Further, SB 341 requires that California Department of Housing and Community Development ("HCD") maximum income and rent limits apply to the Project. As such, the Project will be subject to the most restrictive calculation of maximum tenant income and affordable rent between HCD and the California Tax Credit Allocation Committee ("TCAC") programs. It is anticipated the units will be restricted as follows:

- (i) 20 units are restricted at 30% HCD/TCAC AMI,
 - (ii) 8 units are restricted at 45% HCD/TCAC AMI,
 - (iii) 31 units are restricted at 50% HCD/TCAC AMI, and
 - (iv) 18 units are restricted at 60% HCD/TCAC AMI.
- One manager's unit will be provide free of charge.

Because the Project is contingent upon the future acquisition of additional parcels, the DDA provides that the Parties will pursue the acquisition but, if the Acquisition Properties are not acquired, the Parties will meet to consider how to revise the Project. The DDA does not commit that the Project will proceed as proposed.

To finance the Project, the DDA provides for a residual receipts loan of approximately Fourteen Million Three Hundred Eleven Thousand Five Hundred Nineteen dollars (\$14,311,519) made by Authority to Developer from Authority's affordable housing funds. The loan is intended to assist the Developer in acquiring and developing the Project on the Properties and to insure restrictive covenants providing that the Project be held at an affordable rent for fifty-five (55) years. The terms and conditions of the DDA, provide for, among other things, the Authority loan to be secured by a subordinate deed of trust against the property and for the loan to be repaid by Developer solely from specified residual receipts from the operation of the Project. The Developer is to make annual payments on the Authority loan from certain net Project revenues, once the Project is completed and operational, to the extent there are such revenues.

FISCAL IMPACT:

The Authority anticipates expending approximately Fourteen Million Three Hundred Eleven Thousand Five Hundred Nineteen dollars (\$14,311,519) in the Authority loan to the developer. The Loan amount is also inclusive of previously expended funds to acquire the Authority Properties, relocate a portion of the tenants and demolition costs.

ENVIRONMENTAL IMPACT:

Authority staff has determined that the approval of the proposed conveyance of the Property and approval of the Agreement is exempt from environmental review pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended, and the Guidelines promulgated thereunder. Specifically, the Authority's approval of the Agreement would not constitute approval by the Authority or City of any development of the Properties or of other activity on the Properties that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Developer's future use or development of the Properties is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action with regard to any proposed development of the Properties. (Pub. Resources Code, § 21002.)

PUBLIC NOTIFICATION:

In accordance with California Health and Safety Code Section 33433, a public notification of the hearing date, along with the following documents have been available for public inspection and copying, during regular business hours, at the City of Stanton City Clerk's Office, 7800 Katella Ave, Stanton California 90680 and the Stanton Community Services Center at 11822 Santa Paula St., Stanton California 90680:

1. A copy of the proposed Agreement; and
2. A summary which describes and specifies all the following:
 - a. The cost of the Agreement to the Agency;
 - b. The estimated value of the Property, determined at the highest and best uses permitted under the Redevelopment Plan; and
 - c. The estimated value of the Property, determined at the use and with the conditions, covenants and development costs required by the Agreement;
 - d. The purchase price of the Property and an explanation of the difference between the purchase price and the fair market value of the Property, if any; and
 - e. An explanation of the reasons the Agreement will assist in the elimination of blight in the Redevelopment Project Area.

Public notice for this item was also circulated in a paper of general circulation, the OC News, for a period of two weeks, and made available through the regular agenda process.

STRATEGIC PLAN:

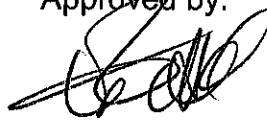
5.7.3 – Finalize DDA for Phase II for the development of the Tina/Pacific project.

Prepared By:



Kelly Hart
Community & Economic
Development Director

Approved by:



Robert W. Hall
Interim City Manager

Attachment:

- A. Joint Resolution No. 2019-04 approving the 33433 Report, making certain findings and approving the Disposition and Development Agreement
- B. Draft Disposition and Development Agreement (Included as Exhibit A of Resolution)
- C. Health and Safety Code 33433 Report

RESOLUTION NO. 2019-04

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON AND THE STANTON HOUSING AUTHORITY APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH TINA PACIFIC II HOUSING PARTNERS, A LIMITED PARTNERSHIP, FOR PROPERTIES LOCATED AT 8841, 8851, 8861, 8871, 8881, 8891, 8870, AND 8880 PACIFIC AVE. (APN: 126-481-29, 28, 27, 26, 25, 24, 126-482-05, AND 06) AND 8890 TINA WAY (APN: 126-481-07) AND, IF ACQUIRED BY THE HOUSING AUTHORITY, THE SALE OF 8830, 8840, 8850, 8860, 8871, AND 8880 TINA WAY (APN: 126-481-01, 02, 03, 04, 05, AND 06); AND 8890 PACIFIC AVE. (APN: 126-482-07) AND MAKING CERTAIN FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33433 IN CONNECTION WITH THE SALE OF PROPERTY FORMERLY OWNED BY THE STANTON REDEVELOPMENT AGENCY

WHEREAS, the Stanton Redevelopment Agency ("Agency") was engaged in activities to execute and implement the Redevelopment Plan for the Project Area pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, et seq.) ("CRL"); and

WHEREAS, the Agency was dissolved pursuant to AB 1X 26 and its housing assets were transferred to the Stanton Housing Authority; and

WHEREAS, the following properties:

- 8841 Pacific Avenue
- 8851 Pacific Avenue
- 8861 Pacific Avenue
- 8871 Pacific Avenue
- 8881 Pacific Avenue
- 8891 Pacific Avenue
- 8870 Pacific Avenue
- 8880 Pacific Avenue
- 8890 Tina Way

were transferred by the Agency to the Housing Authority and are now being disposed of for the development of affordable housing:

WHEREAS, the Housing Authority has negotiated a Disposition and Development Agreement ("Agreement") with Tina Pacific II Housing Partners, LP ("Developer") for the disposition of the Property to the Developer and development of the Property with a 78 unit apartment development consisting of 77 affordable units and 1 onsite managers unit ("Project"), a copy of which is attached hereto and incorporated herein as Exhibit A; and

WHEREAS, pursuant to Government Code Section 65402, the City Planning Commission has determined that the Project is in conformance with the City's General Plan; and

WHEREAS, the Agreement implements the goals and objectives of the former Agency, the Housing Authority, and the City for the development of the Project on the Property, which will benefit the economic development needs of the City and assist the Agency in eliminating blight as set forth in the Redevelopment Plan and CRL and produce needed affordable housing; and

WHEREAS, the City has determined that implementation of the Agreement: (i) is in the best interest of the City, the Housing Authority, the former Agency and the health, safety and welfare of the City's taxpayers and residents and is in accordance with the public purposes set forth in the Redevelopment Plan and CRL; (ii) strengthens the City's land use and social structure; (iii) alleviates economic and physical blight in the City; and (iv) provides clean, safe, and sanitary affordable housing, and

WHEREAS, pursuant to CRL Section 33433, before any property of the Agency acquired in whole or in part, directly or indirectly, with tax increment moneys is sold for development pursuant to the redevelopment plan, the agreement shall first be approved by the legislative body by resolution after public hearing; and

WHEREAS, pursuant to CRL Section 33433, the Housing Authority, standing in the place of the Agency, may, with the consent of the City Council, approve the sale of the Property to the Developer for development of the Project in accordance with the Agreement if the City Council makes certain findings following a noticed public hearing; and

WHEREAS, the Housing Authority has prepared, and the City Council has reviewed and considered, a summary pursuant to CRL Section 33433 ("Summary") setting forth: (1) the cost of the Agreement to the Agency; (2) the estimated value of the interest to be conveyed; and (3) an explanation of how the acquisition and conveyance of the Property will assist in the elimination of blight within the Project Area and has made the Summary available for public inspection in accordance with CRL Section 33433; and

WHEREAS, on the week of February 11th and February 18th, 2019, a notice of a public hearing was published in the OC News a newspaper of general circulation within the City and Housing Authority territorial jurisdiction; and

WHEREAS, a duly noticed joint public hearing on the proposed Project and the proposed Agreement was held; and

WHEREAS, the Housing Authority is the lead agency concerning the Project pursuant to the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) ("CEQA") and the State CEQA Guidelines; and

WHEREAS, City staff has determined that the City's approval of the proposed conveyance of the Property and approval of the Agreement is exempt from environmental review pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended, and the Guidelines promulgated thereunder. Specifically, the Authority's approval of the Agreement would not constitute approval by the Authority or City of any development of the Properties or of other activity on the Properties that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Developer's future use or development of the Properties is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action with regard to any proposed development of the Properties. (Pub. Resources Code, § 21002.); and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Stanton and the Stanton Housing Authority as follows:

SECTION 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

SECTION 2. 33433 Findings. The City Council approves the Summary Report and disposition of the Property and finds and determines, based on the information made available in the Summary Report, the staff report accompanying this Resolution, the oral presentation of City staff, and all other written and oral evidence presented to the City Council at or prior to the public hearing, that:

- a. The conveyance of title in the Property to the Developer will assist in the elimination of blight by requiring development of the Project in accordance with the Agreement on the underutilized and economically stagnant Property; and
- b. The conveyance of title in the Property is consistent with the implementation plan for the Project Area; and
- c. The consideration to be paid for title in the Property by the Developer is not less than the fair market value of the Property at its highest and best use in accordance with the Redevelopment Plan.

SECTION 3. Agreement Approval. The City Council and Housing Authority approve the Agreement together with any non-substantive changes and amendments as may be approved by both the City Manager/Executive Director of the Authority and the City Attorney/Authority Counsel.

SECTION 4. Agreement Implementation. The City Council and Housing Authority hereby authorize and directs the City Manager/Executive Director of the Housing Authority to take any action and execute any documents necessary to implement the Agreement.

SECTION 5. CEQA. The Housing Authority determine that the approval of the proposed conveyance of the Property and approval of the Agreement is exempt from environmental review pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended, and the Guidelines promulgated thereunder. Specifically, the Authority's approval of the Agreement would not constitute approval by the Authority or City of any development of the Properties or of other activity on the Properties that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Developer's future use or development of the Properties is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action with regard to any proposed development of the Properties. (Pub. Resources Code, § 21002.) is necessary.

SECTION 6. Notice of Exemption. The City Council and Housing Authority hereby authorizes and direct that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Orange, California, within five (5) working days following the date of adoption of this Resolution.

SECTION 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

SECTION 8. Certification. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this 26th day of February, 2019.

DAVID J. SHAWVER, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2019-04 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on February 26, 2019, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

**DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

by and between the

**STANTON HOUSING AUTHORITY,
a public body, corporate and politic,**

and

**TINA PACIFIC II HOUSING PARTNERS, L.P.,
a California limited partnership**

[Dated as of [September 12, 2018], for reference purposes only]

**DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (Tina Pacific Neighborhood Revitalization Phase II) (this "**Agreement**") is dated as of [September 12, 2018], for reference purposes only, and is entered into by and between the STANTON HOUSING AUTHORITY, a public body, corporate and politic ("**Authority**"), and TINA PACIFIC II HOUSING PARTNERS, L.P., a California limited partnership ("**Developer**"). Authority and Developer enter into this Agreement with reference to the following recited facts (each, a "**Recital**"):

RECITALS

A. The former Stanton Redevelopment Agency ("**Agency**") was the owner of nine (9) real properties located in the City of Stanton, California, consisting of six (6) properties currently occupied by tenants and three (3) properties that are unoccupied and on which the improvements have already been demolished, all as more specifically described in Exhibit A-1 attached to this Agreement (collectively, the "**Authority Properties**").

B. Pursuant to Health and Safety Code Section 34172, the Agency was dissolved on February 1, 2012, and the Agency's housing functions and assets, including the Authority Properties, were transferred to the Authority pursuant to Health and Safety Code Section 34176. The transfer of the Authority Properties from the dissolved Agency to the Authority was approved on the Authority's Housing Asset Transfer form submitted to and approved by the California Department of Finance.

C. The Authority is in the process of negotiating the acquisition of seven (7) properties located in the City of Stanton, California, as more specifically described in Exhibit A-2 attached to this Agreement ("**Acquisition Properties**").

D. The Authority Properties and Acquisition Properties are located adjacent to one another, and are collectively referred to in this Agreement as the "**Properties**." The Properties are shown on the map attached as Exhibit B to this Agreement.

E. Developer desires to construct the Tina Pacific Neighborhood Revitalization Phase II project on the Properties consisting of an seventy-eight (78) unit residential development that would include the new construction of fifty-four (54) two bedroom units, one of which will be occupied by an on-site property manager, and twenty-four (24) three bedroom units that are rented to low income households, as more particularly described in the Scope of Development attached as Exhibit I to this Agreement (the "**Project**").

F. Authority desires to acquire the Acquisition Properties and subsequently convey the Properties to Developer to facilitate the development of the Project, subject to Developer securing the financing necessary for the development of the Project and Developer's commitment to maintain seventy-seven (77) of the units as affordable housing units that will be

rented in accordance with the terms of the Regulatory Agreement as defined in this Agreement, and one (1) two bedroom unit as an unrestricted manager's unit.

G. As the Project will be assisted by the Authority in its role as the housing successor to the Agency, the Authority shall be subject to new regulations including Senate Bill 341 ("SB 341") which requires that 30% of the Authority's funds received pursuant to the redevelopment dissolution law be spent for development of rental housing affordable to and occupied by households earning 30% or less of area median income ("AMI") and no more than 20% of the funds may be spent for the development of housing affordable to and occupied by households earning between 60% and 80% AMI. Further, SB 341 requires that California Department of Housing and Community Development ("HCD") maximum income and rent limits apply to the Project. As such, the Project will be subject to the most restrictive calculation of maximum tenant income and affordable rent between HCD and the California Tax Credit Allocation Committee ("TCAC") programs.

H. The Project units are proposed to be restricted, pursuant to HCD or TCAC, whichever is more restrictive, to the following affordability levels: (i) 20 units are restricted at 30% HCD/TCAC AMI, (ii) 8 units are restricted at 45% HCD/TCAC AMI, (iii) 31 units are restricted at 50% HCD/TCAC AMI, and (iv) 18 units are restricted at 60% HCD/TCAC AMI. One manager's unit will be provide free of charge.

I. The Project is the second phase of what is anticipated to be a 2 phase development. Developer intends to construct a first phase of the development consisting of approximately eighty three (83) units on land located in the vicinity of the Properties (the "Phase I Project"). The Phase I Project will be integrated into the Project as one cohesive livable community. The development of the Phase I Project is governed by that certain Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase I) by and between the Authority and the Developer and dated as of September 12, 2018 (the "Phase I DDA").

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION AND THE PROMISES AND COVENANTS OF AUTHORITY AND DEVELOPER SET FORTH IN THIS AGREEMENT, AUTHORITY AND DEVELOPER AGREE, AS FOLLOWS:

1. DEFINITIONS

1.1 Defined Terms. The following words, terms and phrases are used in this Agreement with the following meanings, unless the particular context of usage of a word, term or phrase requires another interpretation:

1.1.1 **Acquisition Properties.** That certain real property consisting of seven (7) parcels located within the City of Stanton, County of Orange, State of California, as more specifically described in the legal description in Exhibit A-2 attached to this Agreement, which is incorporated into this Agreement by this reference.

1.1.2 **Affiliate.** Any other Person, directly or indirectly, Controlling or Controlled by or under common Control with the specified Person.

1.1.3 **Agreement.** This Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II).

1.1.4 **Application.** Any agreement, application, certificate, document, or submission (or amendment of any of the foregoing): (a) necessary or appropriate for the Project, including any application for any building permit, certificate of occupancy, utility service or hookup, easement, covenant, condition, restriction, subdivision, or such other instrument as Developer may reasonably request for the Project; or (b) to enable Developer to seek any Approval or to use and operate the Project in accordance with this Agreement and the Regulatory Agreement.

1.1.5 **Approval.** Any license, permit, approval, consent, certificate, ruling, variance, authorization, conditional use permit, or amendment to any of the foregoing, as shall be necessary or appropriate under any Law to commence, perform, or complete the Construction of the Project.

1.1.6 **Authority.** The Stanton Housing Authority, a public body, corporate and politic.

1.1.7 **Authority Loan.** A residual receipts loan of approximately Fourteen Million Three Hundred Eleven Thousand Five Hundred Nineteen Dollars (\$14,311,519) made by Authority to Developer from Authority's affordable housing funds, in order to assist the Developer in acquiring and developing the Project on the Properties and to insure restrictive covenants providing that the Project be held at an affordable rent for fifty-five (55) years. The Authority Loan shall repay the Authority for funds expended prior to the Close of Escrow by the Authority in furtherance of the Project prior to the close of escrow as described on Exhibit "N".

1.1.8 **Authority Note.** A promissory note made by Developer in favor of Authority in substantially the form of Exhibit G attached to this Agreement evidencing the Authority Loan.

1.1.9 **Authority Parties.** Collectively, Authority, its governing body, elected officials, employees, agents and attorneys.

1.1.10 **Authority Party.** Individually, Authority, its governing body, elected officials, employees, agents or attorneys.

1.1.11 **Authority Properties.** That certain real property owned by the Authority and consisting of nine (9) parcels located within the City of Stanton, County of Orange, State of California, as more specifically described in the legal description in Exhibit A-1 attached to this Agreement, which is incorporated into this Agreement by this reference.

1.1.12 **Automobile Liability Insurance.** Insurance coverage against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used by the Developer regarding the Project, with minimum limits for bodily injury and property damage of One Million Dollars (\$1,000,000). Such insurance shall be provided by a business or commercial vehicle policy and may be provided through a combination of primary and excess or umbrella policies, all of which shall be subject to pre-approval by the Authority, which approval shall not be unreasonably withheld, conditioned or delayed.

1.1.13 **Bankruptcy Law.** Title 11, United States Code, and any other or successor State or Federal statute relating to assignment for the benefit of creditors, appointment of a receiver or trustee, bankruptcy, composition, insolvency, moratorium, reorganization, or similar matters.

1.1.14 **Bankruptcy Proceeding.** Any proceeding, whether voluntary or involuntary, under any Bankruptcy Law.

1.1.15 **Builder's Risk Insurance.** Builder's risk or course of construction insurance covering all risks of loss, less policy exclusions, on a completed value (non-reporting) basis, in an amount sufficient to prevent coinsurance, but in any event not less than one hundred percent (100%) of the completed value of the subject Construction, including cost of debris removal (subject to a policy sublimit), but excluding foundation and excavations. Such insurance shall also: (a) grant permission to occupy; and (b) cover, for replacement cost, all materials on or about any offsite storage location intended for use in, or in connection with, the Properties (subject to a policy sublimit).

1.1.16 **Certificate of Completion.** The written certification of Authority in substantially the form of Exhibit K attached to this Agreement that the Construction of the Project has been completed in compliance with the terms and conditions of this Agreement.

1.1.17 **CEQA.** The California Environmental Quality Act, Public Resources Code section 21000 *et seq.*

1.1.18 **CEQA Document.** Any Notice of Exemption, Negative Declaration (mitigated or otherwise) or any Environmental Impact Report (including any addendum, amendment, subsequent or supplemental document) required by any Government to issue any discretionary Approval required for the Project. CEQA Documents shall be based upon the Properties being zoned for maximum density under the City's general plan.

1.1.19 **City.** The City of Stanton, California.

1.1.20 **Claim.** Any claim, loss, cost, damage, expense, liability, lien, action, cause of action (whether in tort, contract, under statute, at law, in equity or otherwise), charge, award, assessment, fine or penalty of any kind (including consultant and expert fees and expenses and investigation costs of whatever kind or nature, and if an Indemnitor improperly

fails to provide a defense for an Indemnitee, then Legal Costs of counsel retained by the Indemnitee) and any judgment.

1.1.21 **Close of Escrow.** Completion of each of the actions set forth in Section 3 by the Escrow Agent for the sale of the Properties from Authority to Developer as evidenced by recordation of the Deed in the official records of the County.

1.1.22 **Construction.** Any alteration, construction, excavation, demolition, grading, development, expansion, reconstruction, redevelopment, repair, restoration, or other work affecting the Properties, including new construction. The Parties approve Portrait Construction, Inc. as the general contractor for the Construction of the Project.

1.1.23 **Construction Financing.** One or more loans that Developer shall obtain from one or more Institutional Lenders, the proceeds of which are to be used and applied to pay the reasonable costs of obtaining such loan(s) and either: (a) the Total Project Costs; or (b) to refinance only the outstanding amount owed under a prior loan obtained by Owner to finance the amount described in "(a)" of this Section 1.1.19 (without any other amounts). Such loan(s) shall provide for normal and customary disbursement controls for the payment of Total Project Costs and normal and customary fees and expenses for loan(s) of similar size and purpose. The Construction Financing is set forth in the Project Budget.

1.1.24 **Construction Financing Documents.** The various documents and instruments made by and between Developer and one or more Institutional Lenders that evidence or perfect the Construction Financing or the security for repayment of the Construction Financing, including any associated Security Instrument.

1.1.25 **Control.** Possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of Equity Interests, by contract or otherwise.

1.1.26 **County.** The County of Orange, California.

1.1.27 **Deed.** A grant deed transferring title to the Properties from Authority to Developer in substantially the form of Exhibit E attached to this Agreement.

1.1.28 **Deed of Trust.** A subordinate deed of trust made by Developer for the benefit of Authority that pledges the Properties as collateral to secure repayment of the Authority Loan.

1.1.29 **Default.** Any Monetary Default, any Non-Monetary Default, or any Escrow Default.

1.1.30 **Default Interest.** Interest at an annual rate equal to the lesser of: (a) eight percent (8%) per annum; or (b) the Usury Limit.

1.1.31 **Developer.** Tina Pacific II Housing Partners, L.P., a California limited partnership, and the successors and assigns of such limited partnership that are permitted by this Agreement.

1.1.32 **Developer Entity Documents.** The organizational documents of the entity that is Developer, including all amendments, all of which Developer shall certify as accurate and updated on the date of the Close of Escrow, and a Certificate of Good Standing from the Secretary of State of the State certifying that Developer is authorized to conduct business in the State.

1.1.33 **Developer Official Action.** The official action of the directors, managers, partners or other Persons in Control of Developer in substantially the form attached to this Agreement as Exhibit L authorizing Developer to enter into and perform this Agreement.

1.1.34 **Developer Parties.** Collectively, Developer and the directors, officers, employees, agents, shareholders, members, managers and partners of Developer.

1.1.35 **Developer Party.** Individually, Developer or the directors, officers, employees or agents, shareholders, members, managers or partners of Developer.

1.1.36 **Developer Specific Default.** Any Default that: (a) is not susceptible of cure by the holder of a Permitted Security Instrument, such as (to the extent, if any, that it actually constitutes a Default under this Agreement) any Default resulting from a Bankruptcy Proceeding affecting Developer; failure to deliver required financial information within Developer's control; (b) by its nature relates only to, or can reasonably be performed only by, Developer or its Affiliates; or (c) consists of Developer's failure to satisfy or discharge any lien, charge, or encumbrance that satisfies all of the following: (i) attaches to the Properties; (ii) is junior to the specific Permitted Security Instrument; and (iii) this Agreement prohibits.

1.1.37 **Due Diligence Investigations.** Developer's due diligence investigations of the Properties to determine the suitability of the Properties for development and operation of the Project, including, without limitation, investigations of the environmental and geotechnical suitability of the Properties, as deemed appropriate in the reasonable discretion of Developer, all at the sole cost and expense of Developer.

1.1.38 **Due Diligence Investigation Conclusion Notice.** A written notice of Developer delivered to Authority and the Escrow Agent, on or prior to the end of the Due Diligence Period, indicating Developer's acceptance of the condition of the Properties or indicating Developer's rejection of the condition of the Properties and refusal to accept a conveyance of fee title to the Properties, describing in reasonable detail the actions that Developer reasonably believes are indicated to allow Developer to accept the condition of the Properties.

1.1.39 **Due Diligence Period.** The date commencing on the Escrow Opening Date and ending at 5:00 p.m. on the ninetieth (90th) day following the Escrow Opening Date.

1.1.40 **Effective Date.** The first date on which all of the following have occurred: (a) Authority has received three (3) counterpart originals of this Agreement executed by the authorized representative(s) of Developer; (b) Authority has received a certified copy of the Developer Official Action executed by the authorized representative(s) of Developer; (c) after all required notices and hearings, this Agreement is approved by the governing board of Authority; and (d) this Agreement is executed by the authorized representative(s) of Authority. Authority shall send Notice of the Effective Date to Developer within seven (7) days following the Effective Date. Developer shall sign and return a copy of such Notice to Authority within seven (7) days after receipt of such Notice.

1.1.41 **Environmental Claim.** Any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses, including Legal Costs and fees and costs of environmental consultants and other experts, and all foreseeable and unforeseeable damages or costs of any kind or of any nature whatsoever, directly or indirectly, relating to or arising from any actual or alleged violation of any Environmental Law or Hazardous Substance Discharge.

1.1.42 **Environmental Law.** Any Law regarding any of the following at, in, under, above, or upon the Properties: (a) air, environmental, ground water, or soil conditions; or (b) clean-up, remediation, control, disposal, generation, storage, release, discharge, transportation, use of, or liability or standards of conduct concerning, Hazardous Substances.

1.1.43 **Equity Interest.** All or any part of any direct or indirect equity or ownership interest(s) (whether stock, partnership interest, beneficial interest in a trust, membership interest in a limited liability company, or other interest of an ownership or equity nature) in any entity, at any tier of ownership, that directly or indirectly owns or holds any ownership or equity interest in a Person.

1.1.44 **Escrow.** An escrow, as defined in Civil Code Section 1057 and Financial Code Section 17003(a), that is conducted by the Escrow Agent with respect to the sale of the Properties from Authority to Developer, pursuant to this Agreement.

1.1.45 **Escrow Agent.** Old Republic Title Company, or such other Person mutually agreed upon in writing by both Authority and Developer.

1.1.46 **Escrow Agent Consent.** The Escrow Agent's consent to acting as Escrow Agent under this Agreement, in substantially the form of Exhibit C attached to this Agreement.

1.1.47 **Escrow Closing Date.** Subject to extension due to Enforced Delay pursuant to Section 8.5, on or before the fifth (5th) Business Day following the Escrow Agent's receipt of written confirmation from both Authority and Developer of the satisfaction

or waiver of all conditions precedent to the Close of Escrow, which shall occur no later than June 30, 2026.

1.1.48 **Escrow Default.** The unexcused failure to submit any document or funds to the Escrow Agent as reasonably necessary to close the Escrow, after all other conditions precedent to the Close of Escrow for the benefit of such Party are satisfied or waived by such Party.

1.1.49 **Escrow Opening Date.** The date set forth in Section 3.1.

1.1.50 **Executive Director.** The Executive Director for Authority or his or her designee or successor in function.

1.1.51 **Event of Default.** The occurrence of any one or more of the following:

(a) *Monetary Default.* A Monetary Default that continues for fifteen (15) calendar days after Notice from the non-defaulting Party, specifying in reasonable detail the amount of money not paid and the nature and calculation of each such payment;

(b) *Escrow Closing Default.* An Escrow Default that continues for seven (7) calendar days after Notice from the non-defaulting Party, specifying in reasonable detail the document or funds not submitted;

(c) *Bankruptcy or Insolvency.* Developer admits in writing that it is unable to pay its debts as they become due or becomes subject to any Bankruptcy Proceeding (except an involuntary Bankruptcy Proceeding dismissed within one hundred twenty (120) days after commencement), or a custodian or trustee is appointed to take possession of, or an attachment, execution or other judicial seizure is made with respect to, substantially all of Developer's assets or Developer's interest in this Agreement (unless such appointment, attachment, execution, or other seizure was involuntary, and is contested with diligence and continuity and vacated and discharged within one hundred twenty (120) days);

(d) *Transfer.* The occurrence of a Transfer, whether voluntarily or involuntarily or by operation of Law, in violation of the terms and conditions of this Agreement; or

(e) *Non-Monetary Default.* Any Non-Monetary Default, other than those specifically addressed in Section 1.1.51(c) that is not cured within thirty (30) days after Notice to the Party alleged to be in Default describing the Non-Monetary Default in reasonable detail, or, in the case of a Non-Monetary Default that cannot with reasonable diligence be cured within thirty (30) days after the effective date of such Notice, if the Party alleged to be in Default does not do all of the following: (a) within thirty (30) days after Notice of such Non-Monetary Default, advise the other Party of the intention of the Party alleged to be in Default to take all reasonable steps to cure such Non-Monetary Default; (b)

duly commence such cure within such period, and then diligently prosecute such cure to completion; and (c) complete such cure within a reasonable time under the circumstances.

1.1.52 **Final.** Relative to any Approval or CEQA Document, when all administrative appeal periods regarding such matter have expired, all administrative appeals or challenges regarding such matter (if any) have been resolved to both Authority's and Developer's reasonable satisfaction, all statutory periods for challenging such matter have expired, all litigation or other proceedings (if any) challenging any such matter have been resolved to the reasonable satisfaction of both Authority and Developer, all appeal periods relating to any such litigation or other proceedings have expired, all referendum periods regarding such matter have expired and all referenda regarding such matter (if any) have been resolved to both Authority's and Developer's reasonable satisfaction.

1.1.53 **Final Construction Drawings.** The final Construction drawings and specifications and finish grading and landscape plans for the Project prepared by Developer.

1.1.54 **FIRPTA Certificate.** A certification that Authority is not a "foreign person" within the meaning of such term under Section 1445 of the United States Internal Revenue Code and sufficient to exempt Developer from the obligation to withhold any funds from Authority pursuant to Section 1445 of the United States Internal Revenue Code.

1.1.55 **Foreclosure Event.** Any transfer of title to all or any of the Properties following the Close of Escrow through any: (a) judicial or non-judicial foreclosure; (b) trustee's sale; (c) deed, transfer, assignment, or other conveyance in lieu of foreclosure; (d) other similar exercise of rights or remedies under any Security Instrument; or (e) transfer by operation of or through any Bankruptcy Proceeding (including an auction or plan of reorganization in any Bankruptcy Proceeding and any Bankruptcy Sale), in each case ("a" through "e") whether the transferee is a Lender, a Person claiming through a Lender, or a Third Person.

1.1.56 **Form 593.** A California Franchise Tax Board Form 593-C.

1.1.57 **General Escrow Instructions.** The Escrow Agent's general escrow instructions.

1.1.58 **Government.** Each and every governmental agency, city, bureau, department, quasi-governmental body, or other entity or instrumentality having or claiming jurisdiction over the Properties (or any activity this Agreement allows), including the government of the United States of America, the State and County governments and their subdivisions and municipalities, including the City, the Authority and all other applicable governmental agencies, authorities, and subdivisions thereof. "Government" shall also include any planning commission, board of standards and appeals, department of buildings, city council, zoning board of appeals, design review board or committee or similar body having or claiming jurisdiction over the Properties or any activities on or at the Properties.

1.1.59 **Hazardous Substance.** Any flammable substances, explosives, radioactive materials, asbestos, asbestos-containing materials, polychlorinated biphenyls,

chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, medical wastes, toxic substances or related materials, explosives, petroleum, petroleum products and any "hazardous" or "toxic" material, substance or waste that is defined by those or similar terms or is regulated as such under any Law, including any material, substance or waste that is: (a) defined as a "hazardous substance" under Section 311 of the Water Pollution Control Act (33 U.S.C. § 1317), as amended; (b) substances designated as "hazardous substances" pursuant to 33 U.S.C. § 1321; (c) defined as a "hazardous waste" under Section 1004 of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, *et seq.*, as amended; (d) defined as a "hazardous substance" or "hazardous waste" under Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Reauthorization Act of 1986, 42 U.S.C. § 9601, *et seq.*, or any so-called "superfund" or "superlien" law; (e) defined as a "pollutant" or "contaminant" under 42 U.S.C. § 9601(33); (f) defined as "hazardous waste" under 40 C.F.R. Part 260; (g) defined as a "hazardous chemical" under 29 C.F.R. Part 1910; (h) any matter within the definition of "hazardous substance" set forth in 15 U.S.C. § 1262; (i) any matter, waste or substance regulated under the Toxic Substances Control Act ("TSCA") [15 U.S.C. Sections 2601, *et seq.*]; (j) any matter, waste or substance regulated under the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, *et seq.*; (k) those substances listed in the United States Department of Transportation (DOT) Table [49 C.F.R. 172.101]; (l) any matter, waste or substances designated by the EPA, or any successor authority, as a hazardous substance [40 C.F.R. Part 302]; (m) any matter, waste or substances defined as "hazardous waste" in Section 25117 of the California Health and Safety Code; (n) any substance defined as a "hazardous substance" in Section 25316 of the California Health and Safety Code; (o) any matter, waste, or substance that is subject to any other Law regulating, relating to or imposing obligations, liability or standards of conduct concerning protection of human health, plant life, animal life, natural resources, property or the enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy from whatever source; or (p) other substances, materials, and wastes that are, or become, regulated or classified as hazardous or toxic under Law or in the regulations adopted pursuant to said Law, including manure, asbestos, polychlorinated biphenyl, flammable explosives and radioactive material. Notwithstanding the foregoing, "Hazardous Substances" shall not include such products in quantities as are customarily used in the construction, maintenance, development or management of residential developments or associated buildings and grounds, or typically used in residential activities in a manner generally used in other comparable residential developments, or substances commonly ingested by a significant population living within the Project including, without limitation, alcohol, aspirin, tobacco and saccharine.

1.1.60 Hazardous Substance Discharge. Any deposit, discharge, generation, release, or spill of a Hazardous Substance that occurs at on, under, into or from the Properties, or during transportation of any Hazardous Substance to or from the Properties, or that arises at any time from the Construction, installation, use or operation of the Project or any activities conducted at on, under or from the Properties, whether or not caused by a Party.

1.1.61 Indemnify. Where this Agreement states that any Indemnitor shall "indemnify" any Indemnitee from, against, or for a particular Claim, that the Indemnitor shall

indemnify the Indemnitee and defend and hold the Indemnitee harmless from and against such Claim (alleged or otherwise). "**Indemnified**" shall have the correlative meaning.

1.1.62 **Indemnitee.** Any Person entitled to be Indemnified under the terms of this Agreement.

1.1.63 **Indemnitor.** A Party that agrees to Indemnify any other Person under the terms of this Agreement.

1.1.64 **Institutional Lender.** Any of the following: (a) a bank (California, Federal or foreign), trust company (in its individual or trust capacity), insurance company, credit union, savings bank (California or Federal), pension, welfare or retirement fund or system, real estate investment trust (or an umbrella partnership or other entity of which a real estate investment trust is the majority owner), Federal or California agency regularly making or guaranteeing mortgage loans, investment bank, a Fortune 500 company or a subsidiary of a Fortune 500 company; or (b) any Person that is an Affiliate of or is a combination of any one or more of the Persons described in "(a)" of this Section.

1.1.65 **Insurance Documents.** Copies of insurance policies and endorsements evidencing all insurance coverage required to be obtained by Developer pursuant to Section 5.

1.1.66 **JUA.** A joint use agreement between the Developer and the Phase I Developer regarding shared provision of social services and use of certain facilities located at the Phase I Project, as the same may be amended.

1.1.67 **Law.** Every law, ordinance, requirement, order, proclamation, directive, rule, and regulation of any Government applicable to the Properties or the Project, in any way, including any development, use, maintenance, taxation, operation, or occupancy of, or environmental conditions affecting the Properties or the Project, or relating to any taxes, or otherwise relating to this Agreement or any Party's rights, obligations or remedies under this Agreement, or any Transfer of any of the foregoing, whether in force on the Effective Date or passed, enacted, modified, amended or imposed at some later time, subject in all cases, however, to any applicable waiver, variance, or exemption.

1.1.68 **Legal Costs.** In reference to any Person, all reasonable costs and expenses such Person incurs in any legal proceeding (or other matter for which such Person is entitled to be reimbursed for its Legal Costs), including reasonable attorneys' fees, court costs and expenses and consultant and expert witness fees and expenses.

1.1.69 **Lender.** The holder of any Security Instrument and its successors and assigns.

1.1.70 **Liability Insurance.** Commercial general liability insurance against claims for bodily injury, personal injury, death or property damage occurring upon, in, or about the Property, the Project or adjoining streets or passageways, at least as broad as Insurance Services Office Occurrence Form CG0001, with a minimum liability limit of Ten Million

Dollars (\$10,000,000) combined single limit and Five Million Dollars (\$5,000,000) for any one occurrence and which may be provided through a combination of primary and excess or umbrella insurance policies. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Project or the general aggregate limit shall be twice the required minimum liability limit for any one occurrence.

1.1.71 **Monetary Default.** Any failure by either Party to pay or deposit, when and as this Agreement requires, any amount of money, any bond or surety or evidence of any insurance coverage required to be provided under this Agreement, whether to or with a Party or a Third Person.

1.1.72 **Non-Monetary Default.** The occurrence of any of the following, except to the extent constituting a Monetary Default or an Escrow Default: (a) any failure of a Party to perform any of its obligations under this Agreement; (b) any failure of a Party to comply with any material restriction or prohibition in this Agreement; or (c) any other event or circumstance that, with passage of time or giving of Notice, or both, or neither, would constitute a breach of this Agreement by a Party.

1.1.73 **Notice.** Any consent, demand, designation, election, notice, or request relating to this Agreement, including any Notice of Default. All Notices must be in writing.

1.1.74 **Notify.** To give a Notice.

1.1.75 **Notice of Agreement.** A notice of the applicability of this Agreement to the Properties in substantially the form of Exhibit J attached to this Agreement to be recorded against the Properties at the Close of Escrow.

1.1.76 **Notice of Completion.** The Notice described in and ascribed the same name in California Civil Code Section 3093.

1.1.77 **Notice of Default.** Any Notice claiming or giving Notice of a Default or alleged Default.

1.1.78 **Parties.** Collectively, Authority and Developer.

1.1.79 **Party.** Individually, either Authority or Developer, as applicable.

1.1.80 **Permanent Loan.** Any loan that the Developer shall obtain from an Institutional Lender, the proceeds of which are to be used and applied solely to pay: (1) the reasonable costs of obtaining such loan; (2) the then current outstanding principal and interest under Construction Financing; and (3) any reasonable and customary fees or charges of the Institutional Lender providing the Construction Financing relating to pay-off of the Construction Financing. The Permanent Loan shall be sized with a minimum debt coverage ratio of 1.20.

1.1.81 **Permitted Encumbrance.** Any Permitted Security Instrument, the TCAC Regulatory Agreement, the Regulatory Agreement, the Notice of Agreement, the Deed of Trust, utility easements directly related to the Project, REA, JUA, a Permanent Loan, a Refinancing and any other document required or expressly allowed to be recorded against the Properties by the express terms of this Agreement.

1.1.82 **Permitted Exceptions.** All of the following: (a) all items shown in Schedule B of the Preliminary Report, as exceptions to coverage under the proposed Title Policy, that are approved by Developer pursuant to Sections 2.5; (b) any exceptions from coverage under the proposed Title Policy; (c) any lien for non-delinquent property taxes or assessments; (d) any Laws applicable to the Properties; (e) this Agreement; (f) the Notice of Agreement; (g) the Regulatory Agreement; (h) the Deed of Trust; (i) any Permitted Security Instrument; (j) any existing improvements on the Properties; (k) the TCAC Regulatory Agreement; (l) any encumbrance recorded against the Properties with Developer's consent or as a result of the activities of Developer; and (m) any other document or encumbrance expressly required or allowed to be recorded against the Properties or the Project under the terms of this Agreement.

1.1.83 **Permitted Lender.** The holder of any Permitted Security Instrument.

1.1.84 **Permitted Security Instrument.** Any Security Interest: (a) that encumbers only the Properties or any interest in the Properties; (b) that is held by a Lender that is an Institutional Lender, subject to the jurisdiction of the courts of the State, not immune from suit and cannot elect to be immune from suit; and (c) only secures: (i) the repayment of money used to pay or reimburse the Total Project Costs; (ii) Permanent Loan; (iii) a delivery assurance fee regarding a Permanent Loan that is refundable to Developer at the close of the Permanent Loan; or (iv) any Refinancing. Promptly after execution, Developer shall promptly delivery a copy of any Security Interest to the Authority, with the Lender's name and notice address.

1.1.85 **Permitted Transfer.** Any of the following types of Transfer by Developer, which, unless otherwise provided, do not require the Authority's prior written approval and where the Person to which such Transfer is made expressly assumes, in writing, all obligations of Developer under this Agreement:

(a) Any Transfer to an Institutional Lender [that is not a Prohibited Transferee]: (1) pursuant to a Permitted Security Instrument as collateral for Construction Financing; or (2) pursuant to a Permitted Security Instrument as collateral for a Permanent Loan.

(b) Any Transfer directly resulting from the Foreclosure Event of a Permitted Security Interest for a loan from an Institutional Lender to the Project or as otherwise permitted under Section 6.5.7.

(c) The lease of residential units in the Project consistent with the Regulatory Agreements.

(d) The transfer and sale of limited partnership interests in Developer.

(e) In the event that any general partner of the Developer limited partnership is removed by the limited partner of such limited partnership for cause following default under the partnership agreement, the transfer of the general partner interest to an entity selected by the limited partner and approved by the Authority, which approval shall not be withheld unreasonably, delayed or conditioned. If the nonprofit partner is removed, the interest shall be transferred to a 501(c)(3) tax exempt nonprofit corporation.

(f) The transfer of the Project from such limited partnership to one or both of the general partners the Developer or an affiliate of or both the general partners the Developer at the end of the tax credit compliance period for the Project; and

(g) Any dilution of the General Partner's interest in the Developer in accordance with the Developer's limited partnership agreement.

1.1.86 **Person.** Any association, corporation, governmental entity or Authority, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind.

1.1.87 **Phase I DDA.** Phase I DDA has the meaning given such term in Recital I.

1.1.88 **Phase I Developer.** Tina Pacific I Housing Partners, L.P., a California limited partnership, and any approved successors and assigns thereto.

1.1.89 **Phase I Project.** Phase I Project has the meaning given such term in Recital I.

1.1.90 **Preliminary Report.** A preliminary report issued by the Title Company in contemplation of the issuance of the Title Policy, accompanied by the best available copies of all documents listed in Schedule B of the report as exceptions to coverage under the proposed Title Policy. The Parties acknowledge that the Title Company may prepare one (1) or more Preliminary Reports for each parcel, or group of parcels, comprising the Properties. In such case, all reports, notices, and objection letters that pertain to the Preliminary Report for the entirety of the Properties shall apply separately to each Preliminary Report associated with a parcel or a group of parcels.

1.1.91 **Prevailing Wage Action.** Any of the following: (a) any determination by the State Department of Industrial Relations that prevailing wage rates should have been paid, but were not, (b) any determination by the State Department of Industrial Relations that higher prevailing wage rates than those paid should have been paid, (c) any administrative or legal action or proceeding arising from any failure to comply with any of California Labor Code Sections 1720 through 1781, as amended from time to time, regarding prevailing wages, including maintaining certified payroll records pursuant to California Labor

Code Section 1776, or (d) any administrative or legal action or proceeding to recover wage amounts at law or in equity, including pursuant to California Labor Code Section 1781.

1.1.92 **Prohibited Encumbrance.** Any mortgage, lien, deed of trust, security instrument, mechanic's lien, easement or other encumbrance recorded or asserted against all or any portion of the Properties or the Project that is not a Permitted Encumbrance.

1.1.93 **Prohibited Transferee.** Any Person that Authority reasonably determines has any connection with any terrorist organization, any Person entitled to claim diplomatic immunity, any foreign governmental entity, except as reasonably approved by Authority, any Person that is immune or may elect to be immune from suit under State or Federal law, or any other Person that Authority reasonably disapproves.

1.1.94 **Project.** The development known as the Tina Pacific Neighborhood Revitalization Phase II, consisting of seventy-eight (78) units with fifty-four (54) two bedroom units and twenty-four (24) three bedroom units in two-story stacked flats on grade, approximately 168 parking spaces. Developer shall partner with either LifeSTEPS, Project Access, or equivalent to design a social service program that is targeted to resident needs. The Project is further described in the Project Scope of Development, the Project Plans and Specifications, and the Approvals for the Project.

1.1.95 **Project Budget.** The Total Project Costs and anticipated sources of funds to pay the Project Costs as set forth in Exhibit D attached to this Agreement.

1.1.96 **Project Commencement Date.** The date that is One Hundred Ninety-four (194) days after the date of reservation of the Tax Credits by TCAC for the Project and as reflected in the TCAC reservation of credits letter.

1.1.97 **Project Completion Date.** The date that is thirty-six (36) months following the Project Commencement Date.

1.1.98 **Project Plans and Specifications.** Plans and specifications for the Project, prepared by Developer's architect, that have received all necessary Approvals regarding Construction of the Project, shall be submitted to the Authority in both hard copy and electronic format as is customary in the architectural profession in the State. These documents shall use naming conventions and other criteria reasonably approved or required by Authority, consisting of architectural plans; elevations and sections indicating principal areas, core designs; basic structural system; minimum estimated electrical capacity and distribution system; general type of plumbing system; gross and rentable square foot analysis; and principal types of HVAC systems.

1.1.99 **Project Scope of Development.** The development project generally described in Exhibit I attached to this Agreement.

1.1.100 **Properties.** Collectively, the Authority Properties and the Acquisition Properties, as more specifically described in Exhibit A-1 and Exhibit A-2 and shown on the Map in Exhibit B.

1.1.101 **Property Information.** Any and all studies and reports prepared by or on behalf of Developer regarding the physical condition of or title to the Properties, including, without limitation, soils reports, geotechnical reports and surveys (not to include architectural plans and specifications, proprietary information, internal communications, feasibility studies, financial analyses, proformas, tax returns or any attorney-client privileged communications).

1.1.102 **Property Insurance.** Insurance providing coverage for the Properties and all improvements against loss, damage, or destruction by fire and other hazards encompassed under the broadest form of property insurance coverage then customarily used for like properties in the County, in an amount equal to one hundred percent (100%) of the replacement value (without deduction for depreciation) of all improvements comprising the Project (excluding excavations and foundations) and in any event sufficient to avoid co-insurance and with no co-insurance penalty provision, with "ordinance or law" coverage. To the extent customary for like properties in the County at the time, such insurance shall include coverage for explosion of steam and pressure boilers and similar apparatus located on the Properties; an "increased cost of construction" endorsement; and an endorsement covering demolition and cost of debris removal, all subject to policy sublimits. Property Insurance shall also include rental or business interruption insurance in an amount, at least, equal to the average annual Gross Income from the Project for the preceding three (3) calendar years and providing for a 12-month extended period of indemnity.

1.1.103 **Purchase Price.** The Purchase Price for the Properties shall be the sum of (a) the lesser of the appraised value of or the purchase price paid by the Authority for the Authority Properties; and (b) the lesser of appraised value or the purchase price paid by the Authority for the Acquisition Properties.

1.1.104 **REA.** A reciprocal easement agreement between the Developer, the Phase I Developer regarding easements and agreements between the Project and the Phase I Project, as the same may be amended.

1.1.105 **Record, recorded, recording or recordation.** Recordation of the referenced document in the official records of the County.

1.1.106 **Refinancing.** Any loan secured by a Permitted Security Instrument that the Developer obtains from an Institutional Lender subsequent to recordation of the Permanent Loan for any of the following purposes: (1) to pay off all or a portion of an existing loan secured by a Permitted Security Instrument where the Lender providing the new loan will disburse loan proceeds to or on behalf of Developer exceeding the amount of principal and interest under the existing loan being paid plus the amount of any reasonable and customary fees and costs associated with obtaining such new loan that are actually paid by Developer and not rebated or refunded to Developer the aggregate amount of such fees and costs not to exceed ten percent (10%) of the original principal amount of the new loan or other amount

approved by the Executive Director of the Housing Authority; (2) disbursing funds to or on behalf of Developer without paying off any existing loan secured by a Permitted Security Instrument; or (3) any loan extension, modification or equivalent regarding an existing loan to Developer secured by a Permitted Security Instrument that results in the Lender of the existing loan disbursing additional loan proceeds to or on behalf of Developer in excess of the original principal amount of the loan.

1.1.107 **Regulatory Agreement.** A Regulatory Agreement and Declaration of Restrictive Covenants, Conditions and Restrictions Restricting the Use of Property for Affordable Housing (Tina Pacific Neighborhood Revitalization Phase II) restricting the Properties for a period of fifty-five (55) years, in substantially the form of Exhibit F attached to this Agreement, which shall be recorded against the Properties.

1.1.108 **Schedule of Performance.** The schedule for the performance of certain actions by Authority and Developer pursuant to this Agreement, attached to this Agreement as Exhibit M.

1.1.109 **Security Instrument.** Any security instrument, deed of trust, security deed, contract for deed, deed to secure debt, or other voluntary real property (including leasehold) security instrument(s) or agreement(s) intended to grant real property (including leasehold) security for any obligation (including a purchase-money or other promissory note) encumbering the Properties, as entered into, renewed, modified, consolidated, increased, decreased, amended, extended, restated, assigned (wholly or partially), collaterally assigned, or supplemented from time to time, unless and until paid, satisfied, and discharged of record. If two or more such security instruments are consolidated or restated as a single lien or held by the same Lender (as applicable), then all such security instruments so consolidated or restated shall constitute a single Security Instrument. A participation interest in a security instrument (or partial assignment of the secured loan) does not itself constitute a Security Instrument.

1.1.110 **Senior.** Referring to multiple Security Instruments, the Security Instrument that is most senior in lien of the same type. Where Senior is used as a comparative term as against any specified Security Instrument, such term refers to any Security Instrument of the same type that is senior in lien to such specified Security Instrument. If only one Security Instrument of a particular type exists, then it shall be deemed the Senior Security Instrument of such type.

1.1.111 **State.** The State of California.

1.1.112 **Supplement Notice.** A Notice from Developer to both Authority and the Escrow Agent indicating Developer's objection to any exception to the title of the Properties set forth in a supplement to the Preliminary Report, describing in suitable detail the actions that Developer reasonably believes are necessary to obtain Developer's approval of the state of the title of the Properties.

1.1.113 **Supplement Notice Response.** A Notice from Authority in response to a Supplement Notice, in which Authority elects to either: (a) cause the removal from the Preliminary Report of any matter disapproved in such Supplement Notice in a manner

reasonably satisfactory to Developer; (b) obtain title or other insurance in a form reasonably satisfactory to Developer insuring against the effects of any matters disapproved or conditionally approved in such Supplement Notice (Authority shall not enter into any indemnity arrangement with the Title Company regarding any matter disapproved or conditionally approved by Developer, without Developer's prior written consent); (c) otherwise satisfy Developer regarding any matter disapproved or conditionally approved in such Supplement Notice; or (d) not take any action described in either "(a)," "(b)" or "(c)" of this Section 1.1.107.

1.1.114 Supplement Notice Waiver. A Notice from Developer to both Authority and the Escrow Agent waiving Developer's previous disapproval or conditional approval of any matter in a Supplement Notice that Authority has not agreed to address to Developer's reasonable satisfaction in a Supplemental Notice Response.

1.1.115 Tax Credits. An allocation from TCAC of nine percent (9%) federal low income housing tax credits to finance a portion of the Total Project Costs, all in accordance with Section 42 of the Internal Revenue Code of 1986, as amended, all associated Internal Revenue Service regulations and all associated TCAC regulations.

1.1.116 Tax Credit Equity. The equity investment contributed to the Developer by the Tax Credit Investor, in the amount set forth in the Project Budget.

1.1.117 Tax Credit Investor. The limited partner in Developer that provides the Tax Credit Equity for the Construction of the Project.

1.1.118 TCAC. The California Tax Credit Allocation Committee or successor in function.

1.1.119 TCAC Regulatory Agreement. The regulatory agreement required to be recorded against the Properties by TCAC to obtain the Tax Credits.

1.1.120 Third Person. Any Person that is not a Party, an Affiliate of a Party or an elected official, officer, director, manager, shareholder, member, principal, partner, employee or agent of a Party.

1.1.121 Title Company. Old Republic Title Company or such other title insurance company mutually agreed upon in writing between Authority and Developer.

1.1.122 Title and Survey Notice. A Notice from Developer to both Authority and the Escrow Agent indicating Developer's objection to any exception to the title of the Properties set forth in the Preliminary Report and/or survey and describing in suitable detail the actions that Developer reasonably believes are necessary to obtain Developer's approval of the state of the title of the Properties.

1.1.123 Title Notice Response. A Notice from Authority in response to the Title and Survey Notice, in which Authority elects to either: (a) cause the removal from the Preliminary Report or correction of any matter shown on a survey of any matter disapproved in

such Title and Survey Notice in a manner reasonably satisfactory to Developer; (b) obtain title or other insurance in a form reasonably satisfactory to Developer insuring against the effects of any matters disapproved or conditionally approved in such Title and Survey Notice (Authority shall not enter into any indemnity arrangement with the Title Company regarding any matter disapproved or conditionally approved by Developer, without Developer's prior written consent); (c) otherwise satisfy Developer regarding any matter disapproved or conditionally approved in such Title and Survey Notice; or (d) not take any action described in either "(a)," "(b)" or "(c)" of this Section 1.1.117.

1.1.124 Title Notice Waiver. A Notice from Developer to both Authority and the Escrow Agent waiving Developer's previous disapproval or conditional approval of any matter in the Title and Survey Notice that Authority has not agreed to address to Developer's reasonable satisfaction in the Title Notice Response.

1.1.125 Title Policy. An extended coverage (ALTA) owner's policy of title insurance issued by the Title Company, with coverage in the amount of the anticipated insurable Total Project Costs (including, without limitation, acquisition costs) and insuring fee title to the Properties vested in Developer, subject to the Permitted Exceptions.

1.1.126 Total Project Costs. All of the costs set forth in the Project Budget attached as Exhibit D attached to this Agreement.

1.1.127 Transfer. Regarding any property, right or obligation means any of the following, whether by operation of law or otherwise, whether voluntary or involuntary, and whether direct or indirect: (a) any assignment, conveyance, grant, hypothecation, mortgage, pledge, sale, or other transfer, whether direct or indirect, of all or any part of such property, right or obligation, or of any legal, beneficial, or equitable interest or estate in such property, right or obligation or any part of it (including the grant of any easement, lien, or other encumbrance); (b) any conversion, exchange, issuance, modification, reallocation, sale, or other transfer of any direct or indirect Equity Interest(s) in the owner of such property, right or obligation by the holders of such Equity Interest(s), (other than (i) removal of one or more general partners of Developer in accordance with Developer's limited partnership agreement as in effect from time to time, (ii) an assignment by Developer's limited partner to an Affiliate, or the admission or transfer of interests within Developer's limited partner, and (iii) the admission of a managing general partner in Developer owned and/or controlled by Affordable Housing Access, Inc. or another California nonprofit corporation); (c) any transaction described in "b" affecting any Equity Interest(s) or any other interest in such property, right or obligation or in any such owner (or in any other direct or indirect owner at any higher tier of ownership) through any manner or means whatsoever (other than as set forth in the parenthetical at the end of subsection (b)); or (d) any transaction that is in substance equivalent to any of the foregoing. A transaction affecting Equity Interests, as referred to in clauses "b" through "d," shall be deemed a Transfer by the Developer even though the Developer is not technically the transferor. A "Transfer" shall not, however, include any of the following (provided that the other Party has received Notice of such occurrence) relating to the Properties and/or any Equity Interest: (i) a mere change in form of ownership with no material change in beneficial ownership and constitutes a tax-free transaction under federal income tax law and the State real estate transfer tax; (ii) a conveyance only to member(s) of the immediate family(ies) of the

transferor(s) or trusts for their benefit; (iii) a conveyance only to any Person that, as of the Effective Date, holds an Equity Interest in the entity whose Equity Interest is being transferred; (iv) the original sale of Equity Interests in Developer; or (v) a conveyance only to an Affiliate of Developer.

1.1.128 **Usury Limit.** The highest rate of interest, if any, that Law allows under the circumstances.

1.1.129 **Waiver of Subrogation.** A provision in, or endorsement to, any insurance policy, by which the carrier agrees to waive rights of recovery by way of subrogation against either Party to this Agreement for any loss such policy covers.

1.1.130 **Workers Compensation Insurance.** Workers compensation insurance complying with the provisions of State law and an employer's liability insurance policy or endorsement to a liability insurance policy, with a minimum liability limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease, covering all employees of Developer.

2. **CONVEYANCE OF PROPERTIES**

2.1 Acquisition Properties.

2.1.1 **Negotiations with Owners.** As of the Effective Date, neither Authority nor Developer own any portion of or interest in the Acquisition Properties. Authority shall use its best efforts to acquire the Acquisition Properties directly from the current Acquisition Properties owners by negotiated purchase. If Authority is unable to negotiate the purchase of the Acquisition Properties between itself and the Acquisition Properties owners, Authority may consider initiating eminent domain proceedings to acquire the Acquisition Properties, subject to and in accordance with this Section 2.1. If the Authority fails to acquire the Acquisition Properties by December 31, 2020, the Parties will meet and confer to discuss alternative deal structures. If the Parties cannot agree on an alternative deal structure within ninety (90) days, either party may terminate this Agreement.

2.1.2 **Escrow for Acquisition Properties.** Developer shall not be a party to any agreement or escrow pertaining to Authority's acquisition of the Acquisition Properties and no instruction of Developer to the Escrow Agent regarding Authority's acquisition of the Acquisition Properties shall have any force or effect as to Authority or the Escrow Agent in the Acquisition Properties transaction. As more fully set forth in Section 3, Authority and Developer shall open a separate Escrow with the Escrow Agent through which Developer shall purchase the Acquisition Properties from Authority following Authority's acquisition of title to the Acquisition Properties.

2.1.3 **Eminent Domain Proceedings.**

(a) *Consideration of Resolution of Necessity.* Subject to the limitations on Authority's power of eminent domain now existing or enacted in the future, and to the extent that Authority is unable to acquire the Acquisition Properties through negotiation

with the Acquisition Properties owners and the Executive Director determines that either: (i) Authority's offer with respect to the Acquisition Properties has been rejected; or (ii) further discussion, negotiation or modification of a pending Authority offer regarding the Acquisition Properties is unlikely to be accepted by the Acquisition Properties owners, Authority shall schedule and hold a hearing to consider adoption of a resolution of necessity authorizing the use of Authority's power of eminent domain to acquire the Acquisition Properties; provided, however, that the hearing shall not occur prior to the commencement of CEQA Document proceedings. Authority shall notify Developer of its scheduling of a hearing to consider adoption of a resolution of necessity regarding the acquisition of the Acquisition Properties, if such a hearing is scheduled. Nothing in this Agreement shall require Authority to adopt a resolution of necessity regarding the Acquisition Properties or to acquire the Acquisition Properties by exercise of Authority's power of eminent domain. If Authority considers adoption of a resolution of necessity regarding the Acquisition Properties and does not adopt such a resolution, Authority may terminate this Agreement upon seven (7) days' Notice to Developer and the Escrow Agent, without liability to the other Parties or any other Person.

(b) *Eminent Domain Legal Counsel.* Developer acknowledges and agrees that, if Authority adopts a resolution of necessity to acquire all or a portion of the Acquisition Properties by exercise of its power of eminent domain, Authority shall be represented in any such proceeding by legal counsel of Authority's selection, in Authority's sole and absolute discretion, and Authority's legal counsel shall not represent Developer in any capacity relative to any such proceeding, nor shall Developer have any right of direction or control or any influence over the conduct of Authority or its legal counsel relative to any eminent domain proceeding to acquire all or a portion of the Acquisition Properties.

(c) *Reservation of Authority Discretion.* It is expressly acknowledged, understood and agreed by the Parties that Authority undertakes no obligation to adopt any resolution of necessity, and does not prejudge or commit to any Person regarding the findings and determinations to be made by Authority with respect to any resolution of necessity. If Authority does not elect to or is unable to acquire title or the insurable right to possession of the Acquisition Properties through exercise of its power of eminent domain or by negotiated purchase on or before December 31, 2020, the Parties shall meet and confer for ninety (90) days to discuss alternative deal structures; if no such alternative is approved by the Parties within such ninety (90) day period, either Party may terminate this Agreement. In the event of termination, neither Developer nor Authority shall be in Default under this Agreement and either Party may terminate this Agreement upon seven (7) days' Notice to the other Party, without liability to the other Party or any other Person.

2.1.4 Insufficient Funds for Acquisition Properties. In the event that Authority determines, in Authority's sole and exclusive discretion, that Authority does not have sufficient funds to purchase any or all of the Acquisition Properties, Authority shall provide Notice to Developer of the amount that Authority requires to complete the acquisition of the Acquisition Properties. Developer may, but shall not be obligated to, provide the funds necessary to complete the acquisition of the Acquisition Properties. If Authority determines that it has insufficient funds to acquire the Acquisition Properties and Developer does not

provide the funds necessary for Authority to acquire the Acquisition Properties, Authority may terminate this Agreement without liability to Developer.

2.2 Escrow. Authority shall sell the Properties to Developer and Developer shall purchase the Properties from Authority, pursuant to the terms and conditions of this Agreement. For the purposes of exchanging funds and documents for Authority to sell the Properties to Developer and Developer to purchase the Properties from Authority, Authority and Developer agree to open the Escrow with the Escrow Agent. The provisions of Section 3 of this Agreement are the joint escrow instructions of the Parties to the Escrow Agent for conducting the Escrow. If requested by the Escrow Agent, Developer and Authority shall execute the General Escrow Instructions. In the event of any conflict between the provisions of this Agreement and the General Escrow Instructions, the provisions of this Agreement shall be controlling.

2.2.1 Independent Contract Consideration. Upon the Effective Date of this Agreement, Developer shall deliver to Agency the sum of one hundred dollars (\$100.00) ("**Independent Contract Consideration**"), which amount has been bargained for and agreed to as adequate consideration for Developer's right to purchase the Properties with the right to terminate this Agreement in Developer's sole and absolute discretion during the Due Diligence Period and for Agency's execution, delivery and performance of this Agreement. The Independent Contract Consideration is in addition to and independent of all other consideration provided in this Agreement and is nonrefundable to Developer in all events.

2.3 Purchase Price.

2.3.1 **Purchase Price Calculation.** Within five (5) business days of the Escrow Opening Date, the parties shall meet to jointly determine three (3) third-party appraisers. The Parties shall request proposals from and shall jointly select the third-party appraiser from the proposals received. The Purchase Price of the Properties shall be the lesser of the purchase price paid by Authority for the acquisition of the Properties or the appraised value of the Properties, as determined by an appraisal conducted pursuant to this Section.

2.3.2 **Purchase Price.** Developer shall deposit funds necessary to close the transaction into Escrow, if applicable, at least one (1) business day preceding the Escrow Closing Date. The Purchase Price shall be paid from the Authority Loan and Developer shall additionally deposit the Authority Note and the Deed of Trust into Escrow at least one (1) business day preceding the Escrow Closing Date.

2.3.3 **Subordination.** The Deed of Trust may be subordinated to other loans from Institutional Lenders (in each case, a "**Senior Loan**"), but only on condition that all of the proceeds of the proposed Senior Loan, less any transaction costs, must be used to provide financing for the Project. The Permitted Security Instruments shall be junior to the Regulatory Agreement, provided that the affordability and rent restrictions in the Regulatory Agreement are not more restrictive than the TCAC Regulatory Agreement and, if so, the Regulatory Agreement shall be modified to match the TCAC Regulatory Agreement restrictions. Additionally, upon an Event of Foreclosure, the Regulatory Agreement shall be modified such that all units, except the manager unit, shall be affordable to and restricted to

households making 80% of area median income. Upon a determination by the Executive Director that the condition in this Section have been reasonably satisfied, the Executive Director or his/her designee will be authorized to execute the approved subordination agreement without the necessity of any further action or approval.

2.4 **Eminent Domain.** If any portion of the Properties becomes the subject of any eminent domain proceeding prior to Close of Escrow, other than such a proceeding by the Authority, including the filing of any notice of intended condemnation or proceedings in the nature of eminent domain commenced by any Government, the Authority shall immediately give the Developer Notice of such occurrence, and the Developer shall have the option, exercisable within ten (10) Business Days after receipt of such Notice from the Authority, to either: (1) cancel the Escrow and terminate this Agreement and the Escrow, in which case the Parties and the Escrow Agent shall proceed in accordance with Section 3.11; or (2) continue with this Agreement in accordance with its terms, in which event the Authority shall assign to the Developer any right of the Authority to receive any condemnation award attributable to the Properties.

2.5 **Developer's Approval of Title to the Properties.**

2.5.1 **Title and Survey Notice.** Within five (5) days after the Escrow Opening Date, Developer shall request the Preliminary Report from the Title Company and that the Title Company deliver a copy of the Preliminary Report to the Developer. Not less than thirty (30) days prior to the end of the Due Diligence Period the Developer shall send the Title and Survey Notice to both Authority and the Escrow Agent.

2.5.2 **Failure to Deliver Title Notice.** If the Developer fails to send the Title and Survey Notice to Authority and the Escrow Agent, within the time period provided in Section 2.4.1 the Developer will be deemed to approve the status of title to the Properties.

2.5.3 **Title Notice Response.** Within fifteen (15) days following the Authority's receipt of the Title and Survey Notice (if any), Authority shall send the Title Notice Response to both the Developer and the Escrow Agent. If the Title and Survey Notice does not disapprove or conditionally approve any matter in the Preliminary Report or the Developer fails to deliver the Title and Survey Notice, Authority shall not be required to send the Title Notice Response. If Authority does not send the Title Notice Response, if necessary, within the time period provided in this Section 2.4.3, Authority shall be deemed to elect not to take any action in reference to the Title and Survey Notice. If Authority elects in the Title Notice Response to take any action in reference to the Title and Survey Notice, Authority shall complete such action, prior to the Escrow Closing Date or as otherwise specified in the Title Notice Response.

2.5.4 **Title Notice Waiver.** If Authority elects or is deemed to have elected not to address one or more matters set forth in the Title and Survey Notice to the Developer's reasonable satisfaction, then within fifteen (15) days after the earlier of: (i) the Developer's receipt of the Authority's Title Notice Response or (ii) the last date for the Authority to deliver its Title Notice Response, the Developer shall either: (a) refuse to accept the title to and conveyance of the Properties, or (b) waive its disapproval or conditional

approval of all such matters set forth in the Title and Survey Notice by sending the Title Notice Waiver to both Authority and the Escrow Agent. Failure by the Developer to timely send the Title Notice Waiver, where the Title Notice Response or Authority's failure to deliver the Title Notice Response results in Authority's election not to address one or more matters set forth in the Title and Survey Notice to the Developer's reasonable satisfaction, will be deemed the Developer's continued refusal to accept the title to and conveyance of the Properties, in which case both the Developer and Authority shall have the right to cancel the Escrow and terminate this Agreement upon seven (7) days' Notice, in their respective sole and absolute discretion.

2.5.5 Disapproval of Encumbrances Securing Authority Obligations.

Notwithstanding any other provision of this Agreement, the Developer disapproves any and all encumbrances against the Properties securing monetary (other than non-delinquent property taxes) or performance obligations of Authority, or related to lease revenue bonds. All such encumbrances shall be removed from the Properties by Authority, prior to the Close of Escrow, at its sole cost and expense.

2.5.6 No Termination Liability. Any termination of this Agreement and cancellation of the Escrow pursuant to this Section 2.5 shall be without liability to the other Party or any other Person, and shall be accomplished by delivery of a Notice of termination to both the other Party and the Escrow Agent at least seven (7) days prior to the termination date, in which case the Parties and the Escrow Agent shall proceed pursuant to Section 3.11. Once a Notice of termination is given pursuant to this Section 2.5, delivery of a Title and Survey Notice or Title Notice Waiver shall have no force or effect and this Agreement shall terminate in accordance with the Notice of termination.

2.6 Due Diligence Investigations.

2.6.1 Developer shall have until the expiration of the Due Diligence Period to complete all of its Due Diligence Investigations with respect to the Properties. Developer shall complete all of its Due Diligence Investigations within the Due Diligence Period and shall conduct all of its Due Diligence Investigations at its sole cost and expense. Developer shall rely solely and exclusively upon the results of its Due Diligence Investigations of the Properties, including, without limitation, investigations regarding geotechnical soil conditions, compliance with applicable laws pertaining to the use of the Properties by Developer and any other matters relevant to the condition or suitability of the Properties for the Project, as Developer may deem necessary or appropriate. Authority does not make any representation or warranty to Developer relating to the condition of the Properties or suitability of the Properties for any intended use or development by Developer. Developer shall deliver a Due Diligence Investigation Conclusion Notice to Authority and the Escrow Agent at or prior to the end of the Due Diligence Period. If Developer does not unconditionally accept the condition of the Properties by delivery of its Due Diligence Investigation Conclusion Notice indicating such acceptance prior to the end of the Due Diligence Period, Developer shall not be deemed in default hereunder and Developer shall be deemed to have rejected the condition of the Properties and refused to accept conveyance of title to the Properties. Subject to §2.6.4 below, if the condition of the Properties is rejected or deemed rejected by Developer, then any Party shall have the right to cancel the Escrow and terminate this Agreement, in that Party's

sole discretion, without liability to any Party or any other person, by delivery of a written notice of termination to all Parties and Escrow Agent. Developer shall accept all conditions of the Properties, without any liability of Authority whatsoever, upon Developer's acceptance of the condition of the Properties indicated in its Due Diligence Investigation Conclusion Notice.

2.6.2 Developer's delivery of its Due Diligence Investigation Conclusion Notice indicating the Developer's unconditional acceptance of the condition of the Properties shall evidence the acceptance of the condition of the Properties by Developer in its existing "AS IS," "WHERE IS" and "SUBJECT TO ALL FAULTS" condition. Developer's unconditional and irrevocable acceptance of the Properties in the Properties' AS IS, WHERE IS, SUBJECT TO ALL FAULTS CONDITION, WITHOUT WARRANTY AS TO QUALITY, CHARACTER, PERFORMANCE OR CONDITION, including any warranty as to title, physical condition, soil conditions, the presence or absence of fill, subsurface support, zoning, land use restrictions, the availability or location of utilities or services, the location of any public infrastructure on or off of the Properties (active, inactive or abandoned), the suitability of the Properties for the Project or other use or the existence or absence of Hazardous Substances (excepting any Hazardous Substance Discharge by Authority) and with full knowledge of the physical condition of the Properties, the nature of Authority's interest in and use of the Properties, all Laws applicable to the Properties, the Permitted Exceptions and any and all conditions, covenants, restrictions, encumbrances and all matters of record relating to the Properties. Developer represents and warrants to Authority that: (a) Developer has had ample opportunity to inspect and evaluate the Properties and the feasibility of the uses and activities Developer is entitled to conduct on the Properties in accordance with this Agreement; (b) Developer is experienced in real estate development; (c) Developer is relying entirely on Developer's experience, expertise and its own inspection of the Properties in its current state in proceeding with acquisition of the Properties; (d) Developer accepts the Properties in its present condition; and (e) to the extent that Developer's own expertise with respect to any matter regarding the Properties is insufficient to enable Developer to reach an informed conclusion regarding such matter, Developer has engaged the services of Persons qualified to advise Developer with respect to such matters. The Close of Escrow shall constitute Developer's representation and warranty to Authority that Developer has received assurances acceptable to Developer by means independent of Authority Parties of the truth of all facts material to Developer's acquisition of the Properties pursuant to this Agreement and that the Properties is being acquired by Developer as a result of its own knowledge, inspection and investigation of the Properties and not as a result of any representation made by any Authority Party relating to the condition of the Properties, unless such statement or representation is expressly and specifically set forth in this Agreement. Except to the extent of any express representations and warranties of Authority specifically set forth in this Agreement (if any), Authority hereby expressly and specifically disclaims any express or implied warranties regarding the Properties.

2.6.3 Any Due Diligence Investigations of the Properties by Developer shall not unreasonably disrupt any then existing use or occupancy of the Properties or the operations of Authority. Developer shall be liable for any damage or injury to any person or property arising from the acts of Developer, its employees, agents or representatives during the course of any Due Diligence Investigations on the Properties and Developer shall indemnify, defend

with counsel reasonably acceptable to Authority, and hold harmless Authority and its elected officials, officers, directors, attorneys, contractors, agents and employees from any and all actual or alleged liens, claims, demands or liability arising from any Due Diligence Investigations by Developer on the Properties. Prior to commencing any Due Diligence Investigations on the Properties, Developer shall deliver copies of policies or certificates of insurance to Authority evidencing compliance by the Developer with the insurance requirements of Section 5.

2.6.4 Before exercising any right a Party may have under this Section 2.6 to cancel the Escrow and terminate this Agreement, such Party shall notify the non-terminating Parties in writing of its election to terminate and shall, upon a non-terminating Party's request, which must be delivered, if at all, within three (3) days following its receipt of the terminating Party's notice of election to terminate, meet and confer with the non-terminating Parties for a period of thirty (30) days. During such time, the Parties shall meet as often as reasonably requested by any Party to negotiate, in good faith, methods and means by which the objectionable Due Diligence matter may be eliminated or mitigated. Nothing herein shall constitute an agreement, representation, or warranty by any Party that an acceptable resolution of the objectionable Due Diligence matter will be achieved, nor shall any Party be obligated to expend any funds or undertake any other action whatsoever with respect to such Due Diligence matter unless such obligation is reduced to a writing which is approved by all Parties, in their sole and absolute discretion. If, at the end of such thirty (30) day period, the Parties have not been able to agree on a mutually acceptable method of resolving the objectionable Due Diligence matter, or if any proposed agreement is disapproved by Authority's governing body, the Escrow shall be cancelled, this Agreement shall be terminated without liability to any Party, and the Parties shall proceed pursuant to Section 3.11.

2.7 Delivery of Properties Free of Tenants. At the Close of Escrow, Authority will deliver possession of the Properties to Developer free and clear of any contractual rights created by or with the consent of Authority for any Person (other than Developer) to use or occupy the Properties.

2.8 Assignment of Property Information and Approvals. If for any reason this Agreement is terminated, except as a direct result of a Authority Event of Default, without Developer acquiring the Properties, but subject to Authority's reimbursement to Developer as set forth in Section 8.12 below, Developer shall deliver or cause to be delivered to Authority, within twenty (20) days after Authority's written request and at no cost to Authority, all Property Information and documentation of all Approvals, subject to any unwaived restrictions set forth in any agreement between Developer and any Third Person regarding preparation of such Property Information or documentation by such Third Person, notwithstanding Developer's reasonable efforts to obtain a waiver of such restrictions. On such a request, the Property Information and all Approvals shall be deemed assigned to Authority, without the execution of any additional documents, upon a termination of this Agreement without Developer acquiring the Properties. Developer shall, if requested by Authority, execute such other documents as Authority reasonably requests, to further document the assignment of the Property Information and all Approvals to Authority. Developer represents and warrants to Authority that it has the right, power and Authority to make the assignments set forth in this

Section 2.7. Developer shall deliver the Property Information to Authority, pursuant to this Section 2.7, without representation or warranty of any kind. Developer shall take such actions and make such payments as may be necessary to preclude any Claim against Authority or the Properties for any amounts owing by Developer regarding the Property Information incurred prior to the termination of this Agreement. Developer shall Indemnify the Authority Parties against all Claims arising from any actual or alleged failure of Developer to pay any amount regarding any Property Information incurred prior to the termination of this Agreement. Authority shall be responsible for and shall indemnify Developer for any costs incurred at Authority's direction following the termination of this Agreement

2.9 Developer to Obtain all Approvals for the Project.

2.9.1 **Submission of Development Application.** Developer shall exercise reasonable efforts to prepare and submit all required Applications, documents, fees, charges or other items (including, without limitation, deposits, funds or sureties in the ordinary course) required for the Construction of the Project, pursuant to all applicable Laws and Approvals, to each necessary Government for review and approval. Further, Developer shall exercise reasonable efforts to obtain all Approvals for the Construction of the Project on the Properties from each Government, prior to the Project Commencement Date. Prior to commencement of any part of the Construction of the Project, Developer shall obtain all Approvals from each Government required for the Construction of the Project. The Authority's zoning, building and land use regulations (whether contained in ordinances, the Authority's municipal code, conditions of approval or elsewhere), shall be applicable to the Construction of the Project on the Properties by Developer. Developer acknowledges that the Project Plans and Specifications and any changes to the Project Plans or Specifications shall be subject to all applicable Laws and Approvals.

2.9.2 **No Waiver of Discretion.** Nothing in the approval of this Agreement by the Authority shall be binding on the Authority Board, City Council, Design Review Committee, or any other commission, committee, board or body of the Authority or City regarding any Approvals of the Project required by such bodies regarding Developer's use or development of the Properties. Nothing in this Agreement, nor any action by Developer with reference to this Agreement or any related documents shall be deemed to constitute issuance or waiver of any required Authority Approval or City Approval regarding the Properties, the Project or Developer, or waiver or exercise of any legislative discretion of the Authority or the City regarding any Application, Approval or other matter relating to Developer's intended use or development of the Properties. The Parties acknowledge and agree that this Agreement is not a statutory development agreement pursuant to Government Code Sections 65864, et seq.

2.9.3 **No Commitment to Development.** The Parties agree that nothing in this Agreement is intended to commit the Developer to completing a particular project or to commit the Authority or City to granting any Approval. The Authority's approval of this Agreement does not constitute approval by the Authority or City of any development of the Properties or of other activity on the Properties that would have a direct or reasonably foreseeable indirect environmental impact pursuant to CEQA. (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Developer's future use or development of the Properties is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with

CEQA prior to taking any discretionary action with regard to any proposed development of the Properties. Nothing in this Agreement shall be construed to limit the Authority's or City's discretion to consider and adopt any mitigation measure or project alternative, including the alternative of rejecting any proposed development of the Properties, as provided in Public Resources Code section 21002. Following completion of the City's environmental review of any proposed development of the Properties, the City shall file a notice of such approval as provided in Public Resources Code section 21152. Developer's purchase of the Properties will serve the current needs of the Authority and City.

2.9.4 Future Proposals Subject to Review. Developer and the Authority shall work together to conduct environmental review in accordance with CEQA before City takes action on any plan or entitlement or before the Parties Close of Escrow under this Agreement. The Authority shall pay, subject to reimbursement through the Authority Loan, for the cost of CEQA review. The Parties agree and acknowledge that any proposed development of the Properties might change as a result of various environmental factors. On or before the Close of Escrow, the scope and location of proposed development and the design of the anticipated improvements might well change to account for needs of Developer, including changes required by the CEQA process.

2.10 Authority Purchase of Acquisition Properties. As of the date of this Agreement, neither Authority nor Developer own any portion of or interest in the Acquisition Properties. Authority shall use its best efforts to acquire the Acquisition Properties prior to the Opening of Escrow by negotiated purchase. If Authority is in good faith unable to negotiate or complete the acquisition of the Acquisition Properties, Authority may consider initiating eminent domain proceedings in accordance with this Section 2. In connection with a negotiated purchase of the Acquisition Properties, Authority shall enter into a purchase and sale agreement with the Acquisition Properties owners and open an separate escrow for the Acquisition Properties with the Escrow Agent.

2.11 Termination of Existing Tenancy. Authority shall take all necessary and appropriate steps to provide for the termination of all existing leases on the Properties and the relocation of current occupants of the Properties, if applicable. The relocation of any occupant of the Properties shall be accomplished in accordance with the provisions of Government Code Sections 7260 *et seq.* Any relocation assistance plan applicable to the Properties approved by the governing body of Authority shall be completed and approved by the governing body of the Authority prior to Developer's submission of its TCAC Application, and other applicable Law. Authority shall be solely responsible for termination of all leasehold interests in the Properties, relocation of all occupants of the Properties, and payment of all relocation benefits if applicable. Authority shall cause all occupants to vacate the premises at least two (2) months prior to the Construction Loan closing. Authority shall indemnify, defend and hold harmless Developers and its partners and agents from and against loss, cost, damage, liability and expense, including, without limitation, reasonable attorneys' fees and court costs, associated with the termination of all leasehold interests in the Properties and the relocation of all occupants including, without limitation, payment of all relocation fees and expenses.

2.12 Termination of Phase I Development. If the Phase I DDA is terminated for any reason, the Parties shall meet and confer for ninety (90) days to discuss any changes to the

financing, project scope or deal structure for the Project that may be necessary to proceed with the Project without the concurrent development of the Phase I Project. If within such ninety (90) day period the Parties are unable to agree on such necessary or desired changes to the Project, either Party may terminate this Agreement without liability to the other Party or any other Person within seven (7) days of the expiration of such period by delivering Notice to the other Party. In the event of termination, neither Developer nor Authority shall be in Default under this Agreement. Notwithstanding the foregoing, if the Phase I DDA is terminated due to a Default by Phase I Developer, Authority may immediately terminate this Agreement. Notwithstanding the foregoing, the foregoing right to terminate this Agreement shall expire and be of no further force or effect upon the earlier to occur of (a) commencement of construction of Phase I by the Phase I Developer, or (b) Developer's receipt of a reservation or allocation of Tax Credits by TCAC for the Project.

3. **JOINT ESCROW INSTRUCTIONS**

3.1 **Opening of Escrow.** For purposes of this Agreement, the opening of Escrow shall be within five (5) business days of the recording of a grant deed(s) conveying fee title to the Acquisition Properties to Authority. The Escrow Agent shall promptly confirm the Escrow Opening Date in writing to each of the Parties, with a copy of the Escrow Agent Consent signed by the authorized representative(s) of the Escrow Agent. The provisions of this Section 3 are the joint escrow instructions of Authority and Developer to the Escrow Agent for conducting the Escrow.

3.2 **Escrow Agent Authority.** Authority and Developer authorize the Escrow Agent to:

3.2.1 **Charges.** Pay and charge Developer for the applicable fees, taxes, charges and costs regarding the Escrow;

3.2.2 **Settlement/Closing Statements.** Release each Party's Escrow settlement/closing statement to the other Party;

3.2.3 **Document Recording.** File any documents delivered for recording through the Escrow with the office of the Recorder of the County for recordation in the official records of the County, pursuant to the joint instructions of the Parties; and

3.2.4 **Counterpart Documents.** Utilize documents that have been signed by Authority and Developer in counterparts, including attaching separate signature pages to one version of the same document.

3.3 **Developer's Conditions to Close of Escrow.** Provided that the failure of any such condition to be satisfied is not due to a Default under this Agreement by Developer, Developer's obligation to purchase the Properties from Authority on the Escrow Closing Date shall be subject to the satisfaction or waiver of each of the following conditions precedent, each of which can only be waived in writing by Developer:

3.3.1 **Title Policy.** The Title Company is, upon payment of the Title Company's premium for the Title Policy, irrevocably and unconditionally committed to issue the Title Policy to Developer, at the Close of Escrow;

3.3.2 **Title.** Developer accepts the state of the title of the Properties in accordance with Section 2.4.

3.3.3 **Due Diligence.** Developer delivers (or is deemed to have delivered) its Due Diligence Investigation Conclusion Notice to Authority and the Escrow Agent indicating Developer's unconditional acceptance of the condition of the Properties, prior to the expiration of the Due Diligence Period;

3.3.4 **Approvals.** Final issuance of all discretionary Approvals required from any Government for the Construction of the Project on the Properties, on terms and conditions reasonably acceptable to Developer;

3.3.5 **CEQA Documents.** Final adoption, approval or certification of the CEQA Documents, if any;

3.3.6 **Tax Credits.** Developer receives the Tax Credit allocation reservation for the Project from TCAC and all loans and equity contributions deemed necessary by Developer to construct and develop the Project shall have closed.

3.3.7 **Purchase Price.** Developer has deposited the Purchase Price by executing the Authority Loan documents and placing the documents into Escrow;

3.3.8 **Authority Escrow Deposits.** Authority deposits all of the items into the Escrow required by Section 3.6;

3.3.9 **Settlement/Closing Statement.** Developer approves the Escrow Agent's estimated Escrow closing/settlement statement;

3.3.10 **Authority Pre-Closing Obligations.** Authority performs all of its material obligations required to be performed by Authority under this Agreement prior to the Close of Escrow.

3.4 **Authority's Conditions to Close of Escrow.** Provided that the failure of any such condition to be satisfied is not due to a Default under this Agreement by Authority, Authority's obligation to sell the Properties to Developer on or before the Escrow Closing Date shall be subject to the satisfaction or waiver of each of the following conditions precedent, each of which can only be waived in writing by Authority:

3.4.1 **Document Approval.** Authority has received from Developer and approved (which approval shall not be unreasonably conditioned or delayed) all of the following described items in Authority's reasonable discretion, unless another provision of this Agreement provides for approval of such document in the Authority's sole and absolute discretion, in which case the Authority shall have approved the document in the Authority's sole and absolute discretion. Except as otherwise expressly provided in this Agreement, within

one hundred ninety-four (194) calendar days following Developer's receipt of written confirmation from TCAC of the reservation of the Tax Credits for the Project, Developer shall deliver all of the documents listed in this Section 3.4.1 in substantially final form; provided, however, Developer shall provide final versions of such documents to Authority at least three (3) calendar days before the Close of Escrow. Developer shall have all of the following described documents completed and signed by all of the Persons required to make such documents operative and shall have delivered true, accurate and legible copies or originals of all such documents (as specified in this Agreement) to Authority, prior to the Close of Escrow:

(a) Developer Entity Documents;

(b) A copy of the Construction Contract in substantially final form (with a copy of the final Construction Contract being delivered to Authority prior to Close of Escrow);

(c) All Insurance Documents;

(d) A copy of the Construction Financing Documents in substantially final form (with copies of the final Construction Financing Documents being delivered to Authority prior to Close of Escrow);

(e) Documents evidencing a commitment from an Institutional Lender to Developer to provide the Permanent Loan;

3.4.2 **Title.** The Developer accepts the state of the title of the Properties, in accordance with Section 2.5;

3.4.3 **Title Policy.** The Title Company is, upon payment of the Title Company's premium for the Title Policy, irrevocably and unconditionally committed to issue the Title Policy to Developer, at the Close of Escrow;

3.4.4 **Due Diligence.** Developer delivers its Due Diligence Investigation Conclusion Notice to Authority and Escrow Agent indicating Developer's unconditional acceptance of the physical condition of the Properties, prior to the expiration of the Due Diligence Period;

3.4.5 **Approvals.** Final issuance of all discretionary Approvals required from any Government for the Construction of the Project on the Properties, on terms and conditions reasonably acceptable to Authority;

3.4.6 **CEQA Documents.** Final adoption, approval or certification of the CEQA Documents, if any;

3.4.7 **Tax Credits.** Authority receives evidence reasonably satisfactory to Authority that Developer has received the Tax Credit allocation reservation for the Project from TCAC;

3.4.8 **Purchase Price.** Developer has deposited the Purchase Price by executing the Authority Loan documents and placing them into Escrow;

3.4.9 **Construction Financing.** A Permitted Security Instrument securing repayment of the Construction Financing and approved by Authority has been deposited into the Escrow and is in a condition to be recorded against the Properties at the Close of Escrow and the Construction Financing is in a condition to fund promptly following the Close of Escrow;

3.4.10 **Developer Escrow Deposits.** Developer deposits all of the items into the Escrow required by Section 3.5;

3.4.11 **Settlement/Closing Statement.** Authority approves the Escrow Agent's estimated Escrow closing/settlement statement;

3.4.12 **Developer Pre-Closing Obligations.** Developer performs all of its material obligations required to be performed by Developer under this Agreement prior to the Close of Escrow.

3.5 **Developer's Escrow Deposits.** At least one (1) Business Day prior to the Escrow Closing Date scheduled by the Escrow Agent in a writing delivered to both of the Parties, Developer shall deposit the following described funds and documents into the Escrow and, concurrently, provide a copy of each such document to Authority:

3.5.1 **Certificate of Acceptance.** The Certificate of Acceptance attached to the Deed signed by the authorized representative(s) of Developer;

3.5.2 **Notice of Agreement.** The Notice of Agreement signed by the authorized representative(s) of Developer in recordable form which shall be recorded against the Properties.

3.5.3 **Insurance Documents.** All Insurance Documents, as approved by Authority;

3.5.4 **Regulatory Agreement.** The Regulatory Agreement signed by the authorized representative(s) of Developer in recordable form, which shall be recorded against the Properties;

3.5.5 **Construction Financing Security Instrument.** A Permitted Security Instrument securing repayment of the Construction Financing, executed by the authorized representative(s) of Developer in recordable form, to be recorded against the Properties at the Close of Escrow;

3.5.6 **Authority Note.** The Authority Note signed by the authorized representative(s) of Developer;

3.5.7 **Deed of Trust.** The Deed of Trust signed by the authorized representative(s) of Developer in recordable form, which shall be recorded against the Properties;

3.5.8 **Subordination Agreement.** A subordination agreement subordinating the Deed of Trust of Trust in the form provided by any lender of an Institutional Loan and reasonably approved by the Authority, signed by the authorized representative(s) of Developer in recordable form, which shall be recorded against the Properties; and

3.5.9 **Other Funds and Documents.** Such documents required from Developer under the terms of this Agreement to close the Escrow, including funds as required to pay all Escrow closing costs, which shall be the sole responsibility of Developer, or by the Escrow Agent in the performance of the Escrow Agent's contractual or statutory obligations relating to the Escrow.

3.6 **Authority's Escrow Deposits.** At least one (1) Business Day prior to the Escrow Closing Date scheduled by the Escrow Agent in a writing delivered to both of the Parties, Authority shall deposit the following described funds and documents into the Escrow and, concurrently, provide a copy of each such document to Developer:

3.6.1 **Deed.** The Deed signed by the authorized representative(s) of Authority in recordable form, conveying the Properties to the Developer;

3.6.2 **Notice of Agreement.** The Notice of Agreement signed by the authorized representative(s) of Authority in recordable form, which shall be recorded against the Properties;

3.6.3 **Regulatory Agreement.** The Regulatory Agreement signed by the authorized representative(s) of Authority in recordable form, which shall be recorded against the Properties;

3.6.4 **Subordination Agreement.** A subordination agreement subordinating the Deed of Trust in the form provided by any lender of an Institutional Loan and reasonably approved by the Authority, signed by the authorized representative(s) of Authority in recordable form, which shall be recorded against the Properties;

3.6.5 **FIRPTA Certificate.** The FIRPTA Certificate signed by the authorized representative(s) of Authority;

3.6.6 **Form 593.** A Form 593 signed by the authorized representative(s) of Authority; and

3.6.7 **Other Funds and Documents.** Such other funds or documents required from Authority under the terms of this Agreement to close the Escrow or by the Escrow Agent in the performance of the Escrow Agent's contractual or statutory obligations regarding the Escrow.

3.7 **Closing Procedure.** When each of Developer's Escrow deposits, as set forth in Section 3.5, and each of Authority's Escrow deposits, as set forth in Section 3.6, are deposited into the Escrow, the Escrow Agent shall request Notice from both Developer and Authority that each of their respective conditions to the Close of Escrow, as set forth in Sections 3.3 and Section 3.4, respectively, are satisfied or waived. Upon the Escrow Agent's receipt of Notice from both Authority and Developer that each of their respective conditions to the Close of Escrow are either satisfied or waived, the Escrow Agent shall schedule the Escrow Closing Date by Notice to both Parties and, thereafter, shall close the Escrow on or before the Escrow Closing Date by doing all of the following:

3.7.1 **Recordation and Distribution of Recorded Documents.** The Escrow Agent shall file the following documents with the office of the Recorder of the County for recording in the official records of the County, in the following order, at the Close of Escrow: (a) the Deed; (b) the Regulatory Agreement; (c) a Permitted Security Instrument securing the Construction Financing; (d) the Notice of Agreement; (e) the Deed of Trust; and (f) any other documents to be recorded through the Escrow upon the joint instructions of the Parties. The Escrow Agent shall deliver conformed copies of all documents filed for recording in the official records of the County through the Escrow to Authority, Developer and any other Person designated in the written joint escrow instructions of the Parties to receive an original or conformed copy of each such document. Each copy of a document filed for recording shall show all recording information. The Parties intend and agree that this Section 3.7.1 shall establish the relative priorities of the documents to be recorded in the official records of the County through the Escrow, by providing for recordation of Senior interests prior in time to junior interests, as provided in this Section 3.7.1;

3.7.2 **Distribution of Other Documents.** The Escrow Agent shall deliver copies of all documents to be delivered through the Escrow that are not to be recorded to Authority, Developer and any other Person designated in the written joint escrow instructions of the Parties to receive an original or copy of each such document;

3.7.3 **Title Policy.** Obtain and deliver the Title Policy to Developer;

3.7.4 **Funds.** Deliver all funds held by the Escrow Agent for the account of Authority to Authority, less any charges to the account of Authority pursuant to the terms of this Agreement, and return all remaining funds held by the Escrow Agent for the account of Developer to Developer, less of the Escrow closing costs which shall be paid solely by Developer, and less any other charges to the account of Developer pursuant to the terms of this Agreement;

3.7.5 **FIRPTA Certificate.** File the FIRPTA Certificate with the United States Internal Revenue Service;

3.7.6 **Form 593.** File the Form 593 with the State of California Franchise Tax Board; and

3.7.7 **Report to IRS.** Following the Close of Escrow and prior to the last date on which such report is required to be filed with the United States Internal Revenue

Service, if such report is required pursuant to Section 6045(e) of the United States Internal Revenue Code, the Escrow Agent shall report the gross proceeds of the sale of the Properties pursuant to this Agreement to the United States Internal Revenue Service on Form 1099-B, Form W-9 or such other form(s) as may be specified by the United States Internal Revenue Service pursuant to Section 6045(e) or its associated Federal regulations. Upon the filing of such reporting form with the United States Internal Revenue Service, the Escrow Agent shall deliver a copy of the filed form to both Authority and Developer.

3.8 Close of Escrow. The Close of Escrow shall occur on or before the Escrow Closing Date. The Parties may mutually agree to change the Escrow Closing Date by joint written instruction to the Escrow Agent. The Executive Director is authorized to agree to one or more extensions of the Escrow Closing Date on behalf of Authority up to a maximum time period extension of six (6) months in the aggregate, in the Executive Director's reasonable discretion. If for any reason (other than a Default or Event of Default by such Party) the Close of Escrow has not occurred on or before the Escrow Closing Date, then any Party not then in Default under this Agreement may cancel the Escrow and terminate this Agreement, without liability to the other Party or any other Person for such cancellation and termination, by delivering written Notice of termination to both the other Party and the Escrow Agent. Following any such Notice of termination of this Agreement and cancellation of the Escrow, the Parties and the Escrow Agent shall proceed pursuant to Section 3.11. Without limiting the right of either Party to cancel the Escrow and terminate this Agreement if the Escrow does not close on or before the Escrow Closing Date and neither Party has exercised its contractual right to cancel the Escrow and terminate this Agreement under this Section 3.8 before the first date on which the Escrow Agent Notifies both Parties that the Escrow is in a position to close, then the Escrow shall close as soon as reasonably possible following the first date on which the Escrow Agent Notifies both Parties that the Escrow is in a position to close, pursuant to the terms and conditions of this Agreement.

3.9 Escrow Closing Costs, Taxes and Title Policy Premium. Developer shall pay all Escrow fees and such other costs as the Escrow Agent may charge for conducting the Escrow, the premium charged by the Title Company for the Title Policy, including any endorsements or other supplements to the coverage of the Title Policy that may be requested by Developer, and any County documentary transfer tax arising from the transfer of the Properties from Authority to Developer at the Close of Escrow. Developer shall pay any and all recording fees, any and all other charges or fees due at the Close of Escrow, taxes levied by any Government arising from or relating to the sale of the Properties pursuant to this Agreement through the Escrow and the cost of any endorsements or supplements to the coverage of the Title Policy requested by Developer. The Escrow Agent shall Notify Developer and Authority of the costs to be borne by Developer at the Close of Escrow by delivering the Escrow Agent's estimated Escrow closing/settlement statement to both Authority and Developer, at least two (2) Business Days prior to the Escrow Closing Date.

3.10 Escrow Cancellation Charges. If the Escrow fails to close due to an Event of Default attributable to Authority, Authority shall pay all customary and reasonable cancellation charges regarding cancellation of the Escrow and the Title Policy order, if any. If the Escrow fails to close due to an Event of Default attributable to Developer, Developer shall pay all

customary and reasonable cancellation charges regarding cancellation of the Escrow and the Title Policy order, if any. If the Escrow fails to close for any reason other than an Event of Default attributable to either Developer or Authority, Developer and Authority shall each pay one-half (1/2) of all customary and reasonable cancellation charges regarding cancellation of the Escrow and the Title Policy order, if any.

3.11 Escrow Cancellation. If the Escrow is cancelled and this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement to cancel the Escrow and terminate this Agreement, the Parties shall pay any associated cancellation charges in accordance with Section 3.10 and do each of the following:

3.11.1 **Cancellation Instructions.** The Parties shall, within three (3) Business Days following receipt of the Escrow Agent's written request, execute any reasonable Escrow cancellation instructions requested by the Escrow Agent; and

3.11.2 **Return of Funds and Documents.** Within seven (7) days following receipt by the Parties of a settlement statement from the Escrow Agent of cancellation charges regarding cancellation of the Escrow and the Title Policy order, if any: (a) Developer or the Escrow Agent, respectively, shall return to Authority any documents previously delivered by Authority to Developer or the Escrow Agent regarding this Agreement, the Properties or the Escrow; (b) Authority or the Escrow Agent, respectively, shall return to Developer all documents previously delivered by Developer to Authority or the Escrow Agent regarding this Agreement, the Properties or the Escrow, except any Property Information; (c) the Escrow Agent shall return to Developer any funds deposited into the Escrow by Developer, less Developer's share of any customary and reasonable cancellation charges regarding cancellation of the Escrow and the Title Policy order, if any, in accordance with Section 3.10; and (d) the Escrow Agent shall return to Authority any funds deposited into the Escrow by Authority, less Authority's share of any customary and reasonable cancellation charges regarding cancellation of the Escrow and the Title Policy order, if any, in accordance with Section 3.10, and the remaining balance of the Deposit, if any.

3.12 Escrow Notices. All Notices from the Escrow Agent to the Parties shall be given in the manner provided in Section 8.1 of this Agreement.

4. **PROJECT DEVELOPMENT.**

4.1 Developer's Covenant to Develop Project. Developer covenants to and for the exclusive benefit of the Authority, for purposes of this Agreement, that Developer shall commence, pursue and complete the development of the Project in accordance with the deadlines and other requirements of this Agreement, including but not limited to the Schedule of Performance. Developer covenants and agrees for itself, its successors and assigns that the Properties shall be improved and developed with the Project, in conformity with the terms and conditions of this Agreement and all applicable Laws and conditions of each Government. The covenants of this Section 4 shall run with the Properties, until the date of issuance of a Certificate of Completion for the Project.

4.2 Changes to Project Plans and Specifications During Course of Construction. Developer shall have the right, during the course of Construction of the Project, to make "minor field changes," without seeking the approval of the Authority, if such changes do not affect the type of use to be conducted within all or any material portion of a structure. "Minor field changes" shall be consistent with basic conceptual, preliminary drawings and shall be defined as those changes from the Approvals for the Project that have no substantial effect on the Project and are made in order to expedite the work of Construction in response to field conditions. Nothing contained in this Section 4.2 shall be deemed to constitute a waiver of or change in any Approvals governing any such "minor field changes" or any Approvals by any Government otherwise required for any such "minor field changes."

4.3 Construction Start and Completion of Project.

4.3.1 **Commencement.** Developer shall commence Construction of the Project no later than the Project Commencement Date. Thereafter, Developer shall diligently proceed to pursue and complete the Construction of the Project, in a good and workmanlike manner, in accordance with this Agreement and all applicable Laws and all Approvals for the Project issued by each Government.

4.3.2 **Completion.** On or before the Project Completion Date, Developer shall do all of the following:

(a) Record a Notice of Completion, in accordance with California Civil Code Section 3093, for the entirety of the Project;

(b) Cause the Project to be inspected by each Government, as required by the applicable Approvals or Laws, and correct any defects and deficiencies that may require correction as a result of any such inspection;

(c) Cause all final Approvals necessary for the occupancy and operation of the completed Project to be duly issued;

4.3.3 **Time Extensions.** The Executive Director, in his or her sole and absolute discretion, may extend the Project Completion Date for up to an additional one hundred eighty (180) days, in the aggregate.

4.4 Compliance with Laws. All work performed in connection with the Construction of the Project shall comply with all applicable Laws and Approvals.

4.5 Regular Progress Reports. Prior to and during the period of Construction of the Project, Developer shall submit to Authority written progress reports and/or hold progress meetings when and as reasonably requested by Authority. The reports shall be in such form and detail as may reasonably be required by Authority.

4.6 Progress Meetings. At the reasonable request of Authority, Developer shall schedule, coordinate and attend construction progress meetings. The purposes of such meetings shall include but not be limited to discussing engineering matters, changes, delays, and

extensions, reviewing work progress in relation to the Project, sharing new information, reporting on any significant events or developments, and otherwise carrying out the purposes of this Agreement. Developer shall provide Authority at least 72 hours prior notice (written or telephonic) of each such meeting.

4.7 Project Schedule. Developer shall begin and complete the Project and undertake all obligations and responsibilities of Developer within the times specified in the Schedule of Performance or within such reasonable extensions of such times as may be granted by Executive Director or designee or as otherwise provided for in this Agreement. Any and all deadlines for performance by the Parties shall be extended for any time attributable to Enforced Delay.

4.8 Developer Attendance at Authority Meetings. Developer agrees to have one or more of its employees or consultants who are knowledgeable regarding this Agreement and the development of the Project, such that such Person(s) can meaningfully respond to Authority governing body or Authority staff questions regarding the progress of the Project, attend meetings with Authority staff or meetings of the Authority governing body, when requested to do so by Authority staff, with reasonable advance Notice to Developer.

4.9 Authority Right to Inspect Project and Properties. The Authority Parties, for purposes of this Agreement, shall have the right of reasonable access to the Properties, without the payment of charges or fees, during normal construction hours, during the period of Construction of the Project. Any and all Authority representatives who enter the Properties shall identify themselves at the Construction management office or, if none, to the apparent on-site Construction supervisor on the Properties, upon their entrance onto the Properties, and shall be accompanied by a representative of Developer, while on the Properties. Developer shall make a representative of Developer available for this purpose at all times during normal construction hours, upon reasonable advance Notice from the Authority. The Authority shall Indemnify Developer from injury, property damage or liability to the extent arising out of the exercise by the Authority of the right of access to the Properties provided in this Section 4.9, except to the extent that any such injury, property damage or liability arises from the gross negligence or willful misconduct of any Developer Parties. If in the Authority's reasonable judgment it is necessary, the Authority shall have the further right, from time to time, at its own cost, to retain a consultant or consultants to inspect the Project and verify compliance by Developer with the provisions of this Agreement. Developer acknowledges and agrees that any such Authority inspections are for the sole purpose of protecting the Authority's rights under this Agreement, are made solely for the Authority's benefit, the Authority's inspections may be superficial and general in nature, and are for the purposes of informing the Authority of the progress of the Project and the conformity of the Project with the terms and conditions of this Agreement, and Developer shall not be entitled to rely on any such inspection(s) as constituting the Authority's approval, satisfaction or acceptance of any materials, workmanship, conformity of the Project with this Agreement or otherwise. Developer agrees to make its own regular inspections of the work of Construction of the Project to determine that the progress and quality of the Project and all other requirements of the work of Construction of the Project are being performed in a manner satisfactory to Developer.

4.10 PREVAILING WAGES.

4.10.1 **RESPONSIBILITY.** DEVELOPER AGREES WITH AUTHORITY THAT DEVELOPER SHALL ASSUME ANY AND ALL RESPONSIBILITY AND BE SOLELY RESPONSIBLE FOR: (A) DETERMINING WHETHER OR NOT LABORERS EMPLOYED RELATIVE TO THE CONSTRUCTION OF THE PROJECT MUST BE PAID THE PREVAILING PER DIEM WAGE RATE FOR THEIR LABOR CLASSIFICATION, AS DETERMINED BY THE STATE, PURSUANT TO LABOR CODE SECTIONS 1720, ET SEQ., AND (B) CAUSING ALL CONTRACTORS AND SUBCONTRACTORS TO PAY SUCH WAGES AND COMPLY WITH ALL APPLICABLE PROVISIONS OF LABOR CODE SECTIONS 1720, ET SEQ. AND IMPLEMENTING REGULATIONS OF THE DEPARTMENT OF INDUSTRIAL REGULATIONS IN THE EVENT THAT IT IS DETERMINED THAT LABORERS EMPLOYED RELATIVE TO THE CONSTRUCTION OF THE PROJECT MUST BE PAID THE PREVAILING PER DIEM WAGE RATE FOR THEIR LABOR CLASSIFICATION, EITHER BY DEVELOPER OR AS THE RESULT OF A PREVAILING WAGE ACTION.

4.10.2 **WAIVERS AND RELEASES.** DEVELOPER, ON BEHALF OF ITSELF, ITS SUCCESSORS, AND ASSIGNS, WAIVES AND RELEASES AUTHORITY FROM ANY RIGHT OF ACTION THAT MAY BE AVAILABLE TO ANY OF THEM ARISING OUT OF DEVELOPER'S RESPONSIBILITIES UNDER SECTION 4.9.1, INCLUDING BUT NOT LIMITED TO ANY RIGHT OF ACTION PURSUANT TO LABOR CODE SECTION 1781. RELATIVE TO THE WAIVER AND RELEASE CONTAINED IN THIS SECTION 4.9.2, DEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542, WHICH READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

4.10.3 **INITIALS.** BY INITIALING BELOW, DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES OF SECTION 4.10.2:

Initials of Authorized
Developer Representative

4.10.4 **INDEMNITY.** ADDITIONALLY, DEVELOPER SHALL INDEMNIFY AUTHORITY, PURSUANT TO SECTION 7.4.2, AGAINST ANY CLAIMS ARISING OUT OF DEVELOPER'S RESPONSIBILITIES UNDER SECTION 4.9.1, INCLUDING BUT NOT LIMITED TO ANY RIGHT OF ACTION PURSUANT TO LABOR

CODE SECTION 1781 ARISING FROM THIS AGREEMENT OR THE CONSTRUCTION OF ALL OR ANY PORTION OF THE PROJECT.

4.10.5 Funding Sources. Authority represents and warrants that the funds provided by the Authority for this Project are:

- (a) Low and Moderate Income Housing Funds
- (b) 2011 Series A and B Bond Funds
- (c) Housing Successor Agency Low and Moderate Income Housing Asset Funds.

4.11 Project Certificate of Completion.

4.11.1 **Issuance.** Following the completion of the Project, excluding any "punch-list" items to be completed by the Developer, Developer may request that the Authority inspect the completed Project and issue a Certificate of Completion for the Project. Following the Authority's receipt of such a written request from Developer, the Authority shall promptly inspect the Project to determine whether or not the Project has been completed in compliance with this Agreement. If the Authority determines that the Project is complete (excluding any outstanding "punch-list" items) and in compliance with this Agreement, the Authority shall issue a Certificate of Completion for the Project to Developer. If the Authority determines that the Project is not complete or not in compliance with this Agreement, the Authority shall send written Notice of each non-conformity to Developer, within fifteen (15) calendar days following the Authority's receipt of Developer's written request for a Certificate of Completion or within three (3) calendar days after the next regular meeting of the Authority governing body, whichever date occurs later. The statement shall also contain the Authority's opinion of the action(s) Developer must take to obtain a Certificate of Completion from the Authority. If the reason for Developer's failure to complete the Project is confined to the immediate unavailability of specific items or materials for Construction or landscaping at a price reasonably acceptable to Developer or other minor "punch-list" items, the Authority may, in its sole and absolute discretion, issue a Certificate of Completion upon the posting of a bond or irrevocable standby letter of credit by Developer, in form and substance reasonably acceptable to the Authority, in an amount representing the fair value of the work on the Project remaining to be completed, as reasonably determined by the Authority. If the Authority fails to provide such written statement, within the specified time period, Developer shall be deemed, conclusively and without further action of the Authority, to have satisfied the requirements of this Agreement with respect to the Construction of the Project, as if a Certificate of Completion had been issued by the Authority pursuant to this Agreement, and the same shall irrevocably be deemed to have been issued as of such date for all purposes of this Agreement; provided, however, that Authority shall subsequently issue a Certificate of Completion, if requested to do so by Developer.

4.11.2 **Effect.** A Certificate of Completion shall only be evidence of the Authority's conclusive determination of satisfactory completion of the Construction of the Project in accordance with the terms of this Agreement. A Certificate of Completion shall not

constitute a Notice of Completion under California Civil Code Section 3093, nor shall it act to terminate the continuing reservations, covenants, restrictions or conditions contained in the Deed or any other instruments recorded against the Properties or set forth in this Agreement or otherwise. A Certificate of Completion is not evidence of the compliance of the Project with any Laws or Approvals. A Certificate of Completion shall not evidence the satisfaction of any obligation of Developer to the Authority under this Agreement or otherwise, other than Developer's obligation to construct and install the Project on the Properties. After the recordation of a Certificate of Completion for the Project, any Person then owning or thereafter purchasing, leasing or otherwise acquiring any interest in the Properties or the Project shall not (because of such ownership, purchase, lease or acquisition) incur any obligation or liability under this Agreement regarding Construction of the Project, but such Person shall be bound by any other reservations, covenants, conditions, restrictions and interests affecting the Properties pursuant to this Agreement.

5. **INSURANCE**

5.1 Developer. Developer shall maintain, to protect the Authority Parties against all insurable Claims resulting from the actions of Developer in connection with this Agreement, the Properties and the Project, at the sole cost and expense of Developer, until issuance of a Certificate of Completion for the Project, the following insurance (or its then reasonably available equivalent): (a) Liability Insurance; (b) Automobile Liability Insurance; (c) Property Insurance; (d) Builder's Risk Insurance; and (e) Workers Compensation Insurance.

5.2 Nature of Insurance. All Liability Insurance, Property Insurance and Automobile Liability Insurance policies this Agreement requires shall be issued by carriers that: (a) are listed in the then current "Best's Key Rating Guide—Property/Casualty—United States & Canada" publication (or its equivalent, if such publication ceases to be published) with a minimum financial strength rating of "A-" and a minimum financial size category of "XI" (exception may be made for the State Compensation Insurance Fund when not specifically rated); and (b) are authorized to do business in the State. Developer may provide any insurance under a "blanket" or "umbrella" insurance policy, provided that: (i) such policy or a certificate of such policy shall specify the amount(s) of the total insurance allocated to the Properties and the Project, which amount(s) shall equal or exceed the amount(s) required by this Agreement; and (ii) such policy otherwise complies with this Agreement.

5.3 Policy Requirements and Endorsements. All insurance policies required by this Agreement shall contain (by endorsement or otherwise) the following provisions:

5.3.1 **Insured.** Liability Insurance and Automobile Liability Insurance policies shall name the Authority Parties as "additional insured." Property Insurance and Builder's Risk Insurance policies shall name the Authority as a "loss payee." The coverage afforded to the Authority Parties shall be at least as broad as that afforded to Developer regarding the Properties and the Project and may not contain any terms, conditions, exclusions, or limitations applicable to the Authority Parties that do not apply to Developer.

5.3.2 **Primary Coverage.** Any insurance or self-insurance maintained by the Authority Parties shall be excess of all insurance required under this Agreement and shall not contribute with any insurance required under this Agreement.

5.3.3 **Contractual Liability.** Liability Insurance policies shall contain contractual liability coverage, for the Developer's indemnity obligations under this Agreement. Developer's obtaining or failure to obtain such contractual liability coverage shall not relieve the Developer from nor satisfy any indemnity obligation of the Developer under this Agreement.

5.3.4 **Deliveries to the Authority.** Evidence of Developer's maintenance of all insurance policies required by this Agreement shall be delivered to the Authority prior to the Close of Escrow. Builder's Risk Insurance shall incept at the time of Builder mobilization for the Project. No later than three (3) days before any insurance required by this Agreement expires, is cancelled or its liability limits are reduced or exhausted, Developer shall deliver to the Authority evidence of such Party's maintenance of all insurance this Agreement requires. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be cancelled, suspended, voided, reduced in coverage or in limits, except after thirty (30) calendar days' advance written notice of such action has been given to Authority by certified mail, return receipt requested; provided; however, that only ten (10) days' advance written notice shall be required for any such action arising from non-payment of the premium for the insurance. Phrases such as "endeavor to" and "but failure to mail such Notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates or policies of insurance applicable to the Authority Parties pursuant to this Agreement.

5.3.5 **Waiver of Certain Claims.** Developer shall cause each insurance carrier providing any Liability Insurance, Builder's Risk Insurance, Worker's Compensation Insurance, Automobile Liability Insurance or Property Insurance coverage under this Agreement to endorse their applicable policy(ies) with a Waiver of Subrogation with respect to the Authority Parties, if not already in the policy. To the extent that the Developer obtains insurance with a Waiver of Subrogation, the Parties release each other, and their respective authorized representatives, from any Claims for damage to any Person or property to the extent such Claims are paid by such insurance policies obtained pursuant to and in satisfaction of the provisions of this Agreement.

5.3.6 **No Representation.** No Party makes any representation that the limits, scope, or forms of insurance coverage this Agreement requires are adequate or sufficient.

5.3.7 **No Claims Made Coverage.** None of the insurance coverage required under this Agreement may be written on a claims-made basis.

5.3.8 **Fully Paid and Non-Assessable.** All insurance obtained and maintained by Developer in satisfaction of the requirements of this Agreement shall be fully paid for and non-assessable. However, Developer's policies may be subject to insurer audits.

5.3.9 Authority Option to Obtain Coverage. During the continuance of an Event of Default arising from the failure of Developer to carry any insurance required by this Agreement, the Authority may, at its sole option, purchase any such required insurance coverage and the Authority shall be entitled to immediate payment from the Developer of any premiums and associated reasonable costs paid by the Authority for such insurance coverage. Any amount becoming due and payable to the Authority under this Section 5.3.9 that is not paid within fifteen (15) calendar days after written demand from the Authority for payment of such amount, within an explanation of the amounts demanded, will bear interest from the date of the demand at the rate of ten percent (10%) per annum or the Usury Limit, whichever is less. Any election by the Authority to purchase or not to purchase insurance otherwise required by the terms of this Agreement to be carried by Developer shall not relieve the Defaulting Party of its obligation to obtain and maintain any insurance coverage required by this Agreement.

5.3.10 Separation of Insured. All Liability Insurance and Automobile Liability Insurance shall provide for separation of insured for Developer and the Authority Parties. Insurance policies obtained in satisfaction of or in accordance with the requirements of this Agreement may provide a cross-suits exclusion for suits between named insured Persons, but shall not exclude suits between named insured Persons and additional insured Persons.

5.3.11 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions under insurance policies required by this Agreement shall be declared to and approved by Authority. Developer shall pay all such deductibles or self-insured retentions regarding the Authority Parties or, alternatively, the insurer under each such insurance policy shall eliminate such deductibles or self-insured retentions with respect to the Authority Parties.

5.3.12 No Separate Insurance. Developer shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under this Agreement, unless the Authority is made an additional insured thereon, as required by this Agreement.

5.3.13 Insurance Independent of Indemnification. The insurance requirements of this Agreement are independent of the Parties' indemnification and other obligations under this Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the Parties' indemnification or other obligations or to limit the Parties' liability under this Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude the Authority from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law or in equity.

6. FINANCING OF PROJECT

6.1 Project Budget. Developer has submitted to Authority a Project Budget for the development of the Project on the Properties. By its execution of this Agreement, Authority has given its approval to the Project Budget. While the Project Budget has been prepared based on the best, good faith estimate of Developer of the costs which are likely to be incurred for the Project, the Parties recognize that events and circumstances not currently contemplated,

some of which are outside of the control of the Parties, could result in changes in the Project Costs, necessitating changes in the Project Budget for the development of the Project on the Properties. Because of the specialized nature of the funding for this Project, unanticipated material changes could constitute a challenge to Project completion and may cause Project Costs unanticipated in the Project Budget. A increased cost will constitute a "material increase" if: (i) alone or cumulatively, such costs could result in increased expenses for the Project in excess of Two Hundred Fifty Thousand Dollars (\$250,000), but which expenses might be absorbed out of contingency funds; or (ii) alone or cumulatively, such costs could result in an increase of in excess of Five Hundred Thousand Dollars (\$500,000) which cannot be paid from sources of funds identified in the Project Budget.

6.2 Project Costs. The Project Costs shall be subject to change from time to time in accordance with this Agreement, subject to prior written approval by Authority (which approval shall not be unreasonably withheld). The Executive Director is hereby authorized to act on behalf of Authority to approve any revisions to the Project Costs which do not materially increase Authority's financial obligations hereunder. Developer shall provide to Authority an updated Project Costs at the following milestones:

6.2.1 Authority's acquisition of the Acquisition properties and Developer's submission of the Project for all Government Approvals;

6.2.2 Receipt of TCAC Allocation; and

6.2.3 Construction Loan closing.

6.3 Project Financing.

6.3.1 **Authority Loan.** Subject to the terms and conditions of this Agreement, the Authority Note and the Deed of Trust, Authority hereby agrees to pay to or for the benefit of Developer amounts constituting the Authority Loan in order to assist the Developer in financing the acquisition of the Properties and Project Costs, as specified in the Project Budget. The Executive Director has the authority to reduce the interest rate on the Authority Note below 1% if the Executive Director reasonably believes that such reduction is necessary to cause the Project to satisfy the "true debt test" to the satisfaction of Developer's tax counsel. Developer shall not be entitled to use any portion of the Authority Loan to reimburse Developer for any internal management, administrative or overhead expenses or for any purpose other than paying for expenses directly attributable to the development of the Project.

6.3.2 **Construction Financing.** The proceeds of the Construction Financing shall be used to defray the costs of developing and rehabilitating the Project on the Property, as specified in the Project Budget. During development of the Project on the Property, a portion of the cost of development and rehabilitation shall be funded by a conventional Construction Financing, to be made by an institutional Lender. The Lender for the Construction Financing shall be an Institutional Lender subject to the approval of Authority, which may be conditioned or withheld in Authority's reasonable discretion. The terms and provisions of the Construction Financing shall be similar to ordinary and customary

provisions of Lenders on Loans similar to the Construction Financing. Documentation for the Construction Financing shall be subject to the review and approval of Authority, which shall not be unreasonably withheld or delayed. The Construction Financing shall provide for normal and customary disbursement controls, the payment of normal and customary fees and expenses for a Construction Financing of similar size and purpose, and for the payment of other expenses contained in the Project Budget. The Executive Director shall approve or disapprove the terms and provisions and documentation for the Construction Financing within five (5) business days of receipt of such documentation. If Authority shall disapprove any such financing or Construction Financing documents, it shall do so by written notice to Developer stating reasons for such disapproval. In such event, Developer shall promptly obtain and submit to Authority new or revised Construction Financing documents, as appropriate. Authority shall approve or disapprove of such new or revised Construction Financing documents in the same manner and within the same times established in this section for the approval or disapproval of the Construction Financing documents as initially submitted to Authority.

6.3.3 Tax Credits. To provide additional funds for the Construction of the Project, Developer shall obtain equity financing by taking such actions as shall be necessary to obtain an allocation of nine percent (9%) Tax Credits. Prior to Developer admitting an equity limited partner to the partnership, the Developer shall use commercially reasonable efforts to obtain and submit to the Executive Director at least three (3) proposals concerning the sale of the Tax Credits which include the following information: (i) the potential purchasers of the Tax Credits, and (ii) the sale price of the Tax Credits. Authority shall review the proposals concerning the sale of the Tax Credits and may provide Developer with its comments to the proposals.

(a) *Timing of Tax Credits.* Developer shall apply for the Tax Credits immediately upon the completion of all of the following: (i) Authority has gained site control of the Acquisition Properties through either adoption of a Resolution of Necessity, an Order of Prejudgment Possession or fee title by deed, and (b) the Project has received all necessary Approvals. If Developer does not receive the Tax Credits after its application during the first round, it may immediately re-apply for up to three (3) consecutive rounds. If Developer has not received Tax Credits following the fourth round, the Parties agree to meet and confer in good faith for a period of ninety (90) days to determine if a feasible and mutually acceptable alternate arrangement can be made to finance development of the Project. If no agreement is reached by the Parties within such ninety (90) day period regarding the alternative courses of action described in the preceding sentence, this Agreement may be terminated upon fifteen (15) days' Notice to the other Party. Any agreement that is reached between the Parties on an alternative financing plan for the Project shall be memorialized in an implementation agreement to this Agreement. If Developer fails to make a required application to TCAC, then either Authority or Developer may terminate this Agreement upon fifteen (15) days' Notice to the other Party. Failure of Developer to obtain Tax Credits shall not constitute a Default under the terms of this Agreement, unless due to the intentional misconduct of Developer. Developer covenants that it shall provide Authority with notice of all other projects for which Developer is submitting an application for 9% tax credits in the Orange County TCAC geographic region during any cycle in which this Project is also submitted for funding.

Additionally, Developer covenants that if the Project does not receive a tax credit allocation in either the first, second, or third round TCAC credit application cycle for which the Project is submitted and a competing Developer application with the same housing type and a higher tie breaker receives funding in the Orange County TCAC geographic region in each of such rounds, Developer shall not submit an application for 9% tax credits for any other development project with the same housing type and a higher tie breaker in the Orange County TCAC geographic region in the fourth TCAC application cycle for which Developer applies for the Tax Credits for the Project.

6.3.4 Permanent Loan. Prior to the Close of Escrow, Developer shall obtain for Authority's review and approval, which may be withheld or conditioned in Authority's reasonable discretion and which shall not be unreasonably delayed, a conditional forward loan commitment for the Permanent Loan.

6.3.5 Affordable Housing Program Loan. Partnership will apply for an Affordable Housing Program loan ("AHP Loan") once the Project is under construction. If the Partnership secures an AHP Loan, the proceeds will become part of the Project's financing structure and will be used first, to pay for any cost overruns and second to pay down the Authority Loan.

6.3.6 Developer Fees. Developer will retain any developer fee payable in accordance with the terms of TCAC's rules and regulations. No developer fees permitted by TCAC shall be permanently deferred and such developer fees shall be capped at Two Million Dollars (\$2,000,000) for the Project. City development fees for the Project shall be not be subject to and shall be separate from the provisions of this Section 6.3.6.

6.3.7 Cost Savings. In the event there are surplus funds over final Project Costs based on the cost certification completed at the end of Construction then, subject to the Approval of TCAC, Developer will use one hundred percent (100%) of the cost savings to pay down the Authority Loan.

6.4 Property Tax. Developer intends to apply for a property tax exemption pursuant to Revenue and Taxation Code Section 214(g). To the extent Developer does not receive a property tax exemption, the Developer, for itself and its successors and assigns, covenants and agrees to pay all applicable property tax bills, if any, with respect to the Property and all improvements on or to the Property on or before the last day for the timely payment of each property tax installment on each December 10 and April 10 during such time period and to timely pay all supplemental tax bills regarding the Property issued by the County. The Developer further covenants and agrees to provide to the Authority, upon the Authority's written request, (i) a true and correct copy of all property tax assessment notices, property tax bills and property tax assessment correspondence by and between the Developer and the County regarding the Property and all improvements on or to the Property, with respect to the preceding fiscal year of the County and (ii) cancelled checks issued by the Developer in payment of all property tax payments made to the County regarding the Property and all improvements on or to the Property, with respect to the preceding fiscal year of the County. Authority acknowledges that Developer may seek an exemption from property tax assessment

from the County. Authority agrees to cooperate in any effort to receive an exemption from property taxes.

6.5 Only Permitted Encumbrances. Developer shall not record and shall not allow to be recorded against the Properties any Security Instrument, lien or other encumbrance that is not a Permitted Encumbrance. Developer shall remove or cause to be removed (or providing title insurance in form and substance reasonably acceptable to Authority and issued by a title insurance company reasonably acceptable to Authority, insuring the priority of this Agreement and the Deed of Trust securing the Authority Loan as superior to such lien, with such title insurance being in the minimum amount of the outstanding principal and interest under the Authority Loan plus 125% of the amount of the lien claim or providing a statutory bond resulting in removal of such lien) any Prohibited Encumbrance made or recorded against the Properties or shall assure the complete satisfaction of any such Prohibited Encumbrance to the satisfaction of the Authority, in the Authority's sole and absolute discretion. The covenants of Developer set forth in this Section 6.4 regarding the placement of encumbrances on the Properties shall run with the land of the Properties and bind successive owners of the Properties, until recordation (or deemed issuance) of the Certificate of Completion for the Project.

6.6 Authority Right to Discharge Prohibited Encumbrances. After ninety (90) calendar days' Notice to Developer of a Prohibited Encumbrance and provided that Developer has not caused such Encumbrance to be removed (including by providing title insurance in form and substance reasonably acceptable to Authority and issued by a title insurance company reasonably acceptable to Authority, insuring the priority of this Agreement and the Deed of Trust securing the Authority Loan as superior to such lien, with such title insurance being in the minimum amount of the outstanding principal and interest under the Authority Loan plus 125% of the amount of the lien claim or providing a statutory bond resulting in removal of such lien) during such time period, the Authority shall have the right, but not the obligation, to satisfy or remove any Prohibited Encumbrance against the Properties or the Project and receive reimbursement from Developer for any amounts paid or incurred in satisfying or removing any such Prohibited Encumbrance, upon demand. Any amount expended by the Authority to discharge a Prohibited Encumbrance that is not reimbursed to the Authority by Developer within thirty (30) calendar days following written demand for payment from the Authority shall accrue Default Interest, until paid in full. Nothing in this Section 6.4, though, shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge that Developer is in the process of contesting the validity or amount thereof, in good faith, and so long as such contest shall not subject all or any portion of the Properties to forfeiture or sale.

6.7 Rights of Lender and Authority Regarding Permitted Security Instruments.

6.7.1 **Notice of Liens.** The Developer shall promptly Notify the Authority of any Security Instrument or lien asserted against or attached to all or any portion of the Project or the Properties, prior to the date of issuance of a Certificate of Completion for the Project, whether by voluntary act of Developer or otherwise; provided, however, that no

Notice of filing of preliminary notices or mechanic's liens need be given by Developer to the Authority, prior to suit being filed to foreclose any such mechanic's lien.

6.7.2 Notice of Default to Lenders. Whenever the Authority delivers any Notice of Default to Developer under this Agreement, the Authority shall send a copy of such Notice of Default to the Tax Credit Investor and each Lender holding a Permitted Security Instrument of which the Authority has received Notice and a contact address for transmittal of such Notices. The Tax Credit Investor and each Lender receiving a copy of any such Notice of Default shall have the right, at its option, to commence the cure or remedy of any Default of Developer set forth in such Notice and to diligently and continuously proceed with such cure or remedy such Default, within the cure period allowed to Developer under this Agreement. The Authority shall accept such performance by the Tax Credit Investor and a Lender with the same force and effect as if furnished by Developer. If such Default can only be remedied or cured by the Tax Credit Investor and the Lender upon obtaining possession of the Properties, the Authority shall allow the Tax Credit Investor and the Lender an opportunity to obtain possession with diligence and continuity through exercise of remedies under Developer's limited partnership agreement of such Lender's Permitted Security Instrument and to remedy or cure such Default within ninety (90) days after obtaining possession of the Properties. If the Default reasonably requires more than ninety (90) days to cure, however, then the time available to the Tax Credit Investor and a Lender to cure pursuant to this Section 6.7 shall be the reasonable time required to complete such cure, as long as the Tax Credit Investor and the Lender has commenced the cure of the Default within such ninety (90) day period and diligently pursues the cure to completion. During such extension of time, the Authority shall not terminate this Agreement or exercise other remedies under this Agreement by reason of such Default. All Developer Specific Defaults shall be deemed cured upon transfer of Developer's interest in the Properties to the Tax Credit Investor and the Lender, its assignee or nominee, pursuant to exercise of remedies under Developer's limited partnership agreement or a Permitted Security Instrument. In addition, the Tax Credit Investor and any Lender properly completing the Project with the consent of Authority shall be entitled, upon written request made to Authority, to a Certificate of Completion from Authority. Nothing contained in this Agreement shall be deemed to permit, authorize or require the Tax Credit Investor and any Lender to undertake or continue the Construction or installation of any portion of the Project (beyond the extent necessary to conserve or protect improvements or Construction already made) prior to or after acquiring title to or possession of the Properties, without expressly assuming Developer's obligations under this Agreement by written agreement reasonably satisfactory to the Authority, in which the Tax Credit Investor and the Lender agrees to complete, in the manner provided in this Agreement, the Project. The Tax Credit Investor and any Lender desiring to complete the Project must provide the Authority with evidence reasonably satisfactory to the Authority that the Tax Credit Investor and the Lender has the qualifications (or will engage one or more licensed contractor(s) or consultant(s) with such qualifications) and financial capability necessary to perform such obligations.

6.7.3 No Termination of Permitted Security Instruments by Default. An Event of Default by Developer under this Agreement shall not defeat or render invalid the lien of any Permitted Security Instrument made in good faith and for value as to all or any part of the Properties, whether or not the Lender is subordinated to this Agreement; but unless

otherwise provided in this Agreement, this Agreement shall be binding and effective against any owner of the Properties, whose title thereto is acquired pursuant to exercise of remedies under a Permitted Security Instrument or from a Person exercising any such remedies.

6.7.4 Lender Rights on Termination or Modification. No termination of this Agreement shall be binding upon a Lender unless the termination occurs after Notice to such Lender and such Lender's failure to cure all then existing Defaults under this Agreement (except any Developer Specific Defaults), pursuant to this Section 6.7, or with such Lender's prior written consent. No modification of this Agreement that materially affects the rights of a Lender shall be binding upon the Lender without its prior written consent.

6.7.5 No Construction Obligation of Lender. The Tax Credit Investor and a Lender shall in no way be obligated by the provisions of this Agreement to construct or complete the development of the Project or to guarantee such construction or completion, but may do so pursuant to and in accordance with this Section 6.7. Nothing in this Agreement shall be deemed to construe, permit, or authorize the Tax Credit Investor and any Lender to devote all or any portion of the Properties to any uses, or to construct any improvements thereon, other than those uses or the Project provided for or authorized by this Agreement.

6.7.6 Authority Right to Cure Obligations. In the event of a Default by Developer under any Permitted Security Instrument, prior to the date of issuance of a Certificate of Completion for the Project, where the Lender has not exercised its option to complete the Project under Section 6.7.2, the Authority may cure the Default of Developer under the applicable Permitted Security Instrument, but is under no obligation to do so, prior to completion of any sale or foreclosure of all or any portion of the Properties under the applicable Permitted Security Instrument. The Authority shall be entitled to reimbursement from Developer of all costs and reasonable expenses incurred by the Authority in curing any Default of Developer under any Permitted Security Instrument, under demand. Any amount expended by the Authority to cure a Default of Developer under any Permitted Security Instrument that is not reimbursed to the Authority by Developer within thirty (30) calendar days after Notice of such amount to Developer, shall accrue Default Interest, until paid in full.

6.7.7 Foreclosure of Permitted Security Instrument. Foreclosure of any Permitted Security Instrument, whether by judicial proceedings or by power of sale, or any conveyance by deed in lieu of foreclosure, shall not require the consent of the Authority or constitute a Default under this Agreement.

7. REMEDIES AND INDEMNITY

7.1 DEVELOPER'S RIGHT TO SPECIFIC PERFORMANCE AND LIMITATION ON RECOVERY OF DAMAGES PRIOR TO CLOSE OF ESCROW.

7.1.1 ELECTION OF REMEDIES. DURING THE CONTINUANCE OF AN EVENT OF DEFAULT BY AUTHORITY UNDER THIS AGREEMENT, DEVELOPER SHALL BE LIMITED TO EITHER OF THE FOLLOWING REMEDIES: (1) AN ACTION AGAINST AUTHORITY FOR SPECIFIC PERFORMANCE OF THIS AGREEMENT; OR (2) TERMINATION OF THIS

AGREEMENT SUBJECT TO SECTION 8.12 BELOW, UNDER NO CIRCUMSTANCES SHALL AUTHORITY BE LIABLE TO DEVELOPER UNDER THIS AGREEMENT FOR ANY SPECULATIVE, CONSEQUENTIAL, COLLATERAL, SPECIAL, PUNITIVE OR INDIRECT DAMAGES OR FOR ANY LOSS OF PROFITS SUFFERED OR CLAIMED TO HAVE BEEN SUFFERED BY DEVELOPER.

7.1.2 WAIVER OF RIGHTS. AUTHORITY AND DEVELOPER EACH ACKNOWLEDGE AND AGREE THAT AUTHORITY WOULD NOT HAVE ENTERED INTO THIS AGREEMENT, IF IT WERE TO BE LIABLE TO DEVELOPER FOR ANY MONETARY DAMAGES, MONETARY RECOVERY OR ANY REMEDY DURING THE CONTINUANCE OF AN EVENT OF DEFAULT UNDER THIS AGREEMENT BY AUTHORITY PRIOR TO THE CLOSE OF ESCROW. ACCORDINGLY, AUTHORITY AND DEVELOPER AGREE THAT THE REMEDIES SPECIFICALLY PROVIDED FOR IN SECTION 7.1.1 ARE REASONABLE UNDER THE CIRCUMSTANCES AND, SUBJECT TO SECTION 8.12 BELOW, SHALL BE DEVELOPER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES DURING THE CONTINUANCE OF AN EVENT OF DEFAULT UNDER THIS AGREEMENT BY AUTHORITY. DEVELOPER WAIVES ANY RIGHT TO PURSUE ANY REMEDY OR DAMAGES OTHER THAN THOSE SPECIFICALLY PROVIDED IN SECTION 7.1.1.

7.1.3 CIVIL CODE SECTION 1542 WAIVER. DEVELOPER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVERS AND RELEASES CONTAINED IN THIS SECTION 7.1, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

7.1.4 ACKNOWLEDGMENT. BY INITIALING BELOW, DEVELOPER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 AND ALL OTHER STATUTES AND JUDICIAL DECISIONS (WHETHER STATE OR FEDERAL) OF SIMILAR EFFECT SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES CONTAINED IN THIS SECTION 7.1.

INITIALS OF AUTHORIZED
DEVELOPER REPRESENTATIVE

7.1.5 STATEMENT OF INTENT. CALIFORNIA CIVIL CODE SECTION 1542 NOTWITHSTANDING, IT IS THE INTENTION OF DEVELOPER TO

BE BOUND BY THE LIMITATION ON DAMAGES AND REMEDIES SET FORTH IN THIS SECTION 7.1, AND DEVELOPER HEREBY RELEASES ANY AND ALL CLAIMS AGAINST AUTHORITY FOR MONETARY DAMAGES, MONETARY RECOVERY OR OTHER LEGAL OR EQUITABLE RELIEF RELATED TO ANY EVENT OF DEFAULT UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 7.1, WHETHER OR NOT ANY SUCH RELEASED CLAIMS WERE KNOWN OR UNKNOWN TO DEVELOPER AS OF THE EFFECTIVE DATE OF THIS AGREEMENT.

7.2 Legal Actions. Either Party may institute legal action, at law or in equity, to enforce or interpret the rights or obligations of the Parties under this Agreement or recover damages, subject to the provisions of Section 7.1.

7.3 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties set forth in this Agreement are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or the same rights or remedies for any other Default by the other Party.

7.4 Indemnification.

7.4.1 **Authority Indemnity Obligations.** Authority shall Indemnify the Developer Parties against any Claim to the extent such Claim arises from any wrongful intentional act or negligence of the Authority Parties, but only to the extent that Authority may be held liable under applicable law for such wrongful intentional act or negligence and exclusive of any violation of law (including the State Constitution) relating to Authority's approval, entry into or performance of this Agreement. Nothing in this Agreement is intended nor shall be interpreted to waive any limitation on Authority's liability, any exemption from liability in favor of Authority, any claim presentment requirement for bringing an action regarding any liability of Authority or any limitations period applicable to liability of Authority, as set forth in Government Code Sections 800, *et seq.*, Sections 900, *et seq.*, or in any other law or require Authority to Indemnify any Person beyond such limitations on Authority's liability.

7.4.2 **Developer Indemnity Obligations.** Developer shall Indemnify the Authority Parties against any Claim to the extent such Claim arises from any wrongful intentional act or negligence of the Developer Parties. Developer shall also Indemnify the Authority Parties against any and all of the following: (a) any Application made by or at Developer's request; (b) any agreements that Developer (or anyone claiming by or through Developer) makes with a Third Person regarding the Properties or the Project; (c) any workers compensation claim or determination relating to any employee of the Developer Parties or their contractors; (d) any Prevailing Wage Action relating to this Agreement or the Project; and (e) any Environmental Claim attributable to any action or failure to act by the Developer Parties following the Close of Escrow.

7.4.3 Independent of Insurance Obligations. Developer's indemnification obligations under this Agreement shall not be construed or interpreted as in any way restricting, limiting, or modifying Developer's insurance or other obligations under this Agreement. Developer's obligation to Indemnify Authority Parties under this Agreement is independent of Developer's insurance and other obligations under this Agreement. Developer's compliance with its insurance obligations and other obligations under this Agreement shall not in any way restrict, limit, or modify Developer's indemnification obligations under this Agreement and are independent of Developer's indemnification and other obligations under this Agreement.

7.4.4 Survival of Indemnification and Defense Obligations. The indemnity and defense obligations of the Parties under this Agreement shall survive the expiration or earlier termination of this Agreement, until any and all actual or prospective Claims regarding any matter subject to an indemnity obligation under this Agreement are fully, finally, absolutely and completely barred by applicable statutes of limitations.

7.5 Indemnification Procedures. Wherever this Agreement requires any Indemnitor to Indemnify any Indemnitee:

7.5.1 Prompt Notice. The Indemnitee shall promptly Notify the Indemnitor of any Claim.

7.5.2 Selection of Counsel. The Indemnitor shall select counsel reasonably acceptable to the Indemnitee. Counsel to Indemnitor's insurance carrier that is providing coverage for a Claim shall be deemed reasonably satisfactory, except in the event of a potential or actual conflict of interest for such counsel regarding such representation or such counsel proves to be incompetent regarding such representation. Even though the Indemnitor shall defend the Claim, Indemnitee may, at its option and its own expense, engage separate counsel to advise it regarding the Claim and its defense. The Indemnitee's separate counsel may attend all proceedings and meetings. The Indemnitor's counsel shall actively consult with the Indemnitee's separate counsel. The Indemnitor and its counsel shall, however, control the defense, except to the extent that the Indemnitee waives its rights to indemnity and defense for such Claim.

7.5.3 Cooperation. The Indemnitee shall reasonably cooperate with the Indemnitor's defense of the Indemnitee.

7.5.4 Settlement. The Indemnitor may only settle a Claim without the consent of Indemnitee, if the Claim is within the policy limits of applicable insurance policies provided in satisfaction of the requirements of this Agreement and such settlement procures a release of Indemnitee from the subject Claims, does not require Indemnitee to make any payment to the claimant and neither Indemnitee nor Indemnitor on behalf of Indemnitee admits any liability. Notwithstanding the immediately preceding sentence or any other provision of this Agreement, the Indemnitee's consent shall be required to settle any and all Claims under Builder's Risk Insurance.

7.6 Developer Covenant to Defend this Agreement. The Developer acknowledges that the Housing Authority is a "public entity" and/or "public agency" as defined under applicable California law. Therefore, the Housing Authority must satisfy the requirements of certain California statutes relating to the actions of public entities and public agencies including, without limitation, CEQA. Also, as a public body, the Housing Authority's action in approving this Agreement may be subject to proceedings to invalidate this Agreement or mandamus. The Developer assumes the risk of delays and damages that may result to the Developer from any third-party legal actions related to the Housing Authority's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, even in the event that an error or omission by the Housing Authority is determined to have occurred. Subject to Section 8.12 below, if a third-party files a legal action regarding the Housing Authority's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, either the Housing Authority may terminate this Agreement on thirty (30) days written notice to the Developer of the Housing Authority's intent to terminate this Agreement, referencing this Section 7.6, without any further obligation to perform the terms of this Agreement and without any liability to the Developer resulting from such termination, unless the Developer unconditionally agrees to indemnify and defend the Housing Authority, with legal counsel acceptable to the Housing Authority, against such third-party legal action, as provided in the next sentence. Within thirty (30) days of receipt of the Housing Authority's notice of intent to terminate this Agreement, as provided in the preceding sentence, the Developer may offer to defend the Housing Authority, with legal counsel reasonably acceptable to the Housing Authority, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Any such offer from the Developer must be in writing and reasonably acceptable to the Housing Authority in both form and substance. Nothing contained in this Section 7.6 shall be deemed or construed to be an express or implied admission that the Housing Authority is liable to the Developer or any other person or entity for damages alleged from any alleged or established failure of the Housing Authority to comply with any statute, including, without limitation, CEQA. The Developer's defense of such third party actions as described in this Section 7.6 shall constitute an Unavoidable Delay.

8. GENERAL PROVISIONS

8.1 Notices, Demands and Communications Between the Parties.

8.1.1 **Notices.** Any and all Notices submitted by any Party to another Party pursuant to or as required by this Agreement shall be dispatched by messenger for immediate personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, or by a nationally recognized overnight (one business day) courier service, marked for next business day delivery to the address of the Party, as set forth in Section 8.1.2. Such Notice may be sent in the same manner to such other addresses as any Party may from time to time designate by Notice. Any Notice shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is dispatched by messenger for immediate personal delivery, two (2) calendar days after it is placed in the United States mail,

or if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the date of sending, as provided in this Section 8.1. Rejection, other refusal to accept or the inability to deliver any Notice because of a changed address of which no Notice was given or other action by a Person to whom Notice is sent, shall be deemed receipt of the Notice.

8.1.2 **Addresses.** The following are the authorized addresses for the submission of Notices to the Parties, as of the Effective Date:

To Developer:

Tina Pacific II Housing Partners, L.P.
c/o The Related Companies of California, LLC
18201 Von Karman Ave. Suite #900
Irvine, CA 92612
Attn: Frank Cardone
Facsimile: _____

With a courtesy copy to:

Related/Tina Pacific II Development Co., LLC
18201 Von Karman Ave. Suite #900
Irvine, CA 92612
Attn: Frank Cardone
Facsimile: _____

cc: Bocarsly Emden Cowan
Esmail & Arndt LLP
633 W. Fifth St., 64th Floor
Los Angeles, CA 90071
Attn: Lance Bocarsly, Esq.

To Authority:

Stanton Housing Authority
7800 Katella Avenue
Stanton, CA 90680
Attn: Executive Director
Facsimile: (714) 890-1443

With a courtesy copy to:

Best Best & Krieger LLP
18101 Von Karman Ave Suite 1000
Irvine, CA 92612
Attn: Elizabeth Hull, Stanton Housing
Authority Counsel
Facsimile: (949) 260-0972

8.2 Conflict of Interest. No member, official or employee of the Authority having any conflict of interest, direct or indirect, related to this Agreement, the Properties, or the development or operation of the Project shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

8.3 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any Third Person to any Party or give any Third Person any right of subrogation or action over or against any Party.

8.4 Warranty Against Payment of Consideration for Agreement. Developer warrants that it has not paid or given, and will not pay or give, any Third Person any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 8.4, shall not include Persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by Developer, respectively.

8.5 Enforced Delay: Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in Default, or considered to be a Default, where delays or Defaults are due to the force majeure events of war, acts of terrorism, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes or lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractors, subcontractor or supplier, which are not attributable to the fault of the Party claiming an extension of time to prepare or acts or failure to act of any Government ("**Enforced Delay**"). An extension of time for any such force majeure cause shall be for the period of the Enforced Delay and shall commence to run from the date of occurrence of the delay; provided however, that the Party which claims the existence of the delay has first provided the other Party with written notice of the occurrence of the delay within thirty (30) calendar days of the commencement of such occurrence of delay. The inability of Developer to satisfy any condition of this Agreement relating to the Construction of the Project shall not be deemed to be a force majeure event or otherwise provide grounds for the assertion of the existence of a delay under this Section 8.5. The Parties to this Agreement expressly acknowledge and agree that changes in either general economic conditions or changes in the economic assumptions of any of them which may have provided a basis for entering into this Agreement and which occur at any time after the execution of this Agreement, are not force majeure events and do not provide any Party with grounds for asserting the existence of a delay in the performance of any covenant or undertaking which may arise under this Agreement. Each Party expressly assumes the risk that changes in general economic conditions or changes in such economic assumptions relating to the terms and covenants of this Agreement could impose an inconvenience or hardship on the continued performance of such Party under this Agreement, but that such inconvenience or

hardship is not a force majeure event and does not excuse the performance by such Party of its obligations under this Agreement.

8.6 Inspection of Books and Records. Authority shall have the right at all reasonable times, at the Authority's cost and expense, to inspect the books and records of Developer pertaining to the construction of the Project or the Properties as necessary for the Authority, in its reasonable discretion, to enforce its rights under this Agreement. Matters discovered by Authority shall not be disclosed to third parties, unless required by law or unless otherwise resulting from or related to the pursuit of any remedies or the assertion of any rights of Authority hereunder.

8.7 Approvals. Except as otherwise provided in this Agreement, approvals required of Authority or Developer, or any officers, agents or employees of Authority or Developer, shall not be unreasonably withheld and approval or disapproval shall be given within the time set forth in this Agreement or, if no time is given, within a reasonable time.

8.8 Effect. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors and assigns.

8.9 Further Assurances. The Parties agree to reasonably consider such additional actions or the execution of such other documents as may be reasonably necessary or convenient to the financing, development, and operation of the Project, although nothing in this Section 8.9 shall be deemed a representation, guaranty or commitment by any Party to take any action or execute any document.

8.10 Authority Approvals and Actions. The Executive Director shall have the authority to make approvals, issue interpretations, waive provisions, grant extensions of time, approve amendments to this Agreement and execute documents on behalf of the Authority so long as such actions do not materially or substantially change the number of the units in the Project, the affordability of the units in the Project (as further provided in the Regulatory Agreement), reduce the length of affordability of the units in the Project (as further provided in the Regulatory Agreement), or add to the costs incurred or to be incurred by Authority as specified herein. Notwithstanding any other provision of this Agreement, the Executive Director shall have the authority to approve amendments to this Agreement to ensure compliance with all laws, including but not limited to SB 341. The Executive Director reserves the right, in its sole and absolute discretion, to submit any requested modification, interpretation, amendment or waiver to the governing board of the Authority if the Executive Director determines or believes that such action could increase the risk, liability or costs to Authority, or change the affordability covenants or reduce the length of affordability of the Project.

8.11 Entire Agreement. This Agreement integrates all of the terms and conditions mentioned in this Agreement or incidental to this Agreement, and supersedes all negotiations or previous agreements between the Parties with respect to all or any portion of the Properties and the development thereof.

8.12 Reimbursement of Developer. Notwithstanding anything to the contrary contained in this Agreement, if, prior to the Close of Escrow, this Agreement is terminated for any reason other than the default of the Developer, then the Authority shall reimburse the Developer for third party costs (excluding in-house staff time and overhead) it or its affiliates have incurred with respect to the Properties and/or the Project following September 12, 2013. Notwithstanding the foregoing, in no event shall the Authority's obligation to reimburse the Developer under this Section 8.12 exceed the sum of \$153,750. Prior to receiving any payment pursuant to this Section, Developer shall submit a written demand for payment and provide documentation, reasonably satisfactory to the Authority, supporting each expense incurred for which the Developer is requesting reimbursement.

8.13 Exhibit List. The following is a list of the Exhibits attached to this Agreement. Each of the exhibits referenced in this Section 8.13 is incorporated by this reference into the text of this Agreement.

<u>Exhibit A-1</u>	Authority Properties Legal Description
<u>Exhibit A-2</u>	Acquisition Properties Legal Description
<u>Exhibit B</u>	Property Map
<u>Exhibit C</u>	Escrow Agent Consent
<u>Exhibit D</u>	Project Budget
<u>Exhibit E</u>	Form of Deed
<u>Exhibit F</u>	Regulatory Agreement
<u>Exhibit G</u>	Authority Note
<u>Exhibit H</u>	Authority Deed of Trust
<u>Exhibit I</u>	Project Scope of Development
<u>Exhibit J</u>	Notice of Agreement
<u>Exhibit K</u>	Certificate of Completion
<u>Exhibit L</u>	Developer Official Action
<u>Exhibit M</u>	Schedule of Performance
<u>Exhibit N</u>	Loan Components

8.14 Waivers and Amendments. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the appropriate authorities of each Party to this Agreement.

8.15 Execution of Agreement. This Agreement may be executed in multiple counterpart originals each of which is deemed to be an original. This Agreement constitutes the entire understanding and agreement of the Parties regarding the acquisition, Construction and operation of the Project on the Properties.

[Signatures on following pages]

**SIGNATURE PAGE
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

Authority and Developer have signed this Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II) by and through the signatures of their authorized representative(s) set forth below:

AUTHORITY:

STANTON HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Robert W. Hall
Executive Director

Date: _____

ATTEST:

Secretary

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

Authority Counsel

**SIGNATURE PAGE
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

DEVELOPER:

TINA PACIFIC II HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Tina Pacific II Development Co., LLC,
a California limited liability company
its administrative general partner

Frank Cardone, President

EXHIBIT A-1
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)
AUTHORITY PROPERTIES LEGAL DESCRIPTION

- Stanton Housing Authority ("Authority"), Successor Agency to the Stanton Redevelopment Agency, has fee title ownership of nine (9) properties of the sixteen (16) properties identified for the Project.
- - The following properties are currently owned by the Authority and occupied by tenants (6 properties):
 - 8890 Tina Way
 - 8861 Pacific Avenue
 - 8871 Pacific Avenue
 - 8881 Pacific Avenue
 - 8891 Pacific Avenue
 - 8880 Pacific Avenue
 - The following properties are currently owned by the Authority, and the improvements have been demolished (3 properties):
 - 8841 Pacific Avenue
 - 8851 Pacific Avenue
 - 8870 Pacific Avenue

EXHIBIT A-2
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)
ACQUISITION PROPERTIES LEGAL DESCRIPTION

The following seven (7) properties are targeted by the Authority for acquisition:

- 8830 Tina Way
- 8840 Tina Way
- 8850 Tina Way
- 8860 Tina Way
- 8870 Tina Way
- 8880 Tina Way
- 8890 Pacific Avenue

**EXHIBIT B
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)
PROPERTY MAP**

[Attached behind this cover page]

EXHIBIT C
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)

ESCROW AGENT CONSENT

Old Republic Title Company accepts that certain Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II), dated as of **[TO BE DETERMINED]**, by and between the Stanton Housing Authority, a public body, corporate and politic, and Tina Pacific II Housing Partners, L.P., a California limited partnership, and agrees to act as "Escrow Agent" pursuant to such agreement and agrees to be bound by all provisions of such agreement applicable to it as the Escrow Agent.

ESCROW AGENT:

Old Republic Title Company

By: _____

Name: _____

Its: _____

Dated: _____

Notice Address:

EXHIBIT D
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)
PROJECT BUDGET

EXHIBIT E
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)
FORM OF DEED

[Attached behind this cover page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Tina Pacific II Housing Partners, L.P.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED
(Tina Pacific Neighborhood Revitalization Phase II)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

STANTON HOUSING AUTHORITY, a public body, corporate and politic
("Grantor"),

does hereby grant to

TINA PACIFIC II HOUSING PARTNERS, L.P., a California limited partnership
("Grantee"),

that certain real property in the City of Stanton, County of Orange, State of California,
specifically described in Exhibit "I" attached to this Grant Deed ("Property") and made a part
of this Grant Deed by this reference,

SUBJECT TO that certain Disposition and Development Agreement (Tina Pacific
Neighborhood Revitalization Phase II), dated _____, entered into between Grantor and
Grantee ("Disposition and Development Agreement"), and the covenants and retained and
reserved rights and interests in the Property in favor of Grantor set forth in the Disposition and
Development Agreement that shall run with the land of the Property and bind Grantee and all
successive owners of all or any portion of the Property.

INCORPORATION OF DISPOSITION AND DEVELOPMENT AGREEMENT
DEFINITIONS. Any terms indicated to be defined terms by initial capitalization in this Grant Deed that are not specifically defined in this Grant Deed shall have the meaning ascribed to the same term, respectively, in the Disposition and Development Agreement.

Dated: _____

STANTON HOUSING AUTHORITY, a
public body, corporate and politic

By: _____
Robert W. Hall
Executive Director

EXHIBIT "1"
TO
GRANT DEED
(Tina Pacific Neighborhood Revitalization Phase II)

Property Legal Description

[Attached behind this cover page]

CERTIFICATE OF ACCEPTANCE OF GRANT DEED

This is to certify that the interest in real property conveyed by the foregoing Grant Deed from the STANTON HOUSING AUTHORITY, a public body, corporate and politic, to TINA PACIFIC II HOUSING PARTNERS, L.P., a California limited partnership, is hereby accepted by the undersigned, who consents to the recordation of such Grant Deed in the official records of the County of Orange, California.

TINA PACIFIC II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Tina Pacific II Development Co., LLC,
a California limited liability company
its administrative general partner

By: _____
[NAME, TITLE]

By: [INSERT AFFORDABLE HOUSING ACCESS SINGLE-PURPOSE ENTITY OR
SIMILAR NON-PROFIT PARTNER],
a [INSERT TYPE OF ENTITY],
its managing general partner

By: _____
[NAME, TITLE]

**EXHIBIT F
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

REGULATORY AGREEMENT

[Attached behind this cover page]

**EXHIBIT G
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

AUTHORITY NOTE

[Attached behind this cover page]

PROMISSORY NOTE SECURED BY DEED OF TRUST

Principal Amount:

Date of Note: _____,
20__

Borrower: TINA PACIFIC II
HOUSING PARTNERS, L.P., a
California limited partnership

Lender: STANTON HOUSING
AUTHORITY, a public body, corporate and
politic

Maturity Date: _____

Interest Rate: One Percent (1%) (simple)

FOR VALUE RECEIVED, the undersigned TINA PACIFIC II HOUSING PARTNERS, L.P., a California limited partnership ("**Borrower**"), whose address is _____, promise to pay, at the times stated in this Note, to the order of the STANTON HOUSING AUTHORITY ("**Lender**"), the principal sum of _____ ("**Loan**"), together with simple interest on the unpaid principal balance of this Note from time to time outstanding at an annual simple rate of one percent (1%) from the date of advance until fully paid at 7800 Katella Avenue, Stanton, California 90680, or at such other place as Lender may designate to Borrower in writing.

1. **Reference to Agreement.** This Note is made by Borrower to the order of Lender pursuant to that certain Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II), dated [September 12, 2018], by and between Borrower and Lender (the "**Agreement**"). In the event of any conflict between the terms of this Note and the terms of the Agreement, the terms of the Agreement shall control.

2. **Definitions.** All words, terms or phrases indicated to be defined words, terms or phrases by initial capitalization in this Note that are not specifically defined in this Note shall have the meaning given to the word, term or phrases in the Agreement. As used in this Note, the following words, phrases and terms shall have the following meaning:

2.1 "Gross Revenue" means and refers to all revenue, income, receipts, and other consideration actually received from the use, operation or occupancy of the Project. "Gross Revenue" shall include, but not be limited to: all rents, fees and charges paid by tenants, as well as other rental subsidy payments received for the Units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Project (or applied toward the cost of recovering such proceeds). "Gross Revenue" shall also include the fair market value of any goods or services provided in consideration for the leasing or other use of any portion of the Project as well as all other revenue, income and receipts of every kind that accrue or are accounted for on an accrual basis in conformity with generally accepted accounting principles. "Gross Revenue" shall not include tenants' security deposits, loan proceeds, capital

contributions or similar advances interest on security deposits and required reserves, sales proceeds, and the proceeds of loans, refinancings, condemnation, insurance claims and partner capital contributions.

2.2 "Project Operating Expenses" means and refers to the following costs actually incurred for operation and maintenance of the Project: (i) the cost of utilities supplied to and used for the Project and payable by Developer; (ii) the cost of all insurance required for the Project; (iii) real property taxes, if any, and assessment payments; (iv) funds paid toward property management fees in an amount not to exceed the greater of \$50/unit/month or six percent (6%) of the annual Gross Revenue; (v) expenses and costs of social programs, if any, paid to third party service providers or any general partner of Developer providing such service, and compliance/monitoring reporting or related or required by or paid to an investor of the Project; (vi) all other reserves and other amounts required to be paid, in the amount required by the Tax Credit Investor or the Senior Lender and/or Authority; (vii) on-site administrative costs (including payroll and payroll taxes and expenses, employee benefits); (viii) maintenance and repair expenses and services (including materials and labor) including charges for public services such as sewer charges, license and permit fees, goods, commodities, materials, equipment, furniture, furnishings, fixtures, painting, cleaning, pest control, gardening, rubbish removal, security services, advertising and promotion, leasing commissions, accounting, audit, tax preparation and legal expenses attributable to the Project which are directly attributable and customarily incurred in the operation of real estate projects similar to the Project; (ix) all scheduled payments of principal and/or interest, late charges and all other payments due the Senior Lender, together with all fees, costs, expenses and related charges payable by Developer under the terms of the loan documents of the Senior Lender including, without limitation, issuer fees, trustee fees, remarketing fees, and rebate analyst fees, interest rate cap deposits and credit enhancer charges; (xi) any tax credit adjuster payments to the limited partner(s); and (x) partnership management fees and asset management fees payable to the partners of Borrower not to exceed \$30,000, per annum (increasing by 3% per annum commencing on _____). "Project Operating Expenses" shall not include the following: advances to the Borrower from its limited partner(s), general partner(s), their affiliate(s) and/or third parties, depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account. The calculation of Project Operating Expenses shall be subject to the reasonable approval of the Lender.

2.3 "Residual Receipts" means and refers to the remainder resulting from Gross Revenue after payment of: (i) Project Operating Expenses; (ii) deferred developer fee payments; and (iii) repayments of any advances previously made to Borrower from its limited partner(s), general partner(s), their affiliate(s) and/or third parties necessary for the rehabilitation or operation of the Project; provided, however, that the interest rate charged on such advances shall not exceed ten percent (10%) or such other amount as approved by the Housing Authority Executive Director.

2.4 "Senior Lender" means the holder of any note secured by a deed of trust recorded against the Property which is senior in priority to the deed of trust securing the Loan and any other third party lender to the Borrower as may be permitted pursuant to the Agreement.

3. **Loan Disbursement.** Lender shall disburse the Loan to Borrower in accordance with the Agreement.

4. **Interest.** Interest on the unpaid balance of this Note will accrue from the date of disbursement of the Loan at the rate set forth above.

5. **Form of Payment.** All sums due under this Note are payable in lawful money of the United States and the other terms and conditions of this Note and the Deed of Trust.

6. **Method of Calculating Interest.** Interest shall be computed based on a 365-day year and the actual number of days elapsed.

7. **Payment of Principal and Interest.** Commencing on May 1 of the first year following completion of construction as evidenced by issuance of a certificate of occupancy, and on said date of each year thereafter for the term of the Loan, Developer shall make payments to Authority equal to fifty percent (50%) of the Residual Receipts for the prior calendar year (or, for the first calendar year, the pro rata share of Residual Receipts, prorated from the date of the conversion of the Construction Loan to the Permanent Loan to December 31), to the extent Residual Receipts exist. Payment(s) shall be credited first against accrued interest and then against outstanding principal and shall be accompanied by a written report by Developer documenting the calculation of Residual Receipts for the previous calendar year ending December 31. Developer shall provide Authority with any documentation reasonably requested by Authority to substantiate Developer's determination of the Residual Receipts. Any outstanding principal amount and all accrued and unpaid interest under this Note shall be due and payable from Borrower to Lender on the fifty-fifth (55) anniversary of the recordation of the Certificate of Completion ("**Maturity Date**").

8. **Application of Payments.** Each payment under this Note shall be credited in the following order: (a) costs, fees, charges and advances paid or incurred by Lender under this Note or the Deed of Trust or otherwise payable to Lender by Borrower under this Note or the Deed of Trust, in such order as Lender elects, in Lender's sole and absolute discretion; (b) accrued interest; and (c) principal due under this Note.

9. **Prepayment.** The principal and interest under this Note may be prepaid at any time, without penalty; provided, however, that any such prepayment shall have no effect on the application of the Agreement or the Regulatory Agreement to the Property.

10. **Secured by Deed of Trust.** This Note is secured by, among other things, that certain Deed of Trust, Assignment of Leases and Rents, Fixture Filing, and Security Agreement; Request for Notice ("**Deed of Trust**") of even date herewith made by Borrower, as trustor, to _____ as trustee, for the benefit of Lender, as beneficiary.

11. **Subordination.** This Note and the Deed of Trust securing this Note shall be subject and subordinate to the Senior Lender(s), as previously disclosed to Lender by Borrower, Lender's shall execute a subordination agreement in favor of the Senior Lender(s) in forms reasonably requested by such lenders; provided, however, that Lender reserves the right to review, modify and negotiate, in good faith, the terms and conditions of such subordination agreements.

12. **Interest on Default.** From and after a Default or the Maturity Date (either according to the terms of this Note or as the result of an acceleration of the then unpaid principal balance under the terms of this Note), the entire unpaid principal balance of this Note shall automatically bear an annual interest rate (instead of the rate set forth above) equal to the lesser of: (a) eight percent (8%); or (b) the maximum interest rate allowed by law ("**Default Rate**").

13. **Default.** Any of the following shall constitute an Event of "**Default**" under this Note: (a) Borrower's failure to pay any installment or other sum due under this Note within fifteen (15) days after Lender delivers written notice to Borrower of such failure (provided that a Default shall not exist if there are no Residual Receipts); or (b) any breach of any other promise or obligation in this Note, the Deed of Trust, the Regulatory Agreement or the Agreement or in any other instrument now or hereafter securing the indebtedness evidenced by this Note; provided, however, that Lender has given Borrower thirty (30) days notice to Borrower describing the default in reasonable detail in which to cure the Default, and such Default not having been cured within 30 days (or, if a greater amount of time is reasonably necessary to effect a cure, if actions to cure such Default are not undertaken within said 30 day period and pursued with reasonable diligence thereafter). On and following any Event of Default, Lender may, in Lender's sole and absolute discretion, declare this Note (including, without limitation, all accrued interest) immediately due and payable regardless of the Maturity Date.

14. **Collection Costs.** Borrower agrees to pay the following costs, expenses, and attorney fees paid or incurred by Lender, or adjudged by a court: (a) reasonable costs of collection and costs, expenses, and attorney fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; (b) reasonable costs, expenses, and attorney fees paid or incurred in connection with representing Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving this Note; and (c) costs of suit and such sum as the court may adjudge as reasonable attorney fees in any action to enforce or collect payment of this Note or any portion thereof.

15. **Waiver.** Borrower, endorsers, and all other Persons liable or to become liable on this Note waive presentment, protest, and demand; notice of protest, demand, and dishonor; and all other notices or matters of a like nature. No extension of time for payment of this Note made by agreement by Lender with any Person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part. The provisions of this Note and the obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

16. **Notice.** Any notice required to be provided under this Note shall be given in writing and shall be sent: (a) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (b) by first-class certified United States mail, postage prepaid, return receipt requested; or (c) by a nationally recognized overnight (one business day) courier service, marked for next business day delivery. All notices shall be addressed to the Person to whom such notice is to be given at the property address stated in the Deed of Trust or to such other address as a Person may designate by written notice. All notices shall be deemed effective on the earliest of: (i) actual receipt; (ii) rejection of delivery; (iii) if sent by certified mail, the second (2nd) day on which regular United States mail delivery service is provided after the date of mailing; or (iv) if sent by overnight delivery service, on the next day on which such service makes next-business-day deliveries after the date of sending.

17. **Forbearance Not a Waiver.** If Lender delays in exercising or fails to exercise any of its rights under this Note, that delay or failure shall not constitute a waiver of any Lender rights or of any breach, Default, or failure of condition under this Note. No waiver by Lender of any of its rights or of any such breach, Default, or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by Lender.

18. **Assignment.** This Note inures to and binds the heirs, legal representatives, successors, and assigns of Borrower and Lender; provided, however, that Borrower may not assign this Note nor any proceeds of it, nor assign or delegate any of its rights or obligations under this Note, except as otherwise permitted in the Agreement, without Lender's prior written consent in each instance, which consent may be given, withheld, delayed or conditioned in Lender's sole and absolute discretion. Lender, in its sole and absolute discretion, may transfer this Note and may sell or assign participations or other interests in all or any part of this Note, all without notice to or the consent of Borrower.

19. **Governing Law.** This Note shall be construed and enforceable according to the laws of the State of California for all purposes, without application of conflicts or choice of laws principles or statutes.

20. **Usury.** To the extent that the indebtedness evidenced by this Note is determined not to be exempt from the usury laws of the State of California, all agreements between Borrower and Lender are expressly limited, so that in no event or contingency, whether because of the advancement of the proceeds of this Note, acceleration of maturity of the unpaid principal balance, or otherwise, shall the amount paid or agreed to be paid to Lender for the use, forbearance, or retention of the money to be advanced under this Note exceed the highest lawful rate permissible under applicable usury laws. If, under any circumstances, fulfillment of any provision of this Note or any other agreement pertaining to this Note, after timely performance of such provision is due, shall involve exceeding the limit of validity prescribed by law that a court of competent jurisdiction deems applicable, then, ipso facto, the obligations to be fulfilled shall be reduced to the limit of such validity. If, under any circumstances, Lender shall ever receive as interest an amount that exceeds the highest lawful rate, the amount that would be excessive interest shall be applied to reduce the unpaid principal balance under this Note and not to pay interest, or, if such excessive interest exceeds the unpaid principal balance under this Note, such excess shall be refunded to Borrower. This provision shall control every other provision of all agreements between Borrower and Lender.

21. **Non-Revolving Credit.** This Note evidences a non-revolving loan from Lender to Borrower. The accrued and unpaid interest and principal balance owing on this Note at any time may be evidenced by an unpaid balance acknowledgment of Lender on this Note or by the internal accounting records of Lender regarding this Note.

22. **Waiver of Statute of Limitations.** The pleading of any statute of limitations as a defense to the obligations or enforcement of the obligations evidenced by this Note is waived to the fullest extent permissible by law.

23. **Time Is of the Essence.** Time is of the essence with respect to all obligations of Borrower under this Note.

24. **Cross-Default.** Any Event of Default by Borrower as to the Agreement, the Regulatory Agreement and the Deed of Trust, in Lender's sole and absolute discretion, constitute an Event of Default under this Note.

25. **Severability.** If any provision of this Note, or the application of it to any Person or circumstance, is held void, invalid, or unenforceable by a court of competent jurisdiction, the remainder of this Note, and the application of such provision to other Persons or circumstances, shall not be affected thereby, the provisions of this Note being severable in any such instance.

26. **Recourse.** Notwithstanding anything to the contrary set forth herein, in the Regulatory Agreement, the Agreement or the Deed of Trust, the Loan, Authority's sole recourse against Borrower shall be to exercise any remedies under the Deed of Trust or any other document given for security hereunder. No deficiency judgment may be obtained against the Borrower.

27. **Acknowledgment.** PRIOR TO SIGNING THIS NOTE, BORROWER HAS READ AND UNDERSTANDS ALL OF ITS PROVISIONS AND HAS CONSULTED WITH LEGAL COUNSEL OF BORROWER'S INDEPENDENT SELECTION REGARDING BORROWER'S OBLIGATIONS UNDER THIS NOTE. BORROWER AGREES TO THE TERMS AND CONDITIONS OF THIS NOTE AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS NOTE.

[Signatures on following page]

BORROWER:

TINA PACIFIC II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Tina Pacific II Development Co.,
LLC, a California limited liability company,
its administrative general partner

By: _____
Frank Cardone, President

By: [INSERT AFFORDABLE HOUSING
ACCESS SINGLE-PURPOSE ENTITY OR
SIMILAR NON-PROFIT PARTNER], a [INSERT
TYPE OF ENTITY],
its managing general partner

By: _____
[NAME, TITLE]

**EXHIBIT H
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

AUTHORITY DEED OF TRUST

[Attached behind this cover page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Stanton Housing Authority
7800 Katella Avenue
Stanton, CA 90680
Attn: Executive Director

Space above line for Recorder's use only
Exempt from Recording Fees pursuant to Govt. Code § 27383

**DEED OF TRUST, ASSIGNMENT OF LEASES
AND RENTS, FIXTURE FILING, AND
SECURITY AGREEMENT; REQUEST FOR NOTICE**

This DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING, AND SECURITY AGREEMENT; REQUEST FOR NOTICE ("**Deed of Trust**") is made as of _____, 201__, by and among TINA PACIFIC II HOUSING PARTNERS, L.P., a California limited partnership, whose address is _____ ("**Trustor**"), CITY OF STANTON, as trustee ("**Trustee**"), and the STANTON HOUSING AUTHORITY, a public body, corporate and politic, as beneficiary ("**Beneficiary**"), and is executed to secure that certain Promissory Note of even date herewith, in the principal amount of [INSERT AMOUNT] ("**Note**"), executed by Trustor in favor of Beneficiary, the provisions of which are incorporated into this Deed of Trust by this reference.

To secure the full and timely payment of the Note and the full and timely performance and discharge of all obligations of Trustor under the Note, Trustor hereby IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION, the following property ("**Trust Estate**"):

(a) All of that certain real property in the City of Stanton, County of Orange, State of California, more particularly described in Exhibit "1" attached hereto and by this reference made a part hereof ("**Subject Property**");

(b) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property ("**Improvements**");

(c) All tenements, hereditament, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights ("**Appurtenances**"). (Appurtenances, together with the Subject Property and the Improvements, are hereafter collectively referred to as the "**Real Property**");

(d) Subject to the assignment to Beneficiary set forth in Section 4 below, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management operation, leasing or occupancy of the Trust Estate, including those past due and unpaid ("**Rents**");

(e) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code ("**UCC**"), whether existing now or in the future) located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, rehabilitation, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property ("**Goods**," and together with the Real Property, collectively the "**Property**"); and

(f) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, rehabilitation, maintenance, management operation, marketing, leasing, occupancy, sale or financing of the Property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate): (i) permits, approvals and other governmental authorizations; (ii) the Scope of Development and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (v) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vi) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (collectively, "**Intangibles**").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be

created under the UCC (collectively, the "**Personal Property**"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9502 of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following: (a) payment of the Note, plus any accrued interest; and (b) due, prompt and complete observance, performance and discharge of each and every monetary and non-monetary condition, obligation, covenant and agreement contained herein or contained in the following agreements between Trustor ("Developer" therein) and Beneficiary ("Authority" therein) related to the Trust Estate: (i) Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II) dated [September 12, 2018] (the "**DDA**") The DDA, Note and Regulatory Agreement (collectively, "**Secured Obligations**") and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof, however evidenced.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That Trustor shall perform the obligations of the Developer as set forth in the Secured Obligations at the time and in the manner respectively provided therein.
2. That Trustor shall not permit or suffer the use of any of the Trust Estate for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed.
3. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable. This Deed of Trust shall cover, and the Trust Estate subject hereto shall include, all real and personal property now or hereafter affixed or attached to or incorporated upon the Subject Property in, to or under which Trustor now has or hereafter acquires any right, title or interest, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Subject Property.

To the extent any of the property subject to this Deed of Trust consists of rights in action or personal property covered by the UCC, this Deed of Trust shall also constitute a security agreement, and Trustor hereby grants to Beneficiary, as secured party, a security interest in such property, including all proceeds thereof, for the purpose of securing the Secured Obligations. In addition, for the purpose of securing the Secured Obligations, Trustor hereby grants to Beneficiary, as secured party, a security interest in all of the property described herein in, to, or under which Trustor now has or hereafter acquires any right, title or interest, whether present, future or contingent, including, but not limited to, all equipment, inventory, accounts, general intangibles, instruments, documents and chattel paper, as those terms are defined in the UCC, and all other personal property of any kind (including, without limitation, money and rights to the payment of money), whether now existing or hereafter

created, that are now or at any time hereafter: (i) in the possession or control of Beneficiary in any capacity; (ii) erected upon, attached to or appurtenant to the Subject Property; (iii) located or used on the Subject Property or identified for use on the Subject Property (whether stored on the Subject Property or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Subject Property or any of the personal property described herein, the rehabilitation of any improvements on the Subject Property, the ownership, development, maintenance, management or operation of the Subject Property, the use or enjoyment of the Subject Property or the operation of any business conducted thereon, including, without limitation, all such property described as the Trust Estate hereinabove.

The security interests granted in this Section 3 are hereinafter severally and collectively called the "Security Interest". The Security Interest shall be self-operative with respect to the real property described herein but Trustor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be requested in order to impose the Security Interest more specifically upon the real and personal property encumbered hereby. The Security Interest, at all times, shall be prior to any other interest in the personal property encumbered hereby. Trustor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Beneficiary to establish, maintain and continue the perfected Security Interest. Trustor, on demand, shall promptly pay all costs and expenses of filing and recordation, to ensure the continued priority of the Security Interest.

Trustor shall not sell, transfer, assign or otherwise dispose of any personal property encumbered hereby without obtaining the prior written consent of Beneficiary, except that the Trustor may, in the ordinary course of business, replace personal property or dispose of personal property that will not be replaced because of its obsolescence. Unless Beneficiary then agrees otherwise in writing, all proceeds from any permitted sale or disposition in excess of that required for full replacement shall be paid to Beneficiary to be applied on the Note. Although proceeds of personal property are covered hereby, this shall not be construed to mean that Beneficiary consents to any sale of such personal property. Upon its recordation in the real property records of Orange County, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. In addition, a carbon, photostatic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement.

4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor, so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the Secured Obligations.

5. That upon default hereunder or under the Secured Obligations, and after the giving of notice and the expiration of any applicable cure period, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom.

6. That Trustor will keep the improvements now existing or hereafter erected on the Subject Property insured against loss by fire and such other hazards, casualties, and contingencies as may be required by applicable provisions of the Secured Obligations, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. Such policies shall be endorsed with standard mortgage clause with loss payable to the Beneficiary and certificates thereof together with copies of original policies, if requested, shall be deposited with the Beneficiary.

7. To pay before delinquency any taxes and assessments affecting the Trust Estate; to pay, when due, all encumbrances, charges and liens, with interest, on the Trust Estate or any part thereof which appear to be prior or superior hereto; and to pay all costs, fees, and expenses of this Deed of Trust. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7.

8. As it is provided more specifically in the Secured Obligations, to keep said property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations); not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law and/or covenants, conditions and/or restrictions affecting said property; not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon said property without the consent of the Beneficiary.

9. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

10. Should Trustor fail, after the giving of notice and the expiration of any applicable cure period, to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, at Trustor's sole cost and expense. Following default, after the giving of notice and the expiration of any applicable cure period, Beneficiary or Trustee being authorized to enter upon said property for such purposes, may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; may pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either

appears to be prior or superior hereto; and, in exercising any such powers, may pay necessary expenses, employ counsel, and pay his reasonable fees.

11. Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the sums secured hereby.

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure, at the highest rate of interest permitted by law.

13. That the funds to be advanced hereunder are to be used in accordance with applicable provisions of the Secured Obligations; upon the failure of Trustor to do so, after the giving of notice and the expiration of any applicable cure period, Trustor shall be in default hereunder.

14. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and/or as provided in the Secured Obligations and further that it will keep and maintain the property free from the claims of all persons supplying labor or materials which will enter into the rehabilitation of any and all buildings now being erected or to be erected on said premises. Notwithstanding anything to the contrary contained in this Deed of Trust Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within forty-five (45) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request prior to foreclosure) record in the Office of the Recorder of Orange County, a surety bond in the amount required by law to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary.

15. That any and all improvements made or about to be made upon the premises covered by this Deed of Trust and all plans and specifications and the Scope of Development, comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

16. Trustor confirms that if Trustor should sell, enter into a contract of sale, convey, or in any way transfer all or any interest of Trustor in the Real Property encumbered by this Deed of Trust or suffer Trustor's title or any interest therein to be divested, whether voluntarily or involuntarily, unless the same is a Permitted Transfer as defined in the Agreement, without the prior written consent of the Beneficiary being first obtained, then Beneficiary shall have the right, at Beneficiary's sole option, to declare all sums payable under the Note secured hereby immediately due and payable in full, irrespective of the maturity date otherwise specified in said Note. No waiver of this right shall be effective unless in writing

and signed by the Beneficiary. Consent by the Beneficiary to any one such transaction shall not be deemed a waiver of the right to require such consent to future or successive transactions. Further, upon default under one of the Secured Obligations, and after the giving of notice and the expiration of any applicable cure period provided therein, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be immediately due and payable in full, irrespective of the maturity date otherwise specified in said Note.

17. Subject to the rights of senior lienholders, if any, as provided more specifically in the Secured Obligations, should the Trust Estate or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary.

18. Upon default by Trustor in taking any action or in making any payments provided for herein, or in the Secured Obligations, if Trustor shall fail to perform any covenant or agreement in this Deed of Trust within 30 days after written demand therefor by Beneficiary (or, in the event that more than 30 days is reasonably required to cure such default, should Trustor fail to promptly commence such cure, and diligently prosecute same to completion, which shall be determined by Beneficiary in Beneficiary's sole and absolute discretion), after the giving of notice and the expiration of any applicable cure period, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby.

19. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the

proceeds of sale to payment of: (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorney's fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the maximum rate allowed by law; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto.

20. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

21. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

22. Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

23. The trust created hereby is irrevocable by Trustor.

24. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future successor in interest to Beneficiary. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several.

25. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

26. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at the address set forth in the Deed of Trust.

27. Trustor agrees at any time and from time to time, upon receipt of a written request from Beneficiary, to furnish to Beneficiary detailed statements in writing of income, rents, profits, and operating expenses of the premises, and the names of the occupants and tenants in possession, together with the expiration dates of their leases and full information regarding all rental and occupancy agreements, and the rents provided for by such leases and rental and occupancy agreements, and such other information regarding the premises and their use as may be requested by Beneficiary.

28. Trustor agrees that the obligations secured by this Deed of Trust are made expressly for the purpose of financing the acquisition of the Property and the rehabilitation and operation of the improvements on the Property, including the 4 dwelling units and their maintenance as affordable housing, as more specifically provided in the Secured Obligations.

29. As is provided more specifically in the Secured Obligations, the obligations of Trustor thereunder are nonrecourse obligations of the Trustor. Neither Trustor nor any of its principals, nor any other party, shall have any personal liability for payment of obligations arising from the Secured Obligations, except as specifically provided therein. The sole recourse of Beneficiary shall be the exercise of its rights against the Property except as otherwise provided in the Secured Obligations and any related security.

30. Notwithstanding the provisions of this Deed of Trust, non-monetary performance hereunder shall not be deemed to be in default where delays or defaults are due to: war; acts of terrorism, insurrection; strikes, lockouts, riots, floods; earthquakes; fires; casualties; acts of God; acts of the public enemy, epidemics; quarantine restrictions; freight embargos or lack of transportation, weather-caused delays, inability to secure necessary labor, materials or tools, delays of any contractors, subcontractor or supplier, which are not attributable to the fault of the Party claiming an extension of time to prepare or acts of failure of any Government ("Enforced Delay"). An extension of time for any such force majeure cause shall be for the period of the Enforced Delay and shall commence to run from the date of occurrence of the delay; provided however, that the Party which claims the existence of the delay has first provided the other Party with written notice of the occurrence of the delay within thirty (30) calendar days of the commencement of such occurrence of delay.

31. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations.

32. Default.

(a) Subject to the extensions of time set forth in Section 30, and subject to the further provisions of this Section 32, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Secured Obligations or this Deed of Trust constitutes a default under this Deed of Trust.

(b) Beneficiary shall give written notice of default to Trustor, specifying the default complained of by the Beneficiary. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by Beneficiary in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

(d) If an event of default occurs under the terms of this Deed of Trust, prior to exercising any remedies hereunder or thereunder, Beneficiary shall give Trustor written notice of such default. Trustor shall have a reasonable period of time after such notice is given within which to cure the default prior to exercise of remedies by Beneficiary under this Deed of Trust. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within thirty (30) days after the notice of default is first given.

(e) If an event of default occurs under the terms of the Secured Obligations, prior to exercising any remedies hereunder or thereunder, Beneficiary shall give Trustor notice of such default. As is provided more specifically in the Secured Obligations, if the default is reasonably capable of being cured within thirty (30) days, Trustor shall have such period to effect a cure prior to exercise of remedies by the Beneficiary under the Secured Obligations, or this Deed of Trust. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Trustor (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as possible, then Trustor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Beneficiary. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default.

[Signatures on following page]

IN WITNESS WHEREOF, Trustor has executed and delivered this Deed of Trust as of the date first written above.

TINA PACIFIC II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Tina Pacific II Development Co.,
LLC, a California limited liability company,
its administrative general partner

By: _____
Frank Cardone, President

By: [INSERT AFFORDABLE HOUSING
ACCESS SINGLE-PURPOSE ENTITY OR
SIMILAR NON-PROFIT PARTNER], a [INSERT
TYPE OF ENTITY],
its managing general partner

By: _____
[NAME, TITLE]

[SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

EXHIBIT "T"
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)
PROJECT SCOPE OF DEVELOPMENT

[Attached behind this cover page]

EXHIBIT "J"
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)

NOTICE OF AGREEMENT

[Attached behind this cover page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Stanton Housing Authority
7800 Katella Avenue
Stanton, CA 90680
Attn: Executive Director

Space above line for Recorder's use only
Exempt from Recording Fees pursuant to Govt. Code § 27383

NOTICE OF AGREEMENT

Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II)

TO ALL INTERESTED PERSONS PLEASE TAKE NOTICE that as of _____, Stanton Housing Authority, a public body, corporate and politic ("Authority"), and Tina Pacific II Housing Partners, L.P., a California limited partnership ("Developer") entered into an agreement entitled Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II) ("Agreement"). A copy of the Agreement is on file with the City Clerk and is available for inspection and copying by interested persons as a public record of the City of Stanton ("City") at the City's offices located at 7800 Katella Avenue, Stanton, California, during the regular business hours of the City.

The Agreement affects the real property described in Exhibit "1" attached to this Notice of Agreement ("Project Site"). The meaning of defined terms, indicated by initial capitalization, used in this Notice of Agreement shall be the same as the meaning ascribed to such terms, respectively, in the Agreement.

PLEASE TAKE FURTHER NOTICE that the Agreement contains certain covenants running with the land of the Project Site and other agreements between Developer and Authority affecting the Project Site, including, without limitation (all section references are to the Agreement):

4.1 Developer Covenant to Develop Project. Developer covenants to and for the exclusive benefit of the Authority that Developer shall commence, pursue and complete the development of the Project in accordance with the deadlines and other requirements of this Agreement, including but not limited to the Schedule of Performance. Developer covenants and agrees for itself, its successors and assigns that the Properties shall be improved and developed with the Project, in conformity with the terms and conditions of this Agreement and all applicable Laws and conditions of each Government. The covenants of this Section 4.1 shall run with the Properties, until the date of issuance of a Certificate of Completion for the Project.

THIS NOTICE OF AGREEMENT is dated as of _____, and has been signed and made by and on behalf of Developer and Authority by and through the signatures of their authorized representative(s) set forth below. This Notice of Agreement may be signed in counterparts and each counterpart shall, collectively, be deemed to be one original instrument.

AUTHORITY:

STANTON HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
Robert W. Hall
Executive Director

Attest:

By: _____
Secretary

Approved as to form:

BEST BEST & KRIEGER LLP

By: _____
Authority Counsel

DEVELOPER:

TINA PACIFIC II HOUSING PARTNERS,
L.P., a California limited partnership

By: Related/Tina Pacific II Development Co.
LLC, a California limited liability
company, its administrative general
partner

Frank Cardone, President

By: [INSERT AFFORDABLE HOUSING
ACCESS SINGLE-PURPOSE ENTITY
OR SIMILAR NON-PROFIT
PARTNER], a [INSERT TYPE OF
ENTITY], its managing general partner

By: _____
[NAME, TITLE]

EXHIBIT "1"
TO
NOTICE OF AGREEMENT

Project Site Legal Description

[Attached behind this cover page]

**EXHIBIT K
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

CERTIFICATE OF COMPLETION

[Attached behind this cover page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Stanton Housing Authority
7800 Katella Avenue
Stanton, CA 90680
Attn: Executive Director

Space above line for Recorder's use only
Exempt from Recording Fees pursuant to Govt. Code § 27383

CERTIFICATE OF COMPLETION

I, Robert W. Hall, Executive Director of the Stanton Housing Authority ("Authority"), certify on behalf of the Authority as follows:

Section 1. This Certificate of Completion is made with respect to that certain Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II) entered into by and between the Stanton Housing Authority, a public body, corporate and politic, and Tina Pacific II Housing Partners, L.P., a California limited partnership ("Developer") dated _____ ("Agreement"). The Agreement is an official record of Authority and a copy of the Agreement may be inspected in the City of Stanton City Clerk's office, located at 7800 Katella Avenue, Stanton, California, during regular business hours. All capitalized terms not otherwise defined in this certificate shall have the same meaning as ascribed to those terms in the Agreement.

Section 2. The seventy-eight (78) unit affordable housing rental project ("Project") required to be rehabilitated in accordance with the Agreement on that certain real property ("Property") described on Attachment No. 1 to this Certificate of Completion has been completed in accordance with the provisions of the Agreement.

Section 3. Pursuant to Section 4.11 of the Agreement, this Certificate of Completion is a conclusive determination of the satisfactory completion of Developer's obligation to complete the Project on the Property; provided, however, that Authority may enforce any covenants and obligations surviving this Certificate of Completion in accordance with the terms and conditions of the Agreement and Regulatory Agreement.

[Signatures on following page]

DATED AND ISSUED this ____ day of _____, 201____.

By:

Robert W. Hall
Executive Director

ATTEST:

Secretary

ATTACHMENT NO. 1
TO
CERTIFICATE OF COMPLETION

Legal Description of the Property

**EXHIBIT L
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

DEVELOPER OFFICIAL ACTION

[Attached behind this cover page]

CERTIFICATION OF L.P. AUTHORITY

The undersigned general partners of Tina Pacific II Housing Partners, L.P. (the "LP"), do certify that we are all of the general partners of the LP and that there are no other general partners.

We further certify that any one (1) of the following named persons, individually:

[INSERT NAMES]

be, and they are, authorized and empowered for and on behalf of and in the name of the LP to execute and deliver that certain Disposition and Development Agreement (Tina Pacific Neighborhood Revitalization Phase II), dated [September 12, 2018], between the Stanton Housing Authority, a public body, corporate and politic ("Authority"), and the LP (the "Agreement"), to purchase certain real property located in the City of Stanton, California, as specifically described in the Agreement, and all other documents to be executed by the LP in connection with the transactions contemplated in the Agreement, and to take all actions that may be considered necessary to conclude the transactions contemplated in the Agreement and perform the other obligations of the LP pursuant to the Agreement.

The authority conferred shall be considered retroactive, and any and all acts authorized in this document that were performed before the execution of this Certificate are approved and ratified. The authority conferred shall continue in full force and effect until the Authority shall have received notice in writing from the LP of the revocation of this Certificate.

We further certify that the activities covered by the foregoing certifications constitute duly authorized activities of the LP; that these certifications are now in full force and effect; and that there is no provision in any document under which the LP is organized and/or that governs the LP continued existence, limiting the power of the undersigned to make the certifications set forth in this certificate, and that such certifications are in conformity with the provisions of all such documents.

LP General Partners:

**EXHIBIT M
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)**

SCHEDULE OF PERFORMANCE

[Attached behind this cover page]

EXHIBIT M
TO DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)

SCHEDULE OF PERFORMANCE

<u>Task/Event</u>	<u>Time of Performance</u>
1. Effective Date of the Agreement Pursuant to Section 1.1.40, Authority shall execute the Agreement if and when all of the following have occurred: (a) Authority has received three (3) counterpart originals of the Agreement, (b) Authority has received a certified copy of the Developer Official Action (Exhibit L), and (c) the Agreement is approved by the governing board of Authority.	Not later than September 30, 2018.
2. Basic Conceptual Drawings Developer shall prepare and submit basic conceptual, preliminary drawings to Authority for review and approval.	(COMPLETED)
3. Construction Drawings Developer shall submit Construction Drawings for the Project to Authority for review.	On or before one hundred and fifty (150) days after Developer obtains a preliminary reservation of Tax Credits.
4. Approval of Construction Drawings Authority shall review and approve, approve with conditions or disapprove Developer's Construction Drawings for the Project.	Within ten (10) business days of receipt.
5. Termination of Existing Tenancy Pursuant to Section 2.11, Authority shall cause all occupants to vacate the premises at least two (2) months prior to the Close of Escrow.	At least two (2) months prior to the scheduled Close of Escrow.
6. Closing Documents in Final Form Developer shall deliver all of the documents listed in Section 3.4.1 in final form to Authority	At least three (3) calendar days before the Close of Escrow.

- | | | |
|-----|---|--|
| 7. | Close of Escrow
Pursuant to Sections 3.3 and 3.4, escrow shall close when all Conditions to Close of Escrow have been satisfied or waived by the benefited party. | Within two (2) days of notification by Authority and Developer to Escrow that all Conditions to Close of Escrow are satisfied and/or waived and Developer's financing is ready to close. |
| 8. | Obtain Building Permits
Developer shall, at its own expense, secure any and all permits and approvals required for the construction of the Project. | Not later than ten (10) business days after the Close of Escrow. |
| 9. | Commence Construction
Pursuant to Section 1.1.92, Developer shall commence construction of the Project. | Not later than ten (10) days after Close of Escrow. |
| 10. | Project Completion Date
Developer shall complete construction of the Project. | Within thirty-six (36) months from the Project Commencement Date. |

EXHIBIT N
TO
DISPOSITION AND DEVELOPMENT AGREEMENT
(Tina Pacific Neighborhood Revitalization Phase II)

LOAN COMPONENTS

Stanton Tina Pacific Phase II
Exhibit N - Loan Components

Authority Demolition/Remediation (Completed Work)

Authority owned/demolished properties	\$90,000
Remediation of authority owned/demolished properties	\$4,500
Total	\$94,500

Relocation

Authority Completed Relocation Work of Demolished Properties	\$146,400
Authority Completed Relocation Work of Non-Demolished Properties	\$0
Authority Relocation Work of Remaining Properties (Estimate)	\$1,103,564
<i>Relo of Authority owned/tenant occupied properties</i>	\$405,082
<i>Relo of Authority non-owned properties targeted for acquisition</i>	\$698,482
Relocation Consultant (Estimate)	\$130,760
Total	\$1,380,724

EIR, and Appraisal

Environmental Impact Report (EIR) - Paid for as part of Phase I	\$0
Appraisal	\$15,680
Total	\$15,680

Acquisition

Authority - Already Purchased Properties (Completed)	\$5,820,615
Authority - Remaining Properties to be Purchased (Estimate)	\$7,000,000
Total Purchase Price	\$12,820,615

Total Acquisition, Demolition, Remediation, Relocation, EIR, and Appraisal	\$14,311,519
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**SUMMARY REPORT PURSUANT TO
SECTION 33433
OF THE
CALIFORNIA HEALTH AND SAFETY CODE
ON
THE DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN
THE HOUSING AUTHORITY AS THE HOUSING SUCCESSOR ENTITY
TO THE STANTON REDEVELOPMENT AGENCY
AND
TINA PACIFIC II HOUSING PARTNERS, LP**

I. INTRODUCTION

California Health and Safety Code Section 33433, requires that before any property of a former redevelopment agency acquired with tax increment monies is sold or leased for development, the sale or lease must first be approved by the legislative body after a public hearing. A copy of the proposed sale or lease agreement and a summary report that describes and contains specific financing elements of the proposed transaction shall be available for public inspection prior to the public hearing. The following information shall be included in the summary report:

1. The cost of the agreement to the public agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the public agency, plus the expected interest on any loans or bonds to finance the agreement;
2. The estimated value of the interest to be conveyed or leased, determined at the highest and best use permitted under the redevelopment plan;
3. The estimated value of the interest to be conveyed in accordance with the uses, covenants, and development costs required under the proposed agreement with the City, i.e., the reuse value of the site;
4. An explanation of how the sale or lease of the property will assist in the elimination of blight and provide housing for Very Low-, Low-, or Moderate-Income persons; and
5. The purchase price or sum of the lease payments that the lessee will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the City shall provide as part of the summary an explanation of the reasons for the difference.

This report outlines the salient parts of the Disposition and Development Agreement (Agreement) to be entered into by and between the Housing Authority and Tina Pacific II Housing Partners, LP (Developer). This report is being prepared due to the fact that tax increment monies from the Agency were used to acquire the real property which is the subject of the Agreement.

This report is based upon information in the proposed Agreement and is organized into the following six sections:

1. **Summary of the Proposed Agreement** – This section includes a description of the property, the proposed development and the major responsibilities of the Agency and the Developer.
2. **Cost of the Agreement to the Agency** – This section outlines the cost of the Agreement to the Agency for costs that have been funded with tax increment funds. It presents the terms of the property conveyance, and sets forth the net cost of the Agreement to the Agency.

3. **Estimated Value of the Interest to be Conveyed** – This section summarizes the value of the property to be sold or leased to the Developer.
4. **Consideration Received and Reasons Therefor** – This section describes the value of the payments to be made by the Developer to the Agency. It also contains a comparison of the purchase price and the fair market value at the highest and best use consistent with the redevelopment plan for the interests conveyed.
5. **Provision of Very Low, Low, or Moderate Income Housing** – This section demonstrates how the sale of the property will provide housing for Very Low-, Low-, or Moderate-Income persons.
6. **Elimination of Blight** – This section explains how the project will eliminate blighting conditions.

II. SUMMARY OF THE PROPOSED AGREEMENT

A. *Description of the Property and the Proposed Project*

The former Stanton Redevelopment Agency (“**Agency**”) was the owner of nine (9) real properties located in the City of Stanton, California, consisting of six (6) properties currently occupied by tenants and three (3) properties that are unoccupied and on which the improvements have already been demolished (collectively, the “**Authority Properties**”). The Authority is in the process of negotiating the acquisition of seven (7) properties located in the City of Stanton, California (“**Acquisition Properties**”). The Authority Properties and Acquisition Properties are located adjacent to one another, and are collectively referred to in this Agreement as the “**Properties**.”

Pursuant to Health and Safety Code Section 34172, the Agency was dissolved on February 1, 2012, and the Agency’s housing functions and assets, including the Authority Properties, were transferred to the Authority pursuant to Health and Safety Code Section 34176. The transfer of the Authority Properties from the dissolved Agency to the Authority was approved on the Authority’s Housing Asset Transfer form submitted to and approved by the California Department of Finance.

Developer desires to construct the Tina Pacific Neighborhood Revitalization Phase II project on the Properties consisting of a seventy-eight (78) unit residential development that would include the new construction of fifty-four (54) two bedroom units, one of which will be occupied by an on-site property manager, and twenty-four (24) three bedroom units that are rented to low income households, as more particularly described in the Scope of Development attached to the Agreement (the “**Project**”).

Authority desires to acquire the Acquisition Properties and, if acquired, subsequently convey the Properties to Developer to facilitate the development of the Project, subject to Developer securing the financing necessary for the development of the Project and Developer’s commitment to maintain seventy-seven (77) of the units as affordable housing units that will be rented in accordance with the terms of the Regulatory Agreement. The Project units are proposed to be restricted, pursuant to HCD or TCAC, whichever is more restrictive, to the following affordability levels: (i) 20 units are restricted at 30% HCD/TCAC AMI, (ii) 8 units are restricted at 45% HCD/TCAC AMI, (iii) 31 units are restricted at 50% HCD/TCAC AMI, and (iv) 18 units are restricted at 60% HCD/TCAC AMI. One manager’s unit will be provide free of charge.

Developer

The Developer of the subject property is Tina Pacific II Housing Partners, LP, a single purpose entity created by Related California. The Housing Authority selected the Developer through a competitive process in 2013.

B. Agency Responsibilities

The Housing Authority's responsibilities under the Agreement include the following:

- The attempted acquisition of the Acquisition Parcels.
- The sale of the Properties to the Developer for a purchase price of the sum of (a) the lesser of the appraised value of or the purchase price paid by the Authority for the Authority Properties ; and (b) the lesser of appraised value or the purchase price paid by the Authority for the Acquisition Properties ("Purchase Price").
- Making a residual receipts loan of approximately Fourteen Million Three Hundred Eleven Thousand Five Hundred Nineteen dollars (\$14,311,519).
- Closing the land sale subject to Developer satisfying a number of conditions Including:
 - Providing evidence that the project's financing is in place including receipt of a Tax Credit allocation reservation from TCAC
 - Obtaining all approvals for the proposed project, including complying with CEQA
 - Execution of all required documents including the Authority Loan documents and the Regulatory Agreement

C. Developer Responsibilities

The Developer is responsible for developing the project in accordance with the terms of the Agreement. The following are among the key responsibilities of the Developer:

- Obtaining a Tax Credit allocation reservation;
- Developing the project, including seventy-eight (78) unit residential development that would include the new construction of fifty-four (54) two bedroom units, one of which will be occupied by an on-site property manager, and twenty-four (24) three bedroom units that are rented to low income households, in accordance with a schedule of performance;
- Cause the project's contractor to pay prevailing wages in the construction of the project, if required by state law;
- The developer shall lease each of the units to income-eligible households consistent with the Regulatory Agreement.

COST OF THE AGREEMENT TO THE AGENCY

This section presents the total cost of the Agreement to the Housing Authority.

A. Estimated Cost to the Authority

The Authority's costs related to the proposed project include the Authority's initial acquisition of the property; subsequent costs the Authority incurred to relocate the tenants, and anticipated costs for future acquisition and relocations. With respect to previous and future acquisition costs, the Agency anticipates total acquisition costs of \$12.12 million, or approximately \$69.5/square foot of land area for the 4-acre total site. In terms of the relocation costs, the Agency's records and estimated future costs indicate that approximately \$2.1 million will be incurred to complete the relocation process of the existing tenants. Therefore, the total costs to the Agency are estimated at \$14.72 million (\$12.12 million for acquisition, \$2.1 million for relocation, and \$500,000 for non-reimbursable administration costs).

Currently, neither Authority nor Developer own any portion of or interest in the Acquisition Properties. Authority shall use its best efforts to acquire the Acquisition Properties directly from

the current Acquisition Properties owners by negotiated purchase. If Authority is unable to negotiate the purchase of the Acquisition Properties between itself and the Acquisition Properties owners, Authority may consider initiating eminent domain proceedings to acquire the Acquisition Properties. The costs of these acquisitions have not been determined at this time.

Any interest costs that the Agency may have incurred in financing the acquisition or remediation costs are considered nominal on a net present value (NPV) basis due to the time value of money.

B. Revenues to the Agency

The revenues to the Agency consist of the payment of the purchase which shall be based upon the cost of acquisition and relocation of the Properties which shall be paid through the terms of the residual receipts loan repayment.

C. Net Cost to the Agency

The net cost to the Agency resulting from this transaction is the difference between the Agency's costs and revenues. Given that the costs are estimated at \$14.8 million and the revenues are \$14.3 million, the net cost to the Agency associated with the proposed project is \$500,000.

III. VALUE OF THE INTEREST TO BE CONVEYED

A. Estimated Value at Highest and Best Use

Appraisals conducted in 2016 have determined that the highest and best use of the subject sites as available for development is for a high density residential subdivision development. The appraisal determined that the site's fair market value adjusted for market conditions is \$14.3 million.

B. Reuse Value

The reuse value of the site is directly a function of the development economics of the specific project required in the Agreement. The project will consist of a total of 77 affordable units, plus one manager's unit. Based upon the development requirements and restrictions in the Agreement, the reuse value is \$14.3 million.

IV. CONSIDERATION RECEIVED AND REASONS THEREFOR

VI. BLIGHT ELIMINATION

The project will consist of 77 affordable housing units and one onsite management unit. The area was formerly blighted. The original development consisted of 40 4-plex apartment complexes and a single family home and was operated as one large apartment complex. In the 1970s, the complex was subdivided into 40 different parcels, each with a 4-plex building, and a four-car garage structure. One parcel also included the single family residence, which was originally the caretaker/manager unit for the development.

The newly created parcels were then sold to individual buyers, and the continuity of maintenance of the 4-plex buildings ceased. The neighborhood began to deteriorate, property maintenance was severely diminished, and there was an increase in criminal activity in the neighborhood and surrounding areas. By the mid 2000s, the Tina Pacific Neighborhood constituted 15% of all the City's calls for services for the Sheriff's Department.

Due to the deteriorated, blighted state of the neighborhood, and the significant level of calls for service, in 2009 the City Council authorized the initiation of the acquisition of properties within the Tina Pacific Neighborhood in preparation of a future project. From 2009 to 2012, the Stanton Redevelopment Agency purchased 25 of the 40 parcels in the neighborhood utilizing a mixture of low mod housing funds, and bond monies.

This Project will result in the elimination of the original 4-plex buildings and revitalize the area with new affordable housing.

ORDINANCE NO. 1084

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING SECTION 10.08.060 OF TITLE 10 OF THE STANTON MUNICIPAL CODE IN REGARD TO PERMIT PARKING REGULATIONS

WHEREAS, pursuant to Vehicle Code section 22507, the City of Stanton has the legal authority to establish permit parking on City streets; and

WHEREAS, in April 2016, the Attorney General for the State of California published Opinion 14-304 ("AG Opinion"), which interprets aspects of Vehicle Code Section 22507; and

WHEREAS, in accordance with the AG Opinion, in issuing long-term residential permits, local authorities may not distinguish between single family and multi-family dwelling units, but must treat the dwelling units equally for purposes of permit parking; and

WHEREAS, Urgency Ordinance No. 1055 was adopted by the City Council on June 28, 2016, to place a temporary moratorium on the establishment of new permit parking areas to allow for staff to evaluate the existing program, and determine a path forward to be consistent with the AG Opinion; and

WHEREAS, Urgency Ordinance No. 1058 was adopted by City Council on August 9, 2016 to extend the moratorium until February 9, 2017; and

WHEREAS, Urgency Ordinance No. 1075 was adopted by City Council in January, 2018 to extend the moratorium until February 13, 2019; and

WHEREAS, during the moratorium periods, City staff evaluated the existing program to determine compliance with the AG Opinion and Vehicle Code Section 22507; and

WHEREAS, City staff also evaluated existing programs in surrounding cities and the City's residential neighborhoods to draft an appropriate program to comply with the Attorney General Opinion; and

WHEREAS, throughout, City staff has met with stakeholders; and

WHEREAS, on February 12, 2019, the City Council considered the staff report, recommendations by staff, and all written and oral public testimony regarding the proposed ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES ORDAIN AS FOLLOWS:

SECTION 1. CEQA. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 2. Section 10.08.060 is hereby deleted in its entirety and restated to read as follows:

"Section 10.08.060 Permit Parking.

A. The City of Stanton, under the authority of California Vehicle Code Section 22507, hereby designates all public residential streets within the geographic limits of Stanton as permit parking-eligible and authorized for inclusion in a residential permit parking district. Permit parking districts shall be established and modified pursuant to the "City of Stanton Residential Permit Parking Guidelines" adopted by the City Council and on file with the Director of Public Works (the "Director"), as those Guidelines may be amended from time to time by the Director ("Guidelines"). Once a permit parking district has been created pursuant to and in accordance with the Guidelines, parking on streets or street segments within the district that require a permit shall be limited to persons holding permits issued by the City of Stanton as provided for in this section.

B. Residential permit parking districts, streets and street segments shall be established and modified pursuant to the petition and survey process and requirements set forth in the Guidelines, including the requirement that at least seventy five (75) percent of the eligible residents, as defined in the Guidelines, affirmatively vote to be a permit parking only area. A petition for permit parking shall furnish the information required by the Guidelines and any supporting documentation reasonably requested by the Director or his or her designee, and shall be accompanied by the fee(s) established by resolution of the City Council. In order to approve a petition, the Director or his or her designee must determine that all of the requirements contained in the Guidelines and this Section 10.08.060 have been satisfactorily met.

C. The Director or his or her designee is authorized to administer and implement the provisions of this Section 10.08.060 and the Guidelines, including establishing and modifying the boundaries of permit parking districts and amending the Guidelines to achieve the purposes of the City's permit parking program.

D. Parking permits shall be issued based on residence. The total number of parking permits issued for a residence shall be a maximum of three (3) permits, and shall be subject to the restrictions and conditions provided for in the Guidelines and this Section. Except as set forth in this Subsection, and further subject to Subsection E, the total number of permits shall not exceed three (3) per residence.

E. A maximum of one hundred (100) one-day guest parking permits per year may be issued to each residence upon payment of the applicable guest permit parking fee. Notwithstanding the foregoing, more than 100 such one-day guest parking permits may be approved by the Director, in his or her discretion, for extraordinary events, provided such events are consistent with the use of the property in and around the event, the number of available parking spaces, and any other requirements of the Stanton Municipal Code. One-day guest permits shall only be valid for use in the permit parking district for which they were issued and may not be transferred to another permit parking district.

F. Any permit issued by the Director pursuant to this section shall be valid for a period of two (2) years, or fraction thereof, or as long as the person to whom the permit is issued owns or controls the property that entitled the person to the permit, or until the residential permit parking district for which such permit was issued no longer exists, whichever period of time is less.

G. Each permit, including guest parking permits and transfer parking permits, shall be subject to a permit fee, and no parking permit shall be issued until the applicant has paid the full permit fee. The amount of the permit fees shall be established by resolution of the City Council.

H. Except as otherwise provided in this section, it shall be unlawful for any person to stand or park any vehicle on any street or portion thereof that has been designated as permit parking only, unless a valid permit parking issued by the City of Stanton is displayed on the vehicle. The decal shall be displayed in clear view as further indicated in the permit issuance instructions.

I. It shall be unlawful for any person to sell, rent, copy or lease, or cause to be sold, rented, copied or leased, for any value or consideration, any parking permit or guest parking permit. Upon the conviction of a violation of this subsection, all parking permits or guest parking permits issued to, or for the benefit of, the residence for which the sold, rented, or leased permit was authorized, shall be void.

J. It shall be unlawful for any person to buy or otherwise acquire for value or use any parking permit, except as provided in this ordinance.

K. It shall be unlawful for any person to move solid waste containers in a manner that precludes collection of solid waste, obstructs driveways or other rights of way, or otherwise interferes with vehicular traffic in order to park on a street or portion thereof designated as permit parking only.

L. Each permit issued pursuant to this Section 10.08.060 shall be subject to all the conditions and restrictions applicable to the residential permit parking district for which it was issued, including any conditions or restrictions set forth in the Guidelines.

M. No permit shall be issued for tractor or other trailers, recreational vehicles or other towable trailers.

N. Short-term rental property owners and occupants of short-term rental units are not eligible to obtain or use parking permits for short-term rental properties under this Section 10.08.060.

O. The provisions of this section shall not apply to any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency, or to the vehicle of a licensed physician who is responding to an emergency provided that vehicle displays an insignia approved by the California Department of Motor Vehicles indicating that the vehicle is owned by a licensed physician.

P. Nothing contained in this section shall be deemed to authorize vehicle parking at any location or at any time otherwise prohibited by any other provision of law.

Q. The Director shall place or cause to be placed appropriate signs and/or markings adjacent to or at the beginning and end of the street segment in the permit parking district that describes the permit parking restrictions applicable to the permit parking district.

R. Sheriff's officers, City code enforcement officers and other persons authorized by State law are hereby authorized and directed to issue citations to any person who violates Section 10.08.060 of this Chapter, and such citation shall be deemed to be a civil complaint charging violations of this chapter and title and requiring payment of the penalty set forth therein. The method of giving notice of citation for unattended vehicles shall be as specified in Section 40202 of the California Vehicle Code or any successor provision thereto. Violations of this section shall be processed as civil penalties in accordance with California Vehicle Code Sections 40200 et seq., or any successor provision thereto.

S. A parking permit shall be subject to revocation if (i) a permit holder commits two (2) or more violations of any provision of the Stanton Municipal Code, the California Vehicle Code or the California Penal Code during the exercise of permit parking privileges in a continuous six (6) month period; or (ii) the permit is issued to a vehicle that has two (2) or more violations of this section 10.08.060 within a continuous period of six (6) months. These factors may also be taken into consideration by the Director or his or her designee when determining whether to issue a permit pursuant to this section 10.08.060.

T. Upon determining that grounds for permit revocation exist, the Director shall furnish written notice of the proposed revocation to the permit holder. Such notice shall summarize the principal reasons for the proposed revocation; shall state that the permit holder may request a hearing within fifteen (15) calendar days of the postmarked date on the notice; and shall be delivered by sending the notice by certified mail, postage prepaid, addressed to the permit holder as that name and address appear on the permit. Within fifteen (15) calendar days after mailing of the notice, the permit holder may file a request for hearing with the Director. If the request for a hearing is filed within fifteen (15) calendar days of mailing of the notice, the Director shall transmit the request to a Hearing Officer to provide a hearing, as set forth in subsection 10.08.060.U of this chapter.

U. The Hearing Officer shall conduct a public hearing on the proposed revocation at a time, date and location set by the Hearing Officer, which date shall be at least ten (10) calendar days but not more than thirty calendar (30) days after the date upon which the permit holder requests a hearing, unless the permit holder and the City expressly agree to an extension of such period of time. The permit holder shall be provided written notice by certified mail at least ten (10) calendar days advance notice of such hearing date.

V. The Director or his or her designee shall ensure that the conviction and/or citation records are delivered to the Hearing Officer prior to the hearing. The conviction and/or citation shall be accepted by the Hearing Officer as prima facie evidence of violations and the facts stated in such documents.

W. At the hearing, the permit holder shall be entitled to testify under oath and call witnesses who shall testify under oath. The Hearing Officer shall not be bound by the statutory rules of evidence in the hearing, except that hearsay evidence may not be the sole basis for the determination of the Hearing Officer.

X. Within ten (10) calendar days after the hearing, the Hearing Officer shall decide whether the grounds for revocation exist. If grounds for revocation exist, the Hearing Officer shall revoke the permit, specifying in writing the grounds upon which the permit is revoked. Notice of the decision of the Hearing Officer shall be given in writing to the permit holder by certified mail, postage prepaid, and to any other person or entity expressly requesting notice thereof. The decision of the Hearing Officer shall also be immediately transmitted to the Director. The decision of the Hearing Officer shall be deemed final.

Y. Residential streets and street segments designated as permit parking only as of February 12, 2019 shall be continue to be designated as permit parking only. Applications for new permits within those streets and street segments shall be required to comply with requirements of this section, including the limitations on the maximum of number of permits."

SECTION 3. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of the adoption and shall post a Certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

SECTION 5. The documents and materials associated with this Ordinance that constitute the record of proceedings on which these findings are based are located at Stanton City Hall, 7800 Katella Ave., Stanton, California 90680. The City Clerk is the custodian of the record of proceedings.

SECTION 6. This ordinance shall be effective thirty days after its adoption.

PASSED, APPROVED, and ADOPTED this 26th day of February, 2019.

DAVID J. SHAWVER, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS .
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1084 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 12th day of February, 2019 and was duly adopted at a regular meeting of the City Council held on the 26th day of February, 2019, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON

ORDINANCE NO. 1086

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 5.74 TO TITLE 5 OF THE STANTON MUNICIPAL CODE, IMPOSING REGULATIONS ON SIDEWALK VENDING IN COMPLIANCE WITH SENATE BILL 946

WHEREAS, the City of Stanton, California ("City") is a municipal corporation, duly organized under the California Constitution and laws of the State of California; and

WHEREAS, pursuant to the police powers delegated to it by the California Constitution, the City has the authority to enact laws which promote the public health, safety, and general welfare of its citizens, including sidewalk vending, as long as these are consistent with SB 946; and

WHEREAS, in 2018, the California Legislature passed SB 946 which prohibits cities from regulating sidewalk vendors, except in accordance with the provisions of SB 946; and

WHEREAS, SB 946 authorizes the implementation of regulations that are directly related to objective health, safety, or welfare concerns, and that do not restrict sidewalk vendors to operate only in a designated neighborhood or area, except as specified; and

WHEREAS, the permit requirements proposed are consistent with SB 946, as they are reasonable, related to objective health, safety, and welfare concerns, and are based upon compliance with other generally applicable laws including the Americans with Disabilities Act and the City's general encroachment permit requirements for work and/or activities in the public right of way; and

WHEREAS, the standards imposed on stationary sidewalk vendors requiring a minimum path of accessible travel are necessary to comply with the Americans with Disabilities Act and maintain minimum safe access along public sidewalks; and

WHEREAS, standards for maintaining access to building entrances, and not blocking driveways, fire hydrants, parking areas and building storefront windows are necessary to guard the health and safety of patrons, drivers, vendors and existing business owners and promote fire suppression and law enforcement practices that allow the City's safety personnel to observe activities within buildings and maintain access; and

WHEREAS, the City Council finds and determines that the installation, repair, maintenance, and removal of encroachments in the public way must be regulated in order to protect the public health, safety, and welfare and to provide for the orderly administration and maintenance of the public access ways for the benefit of the community, while at the same time allowing reasonable accommodation and cooperative flexibility for providing necessary utility and other convenience services to the community; and

WHEREAS, the City Council finds that public and private persons who maintain and/or install encroachments in the public way bear a responsibility to help preserve the public way and to contribute to the administrative and liability costs incurred by the community and caused by such encroachments; and

WHEREAS, the City Council finds that, unless properly regulated, sidewalk vending poses a unique risk to the health, safety, and welfare of the public, including, but not limited to, impacts to traffic, pedestrian safety, mobility, unsanitary conditions involving food preparation, risks to children, and consumer protection; and

WHEREAS, vending within five hundred (500) feet of schools impacts pedestrian and vendor safety due to overcrowding on sidewalks, which results in school children and their caretakers walking in the street and along the sidewalk to keep moving forward; and

WHEREAS, vending in close proximity to building entrances and exits impede the ability for pedestrians to exit and enter buildings and may create overcrowding situations close to building entrances and exits. Therefore, vending close to building entrances and exits require reasonable regulation; and

WHEREAS, law enforcement and fire fighters and fire officials may also need to quickly exit and enter police and fire stations and substations to respond to emergency situations. As such, vending in close proximity to police and fire stations and substations require regulation to ensure that law enforcement and fire responders are not impeded; and

WHEREAS, the inherent nature of sidewalk vending and the ability of such vendors to be located on private property and public streets and move quickly from place to place in the community, including near parks, schools, and other places frequented by children, warrants imposing certain regulatory measures, including requiring background checks, to protect the health, safety, and welfare of the community; and

WHEREAS, SB 946 continues to authorize cities to prohibit sidewalk vendors in areas located within the immediate vicinity of a permitted certified farmers' market and a permitted swap meet, as specified, and to restrict or prohibit sidewalk vendors within the immediate vicinity of an area designated for a temporary special permit issued by a city; and

WHEREAS, fraud or misrepresentation in the course of vending constitutes an objective harm to the health, safety, and welfare of the City's residents; and

WHEREAS, vending in a manner that creates a public nuisance or constitutes a danger to the public constitutes an objective harm to the health, safety, and welfare of the City's residents; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES ORDAIN AS FOLLOWS:

SECTION 1. The recitals set forth above are true and correct and are hereby adopted as findings in support of this Ordinance as if fully set forth herein.

SECTION 2. Chapter 5.74 of the Stanton Municipal Code is hereby added to read as follows:

“Chapter 5.74 – SIDEWALK VENDING

Section 5.74.010 Purpose.

The City finds that the vending of prepared or pre-packaged foods, goods, and/or wares at semi-permanent locations on public sidewalks and rights-of-way may pose unsafe conditions and special dangers to the public health, safety, and welfare of residents and visitors. The purpose of this Chapter is to implement regulations on both roaming and stationary sidewalk vending that protect the public health, safety, and welfare of the community while complying with the requirements of general state law, as amended from time to time, to promote safe vending practices, prevent safety, traffic, and health hazards, and preserve the public peace, safety, and welfare of the community.

Section 5.74.020 Definitions.

For purposes of this Chapter, the following definitions apply:

A. “Certified Famers’ Market” means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code and any regulations adopted pursuant to that chapter.

B. “City” means the City of Stanton.

C. “Park” means a public park owned or operated by the City.

D. “Roaming sidewalk vendor or vending” means a sidewalk vendor who moves from place to place and stops only to complete a transaction.

E. “Sidewalk” means a portion of a street between the curbline and the adjacent property line, or an easement or right-of-way held by the city across the front of private property, and intended for the use of pedestrians. For purposes of this Chapter, “sidewalk” shall also include a paved path or walkway owned by the City or other public entity that is specifically designed for pedestrian travel.

F. “Sidewalk vendor or vending” means a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other non-motorized conveyance, or from one’s person, upon a public sidewalk or other pedestrian path.

G. "Swap Meet" means a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the Business and Professions Code, and any regulations adopted pursuant to that article.

H. "Temporary Use Permit" means a City-issued permit to hold a temporary land use activity, as defined in Section 20.540.020, and includes the activities described in Section 20.540.050 of this Code.

I. "Special Events Permit" means a City-issued permit to hold a special event, as defined in Section 20.540.020 and includes the activities described in Section 20.540.060 of this Code.

Section 5.74.030 Permits Required.

A. All sidewalk vendors shall obtain a Sidewalk Vending Permit from the City Community Development Department prior to engaging in any sidewalk vending activities. The following information shall be required:

1. Name, current mailing address, and phone number of the vendor; and
2. If the vendor is an agent of an individual, company, partnership, or corporation, the name and business address of the principal; and
3. If the vendor will have employees, the name(s), current mailing address(es), and phone numbers of the person(s) who will be employed as a stationary or roaming sidewalk vendor(s); and
4. The number of sidewalk vending operations the vendor intends to operate within the City; and
5. The days and hours of operation the sidewalk vendor intends to operate; and
6. Whether the vendor intends to operate as a stationary or roaming sidewalk vendor; and
7. If applicable, a description of the type of food proposed to be offered for sale or exchange; and
8. If applicable, a description of the merchandise/goods to be offered for sale or exchange; and
9. A copy of the California seller's permit with the sales tax number issued by the California Department of Tax and Fee Administration to the vendor; and

10. A copy of the vendor's social security card with the number; or
A copy of the valid California Driver's license issued to the vendor;
or
A copy of the individual taxpayer identification number issued to the vendor; or
A municipal identification number.
 - a. Any such identification number(s) or license(s) collected shall not be available to the public for inspection and shall remain confidential and not be disclosed except as required to administer the permit or licensure program or comply with a state law or state or federal court order.
11. If preparing or selling food, a copy of the Orange County Health Department permit issued to the vendor; and
12. A list of all other cities or other jurisdictions in which the vendor has operated a vending operation in the past three (3) years; whether a permit was required to operate; and whether a permit for vending has been revoked in the past three (3) years; and
13. A description or site plan map of the proposed location(s) where vending will take place, showing that the sidewalk location maintains a minimum of thirty-six inches (36") of accessible route area when considering the vendor equipment and anticipated customer queue, in compliance with the Americans with Disabilities Act; and
14. A copy of an encroachment permit issued by the City pursuant to Chapter 12.12 of the Stanton Municipal Code; and
15. A copy of general liability policy naming the City as additional insured in the amount of \$1,000,000.00; and
16. An acknowledgement that the vendor will comply with all generally applicable local, state, and federal laws; and
17. A certification by the vendor that to his or her knowledge and belief, the information contained in the application is true; and
18. An agreement by the vendor to indemnify, defend (at the vendor's sole cost and expense), and hold the City of Stanton, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries,

liabilities or losses which arise out of, or which are in any way related to, the City's issuance or failure to issue a sidewalk vending permit, the City's decision to approve or its refusal to approve the sidewalk vending permit, the operation of the sidewalk vending use and activity, and the process used by the City in making its decision. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, or proceeding whether incurred by the permittee, City, and/or the parties initiating or bringing such proceeding; and

19. An acknowledgement that use of public property is at the vendor's own risk, and the City does not take any steps to ensure public property is safe or conducive to sidewalk vending operations.

B. Prior to the issuance of a Sidewalk Vending Permit, the applicant shall cause to be filed with the Chief of Police or his or her designee a LiveScan background check conducted by the California Department of Justice within the previous six (6) months of the application date. The Chief of Police shall furnish each applicant with a LiveScan request form for use at any LiveScan vendor location.

C. At the time the application or renewal application is filed, the application shall pay the permit processing fee established by separate resolution of the City Council.

Section 5.74.040 Review of Permit Application; Decision.

D. Upon acceptance of a properly completed and filed Sidewalk Vending Permit application and receipt of an acceptable LiveScan report issued by the Department of Justice, the Community Development Department shall conduct a preliminary investigation to determine compliance with this Chapter and shall make such determination within no more than thirty (30) days of acceptance to approve or deny the application. The Community Development Department shall provide the applicant with written notice of his or her decision to the address indicated in the application.

E. The Community Development Director shall deny an application for a permit if he or she makes any of the following findings:

1. The applicant has failed to pay the application permit fee.
2. The applicant has made one or more material misstatements in the application for a permit.
3. The applicant does not have a valid social security card or valid California Driver's license; or valid individual taxpayer identification number; or a municipal identification number.

4. The applicant's vending operation, as described in the application, is inconsistent with the standards, conditions, and requirements of this Chapter.
5. The applicant is required to register under the provisions of California Penal Code section 290.
6. Within three (3) years of the date of the application, the applicant has been convicted in a court of competent jurisdiction or pled nolo contendere to any felony offense involving the sale of a controlled substance specified in California Health and Safety Code sections 11054, 11055, 11056, 11057 or 11058, or at the time of application is on probation or parole for any offenses set forth in this section for an offense that was committed within three (3) years of the date of the application.
7. It is determined that the applicant does not possess all federal, state, and local permits and licenses necessary to engage in the activity in which he or she seeks to engage.
8. The applicant has had a sidewalk vending permit or similar permit revoked within the past three (3) years in the City or any other jurisdiction.

F. If the application is denied, the reasons for disapproval shall be noted on the application, and the applicant shall be notified that his or her application is denied and that no permit will be issued. Notice shall be mailed to the applicant at the address shown on the application form.

G. If the Community Development Director approves the applicant's permit, he or she shall endorse his or her approval on the application and shall, upon payment of the prescribed fee, deliver the permit to the applicant.

H. Exemptions. A sidewalk vending permit shall not be required for the following activities:

1. The sale of agriculture products on the site where the product is grown.
2. Catering for private parties held exclusively on private property and not open to the general public.
3. Events permitted pursuant to a lawfully issued Special Events Permit including but not limited to a Certified Farmers' Market, Swap Meet, street fairs, outdoor concerts, sport league opening day, and business sidewalk sales.

I. Term of permit. A Sidewalk Vending Permit issued pursuant to this Chapter shall automatically expire one (1) year from the date issued, unless an earlier expiration date is noted on the permit. It shall be the permittee's sole responsibility to renew the Sidewalk Vending Permit.

J. Transferability. A Sidewalk Vending Permit shall not be transferable to any other entity or person and is valid only as to the original applicant for the term stated.

K. Display of Permit. Such sidewalk vending permit shall, during the time such permittee is engaged in sidewalk vending, be worn constantly and conspicuously by the permittee on the front of his or her outer garment. Sidewalk vendors shall be required to exhibit their permits and/or licenses at the request of any person. If multiple sidewalk vendors are staffing a sidewalk vending operation, each vendor shall, during the operation of sidewalk vending, constantly and conspicuously wear the permit on the front of his or her outer garments.

Section 5.74.045 Generally Applicable Sidewalk Vending Standards.

Sidewalk vendors shall meet all of the following requirements:

- A. The sidewalk vendor is duly licensed and meets all requirements of section 5.74.030; and
- B. The sidewalk vendor can set up their vending operation while still leaving a minimum of thirty-six inches (36") of accessible path of travel, without obstruction from the vendor equipment and the customer queue, along the public sidewalk or public pathway; and
- C. The sidewalk vendor maintains the vending area in a clean, orderly, and sanitary condition; and
- D. Prior to leaving the vending area, the sidewalk vendor shall collect all litter and debris within a 20 foot radius of the vendor that was generated by the vending activities; and
- E. There shall be no disposal of cooking material or waste, including but not limited to used oil, into the City's trash receptacles, storm drains, plant material, or foliage. Vendors shall immediately clean up any food, grease, or other fluid or item related to the sidewalk vending operation that falls onto public property; and
- F. The sidewalk vendor location does not block entrances to private or public buildings, private or public driveways, parking spaces or building windows; and
- G. No vending shall occur within ten (10) feet of a fire hydrant, fire escape, bus stop, loading zone, handicapped parking space or access ramp; and

- H. No vending shall occur within the designated Traffic Visibility Area, as defined in Section 20.305.100 of the Code, or within a corner cut-off area, as identified in subsection W below.
- I. No tables, chairs, fences, shade structures, other site furniture, or any freestanding signs shall be permitted in conjunction with the vendors vending activities; and
- J. The sidewalk vendor shall not attach or use any water lines, electrical lines, or gas lines during vending operations; and
- K. Exterior storage or display of refuse, equipment, materials, goods, wares, or merchandise associated with the vendor is prohibited; and
- L. The sidewalk vendor shall not store, place, or keep any food or merchandise on public property; and
- M. The sidewalk vendor shall not display any signage on public property; and
- N. All signage and advertising related to the sidewalk vendor and/or the vending operations shall not be electrical, flashing, wind powered, or animated. All signage and advertising related to the sidewalk vending operation shall not constitute a hazardous, distracting or confusing sign, or a prohibited form of signage, as defined in Section 20.325.060 of the Code; and
- O. The sidewalk vendor shall not use a horn, siren, amplified music, or any other audible device to attract attention to the presence of the vending vehicle; and
- P. The sidewalk vendor shall not engage in aggressive sales, which shall include touching a person being offered food or merchandise without that person's consent, continuing to offer food or merchandise for sale to a person after he or she has declined to purchase food or merchandise, or deliberately blocking or impeding the path of the person(s) being offered food or merchandise; and
- Q. The sidewalk vendor shall publicly display any and all required business and health licenses; and
- R. The sidewalk vendor shall remit all required and applicable taxes to the applicable taxing agencies; and
- S. No vending shall occur within five hundred (500) feet of a Certified Farmers' Market, a Swap Meet, an event held pursuant to an Event Permit; and
- T. The sidewalk vendor shall not leave his or her sidewalk vending operation

unattended to solicit business for the vending operation; and

- U. The sidewalk vendor shall not contain or use propane, natural gas, batteries, or other explosive or hazardous materials. The vendor shall not use an open flame for the sidewalk vending operation; and
- V. The sidewalk vendor shall not sell alcohol, marijuana, adult-oriented material, tobacco products, products that contain nicotine, or any product used to smoke/vape nicotine and/or marijuana; and
- W. No vending shall occur within a corner cutoff area. A corner cutoff area is that area at all intersecting and intercepting streets or highways. The cutoff line shall be in a horizontal plane, making an angle of 45 degrees with the side, front, or rear property line, as the case may be. It shall pass through the points located on both sides and front, or rear property line, as the case may be. It shall pass through the points located on both sides and front or rear property lines at a distance of 30 feet from the intersection of such lines at the corner of a street or highway; and
- X. No vending shall occur within five hundred (500) feet of any public or private academic school for elementary, junior high, or high school students; and
- Y. No vending shall occur within three (3) feet of any street lights, edges of tree wells, parking meters, or above-ground utility structures; and
- Z. No vending shall occur within two (2) feet of any existing subsurface utility box, valve, or vault; and
- AA. No vending shall occur within two (2) feet of another vendor; and
- BB. No vending shall occur at bus stop locations, red curbs, or at locations where there are existing above-ground amenities such as newsstands or street furniture, including, but not limited to benches and bike racks; and
- CC. No vending shall occur in roadways, medians, pedestrian islands, or bikeways; and
- DD. No vending shall occur within twenty (20) feet of the entrance way to any building, store, theater, movie house, house of worship, or place of public assembly; and
- EE. No vending shall occur within two hundred (200) feet of City Hall, any police station, and any fire station.

Section 5.74.050 Stationary Sidewalk Vending Locations and Standards.

A. Stationary sidewalk vendors shall be prohibited from operating or establishing in any and all exclusively residential zones of the City.

B. Stationary sidewalk vendors may operate in non-residential zones of the City, including mixed use zones, provided they meet the requirements of Section 5.74.045.

C. Stationary sidewalk vendors shall only be conducted no earlier and no later than the hours of operation of businesses on the same street. If no businesses operate on the same street, stationary sidewalk vendors operating in non-residential zones of the City shall only operate between the hours of 7:00 AM and 10:00 PM of every day.

Section 5.74.060 Sidewalk Vending in Parks.

A. Sidewalk vending of food or merchandise by stationary vendors shall be prohibited in any City Park with a concession stand operated by a vendor under exclusive contract with the City selling food or merchandise.

B. Subject to Section 5.74.050(A), sidewalk vendors may operate in City Parks provided they meet all of the requirements in Section 5.74.045.

C. Sidewalk vendors shall cease operations one (1) hour prior to the close of the park.

Section 5.74.070 Roaming Sidewalk Vending.

A. Roaming sidewalk vendors shall meet all the requirements of Section 5.74.045.

B. Roaming sidewalk vending hours for residential zones shall be conducted between the hours of 9:00 AM and 6:00 PM on weekdays, and between the hours of 9:00 AM and 5:00 PM on the weekend.

C. Roaming sidewalk vendors for non-residential zones shall only be conducted no earlier and no later than the hours of operation of businesses on the same street. If no businesses operate on the same street, roaming sidewalk vendors in non-residential zones of the City shall only operate between the hours of 7:00 AM and 10:00 PM of every day.

Section 5.74.080 Suspension; Rescission.

A. A Sidewalk Vending Permit issued under this Chapter may be suspended or rescinded by the Community Development Director after four or more violations of this Chapter in accordance with Section 5.74.100 of this Chapter, at their discretion, for any of the following causes:

1. Fraud or misrepresentation in the course of vending;
2. Fraud or misrepresentation in the application for the permit;
3. Vending in a manner that creates a public nuisance or constitutes a danger to the public.

B. Notice of the suspension or rescission of a sidewalk vendor permit issued under this Chapter shall be mailed, postage prepaid, to the holder of the sidewalk vendor permit at his or her last known address.

C. No person whose street vending permit has been revoked pursuant to this chapter shall be issued a street vending permit for a period of three (3) years from the date revocation becomes final.

Section 5.74.090 Appeals to City Manager.

In the event that any applicant or permittee desires to appeal from any order, rescission, or other ruling of the Community Development Director made under the provisions of this Chapter, such applicant or any other person aggrieved shall have the right to appeal such action or decision to the City Manager within fifteen (15) days after the notice of the action or decision has been mailed to the person's address as shown on the permit application. An appeal shall be taken by filing with the City Clerk a written appeal statement setting forth the grounds for the appeal, along with the City's appeal fee, which shall be established by City Council resolution. The filing of the appeal shall stay the enforcement of any decision suspending or rescinding the permit. The City Clerk shall transmit the written statement to the City Manager within ten (10) days of its filing and payment of the appeal fee, and the City Manager shall set a time and place for a hearing on appeal. A hearing shall be set not later than sixty (60) days from the date of filing of the applicant's written appeal statement with the City Clerk. Notice of the time and place of the hearing shall be given to the appellant in the same manner as provided for the mailing of notice of suspension or rescission at least five (5) days prior to the date set for the hearing. At the hearing, the permittee and the City shall be entitled to legal representation and may present relevant evidence, testify under oath, and call witnesses who shall testify under oath. The City Manager shall not be bound by the traditional rules of evidence in a hearing, except that hearsay evidence may not be the sole basis for the decision of the City Manager. The City Manager may continue the hearing as deemed necessary. The decision of the City Manager, or his or her designee, on the appeal shall be final and binding on all parties concerned, unless timely judicial review is sought pursuant to Code of Civil Procedure Section 1094.6. In the event a timely action or proceeding is brought pursuant to Section 1094.6, the City Manager's decision shall be stayed automatically pending a final decision on the merits by the trial court. As used in this section, final decision on the merits does not include rehearing or appellate procedures.

Section 5.74.100 Penalties.

A. It is unlawful for any person to violate any provision or fail to comply with any requirements of this Chapter. A violation of this Chapter shall be punished by:

1. An administrative fine not exceeding \$100 for a first violation.
2. An administrative fine not exceeding \$200 for a second violation within one (1) year of the first violation.
3. An administrative fine not exceeding \$500 for each additional violation within one (1) year of the first violation.
4. Rescinding the vending permit issued to the vendor for the remaining term of that permit upon the fourth violation or subsequent violations.

B. A violation of vending without a sidewalk vending permit, may, in lieu of the penalties set forth in subsection (A), set forth above, be punished by:

1. An administrative fine not exceeding two hundred fifty (\$250) dollars for a first violation.
2. An administrative fine not exceeding five hundred dollars (\$500) for a second violation within one (1) year of the first violation.
3. An administrative fine not exceeding one thousand dollars (\$1,000) for each additional violation within one (1) year of the first violation.

C. If an individual is subject to subsection (B), set forth above, for vending without a Sidewalk Vending Permit, upon the individual providing proof of a valid permit issued by the City, the administrative fines set forth in this Chapter shall be reduced to the administrative fines set forth in subsection (A), respectively.

D. The proceeds of any administrative fines assessed pursuant to this Chapter shall be deposited in the treasury of the City.

E. Failure to pay an administrative fine assessed under this Chapter shall not be punishable as an infraction or misdemeanor. Additional fines, fees, assessments, or any other financial conditions beyond those authorized in this Chapter shall not be assessed.

F. Any violation of this Chapter shall not be punishable as an infraction or misdemeanor, and any person alleged to have violated any provisions of this Chapter shall not be subject to arrest except when otherwise permitted under law.

G. When assessing an administrative fine pursuant to this Chapter, the adjudicator shall take into consideration the person's ability to pay the fine. The City

shall provide the person with notice of his or her right to request an ability-to-pay determination and shall make available instructions or other materials for requesting an ability-to-pay determination. The person may request an ability-to-pay determination at adjudication or while the judgment remains unpaid, including when a case is delinquent or has been referred to a comprehensive collection program.

1. If the person meets the criteria described in subdivision (a) or (b) of Government Code section 68632, the City shall accept, in full satisfaction, twenty (20) percent of the administrative fine imposed pursuant to this Chapter.
2. The City may allow the person to complete community service in lieu of paying the total administrative fine, may waive the administrative fine, or may offer an alternative disposition.

H. A person who is currently serving, or who completed, a sentence, or who is subject to a fine, for a conviction of a misdemeanor or infraction for sidewalk vending, whether by trial or by open or negotiated plea, who would not have been guilty of that offense under SB 946 had SB 946 been in effect at the time of the offense, may petition for dismissal of the sentence, fine, or conviction before the trial court that entered the judgment of conviction in his or her case.

I. Nothing contained herein shall be construed to impede the City's or County's ability to enforce County Health Department codes and regulations."

SECTION 3. Severability. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council of the City of Stanton hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 4. This Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines, as it is not a "project" and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. 14 Cal. Code Regs. § 15378(a). Further, this Ordinance is exempt from CEQA as there is no possibility that this Ordinance or its implementation would have a significant negative effect on the environment. 14 Cal. Code Regs. § 15061(b)(3). The City Clerk shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 5. Effective Date. This Ordinance shall become effective thirty (30) days following its adoption.

SECTION 6. Publication. The City Clerk shall certify to the adoption of this Ordinance. Not later than fifteen (15) days following the passage of this Ordinance, the Ordinance, or a summary thereof, along with the names of the City Council members voting for and against the Ordinance, shall be published in a newspaper of general circulation in the City.

PASSED, APPROVED, AND ADOPTED this 26th day of February, 2019.

DAVID J. SHAWVER, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS .
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, do hereby certify that the foregoing Ordinance No. 1086 was duly introduced and placed upon its first reading at a regular meeting of the City Council on the 12th day of February 2019, and thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the 26th day of February 2019, by the following vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

CITY CLERK, CITY OF STANTON

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Member of the City Council

DATE: February 26, 2019

SUBJECT: APPROVAL OF CITY COUNCIL ETHICS POLICY

REPORT IN BRIEF:

In August, 2018, the City Council directed staff to establish a City Council Policy to serve as a standard of conduct for all elected officials, employees, and members of advisory boards, commissions, and committees of the City of Stanton.

RECOMMENDED ACTION:

1. City Council declare that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Approve Resolution No. 2019-06, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ADOPTING A CITY COUNCIL POLICY ESTABLISHING AN ETHICS POLICY FOR ALL ELECTED OFFICIALS, EMPLOYEES, AND MEMBERS OF ADVISORY BOARDS, COMMISSIONS, AND COMMITTEES OF THE CITY OF STANTON".

ANALYSIS/JUSTIFICATION:

In August, 2018, the City Council directed staff to establish a City Council Policy to promote standards of personal and professional conduct for the City Council, Commissions, Committees, and employees. On November 27, 2018 the City Council created an ad-hoc committee and appointed two members of the City Council to serve on the committee to assist in establishing the agendaized City Council Policy to convey the professional standards of the City. Pursuant to the City Council's direction creating a City Council Ethics Policy would address Strategic Plan component 6.5 Establish a City Council Policy.

ENVIRONMENTAL IMPACT:

This item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment).

FISCAL IMPACT:

None.

LEGAL REVIEW:

The City Attorney's Office has reviewed and approved as to form the attached resolution and City Council Ethics Policy.

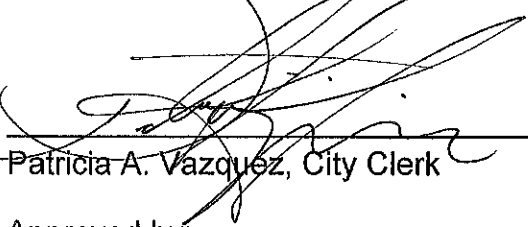
PUBLIC NOTIFICATION:

Through the regular agenda process.

STRATEGIC PLAN COMPONENT ADDRESSED:

Objective 6: Maintain and promote a Responsive, High Quality and Transparent Government.

Prepared by:



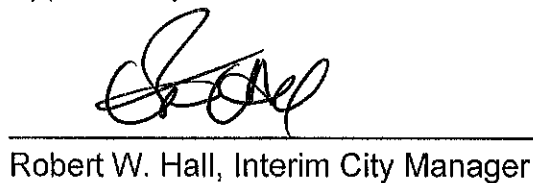
Patricia A. Vazquez, City Clerk

Reviewed by:



Matthew E. Richardson, City Attorney

Approved by:



Robert W. Hall, Interim City Manager

Attachment:

- A. Resolution No. 2019-06
- B. City Council Policy

RESOLUTION NO. 2019-06

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA
ADOPTING A CITY COUNCIL POLICY ESTABLISHING AN ETHICS POLICY FOR
ALL ELECTED OFFICIALS, EMPLOYEES, AND MEMBERS OF ADVISORY
BOARDS, COMMISSIONS, AND COMMITTEES OF THE CITY OF STANTON**

WHEREAS, in November 2018, the City Council approved the formation of an ad-hoc committee to develop a policy establishing a standard of conduct for all elected officials, employees, and members of advisory boards, commissions, and committees of the City of Stanton; and

WHEREAS, the ad-hoc committee prepared the City Council Ethics Policy and has recommended its adoption to the City Council; and

WHEREAS, through the proposed Ethics Policy, the City Council seeks to affirm the rule of law, protect the public interest, uphold fairness and accountability, safeguard public resources, and ensure respect for public officials, employees, and the public.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, DOES
HEREBY RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:**

SECTION 1: The City Council finds that this Resolution is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment).

SECTION 2: The City Council hereby approves and adopts the City Council Ethics Policy, attached hereto as Exhibit "A" and incorporated herein by reference, as the official City Council Ethics Policy for the City of Stanton.

SECTION 3: All current elected and appointed City officials, including current members of the City Council and City Commissions, Committee Members, and City employees, shall be given a copy of the City Council Ethics Policy following its adoption on February 26, 2019 and will be asked to sign an acknowledgement form at that time. Thereafter, each new member of the City Council, City Commissions, Committees, and City employees will be given a copy of the Ethics Policy and asked to sign an acknowledgement form prior to his or her first meeting/hiring.

SECTION 4: Copies of the City Ethics Policy and acknowledgment forms for elected officials and members of committees and commissions shall be maintained on file with the City's human resources division.

SECTION 5: The City Clerk shall certify to the adoption of this Resolution on behalf of the City Council, and this Resolution shall be effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council, held on this 26th day of February, 2019.

DAVID J. SHAWVER, MAYOR

APPROVED AS TO FORM:

MATTHEW E. RICHARDSON, CITY ATTORNEY

ATTEST:

I, Patricia A. Vazquez, City Clerk of the City of Stanton, Stanton, California, DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2019-06 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the City Council, held on February 26, 2019, and that the same was adopted, signed, and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON CITY COUNCIL POLICY

Preamble

The citizens of the City of Stanton are entitled to responsible, fair, and honest City government that operates in an atmosphere of respect and civility. Accordingly, the Stanton City Council adopts this policy to:

1. Describe the standards of behavior to which its leaders aspire.
2. Provide an ongoing source of guidance to elected leaders, City officials, and City employees in their day-to-day service to the City.
3. Promote and maintain a culture of ethics.

Pledge

On February 26, 2019, the City Council of the City of Stanton adopted this City Council Policy, which applies to all members of the City Council and members of City boards, commissions, committees, task forces, and City employees and requires the following pledge:

ETHICS POLICY

RESPONSIBILITY / PROTECTING THE PUBLIC INTEREST

- I comply with the Oath of Office I took upon beginning my service for the City of Stanton.
- I comply with the laws of the nation, the State of California, and the City of Stanton in the performance of my duties.
- My decisions are consistent with, among other things, the Fair Political Practices Act.
- I do not accept gifts, raffle prizes, entertainment tickets, services, or other special considerations inconsistent with the Political Reform Act because of my public position or on behalf of the City.
- Unless authorized by the City Council, I do not involve myself in the administrative processes for acquiring goods and services.
- I carefully consider if I am exceeding or appearing to exceed authority of office for personal and/or financial gain. When in doubt, I avoid actions that create, in the mind of a reasonable observer, the appearance of impropriety, ethical lapses, legal violations, or actions inconsistent with this Ethics Policy.

FAIRNESS/ACCOUNTABILITY

- I diligently prepare for meetings by studying the background, purpose, and arguments for and against items of business before a meeting. If non-policy related questions of a background nature require answers, I contact and question appropriate staff, through the City Manager or a staff liaison prior to meetings to expedite consideration of routine matters.
- I make decisions based on the merits of the issue, including research and facts. I make impartial decisions, free of narrow political interests, financial and other personal interest that impair independence of judgment or action.
- I answer questions directly, telling the truth, and admitting a lack of knowledge if one exists.
- I do not knowingly use false or inaccurate information to support my position or views.
- I deter rumors and misunderstandings by making factual information available.
- If I receive substantive information that is relevant to a matter under consideration from sources outside the public decision-making process, I publicly share it with my fellow Council Members, commissioners, or committee members and staff at the public meeting where the matter is under consideration.
- I am prepared to make decisions when necessary for the public's best interest, whether those decisions are popular or not.
- I show respect for confidences, and information designated as "confidential" and refrain from disclosing information received during any closed session of the City Council, commission or committee held pursuant to State law.
- I refrain from participating in meetings outside of identified committees regarding City business without my fellow committee members and/or City staff.
- I recognize that the City Council and other City committees and commissions are independent legislative bodies, and I refrain from using my position to unduly influence the deliberations or outcomes of those bodies.

RESPECT FOR FELLOW ELECTED OR APPOINTED OFFICIALS, STAFF, AND THE PUBLIC

- I refrain from abusive conduct, personal charges, or verbal attacks upon the character, motives, ethics, morals, or comments of other Council Members, commissioners, committee members, staff, and the public.
- I treat everyone with respect by actively listening to other viewpoints, and not interrupting, ignoring or belittling the contributions of others.
- I state views briefly and honestly during City Council, commission, and committee meetings.
- I do not, in the performance of my duties, discriminate against any person on the basis of race, color, religion, national origin, ancestry, age, sex, gender, pregnancy, childbirth or related medical condition, sexual orientation, marital status, disability, medical condition, and actual or perceived gender identity.

- I do not give special treatment or consideration to any individual or group beyond that available to any other individual.
- I understand that the community expects me to serve with dignity and respect, as well as be an agent of the democratic process.

PROPER AND EFFICIENT USE OF PUBLIC RESOURCES

- I do not use public resources, such as City staff time, equipment, supplies or facilities, for private gain, personal purposes or political gain.
- I will comply with the City's parks and facility rental policy and will not offer special treatment or consideration to any individual or group beyond that available to any other individual or group.
- I make decisions after prudent consideration of their impact on the City's financial resources, taking into account the long-term financial needs of the agency, especially its financial stability.
- I comply with the City's reimbursement policy limits when attending and/or traveling to meetings, conferences, and seminars.
- I use my title(s) only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether I am exceeding or appearing to exceed my authority.
- I refrain from making unauthorized commitments or promises of any kind purporting to bind the City and/or City staff.
- I refrain from gratuitous comments that may harm the City's position in litigation or potential litigation.

**ACKNOWLEDGMENT PROCESS FOR THE
CITY OF STANTON
CITY COUNCIL POLICY**

All current elected and appointed City officials including current members of the City Council and City Commissions, Committee Members, and City employees will be given a copy of the newly adopted City Council Policy following its adoption on February 26, 2019 and will be asked to sign an acknowledgement form at that time.

Thereafter:

Each new member of the City Council, City Commissions, Committees, and City employees will be given a copy of the City Council Policy and asked to sign an acknowledgement form prior to their first meeting/hiring.

Copies of the City Council Policy and acknowledgment forms for elected officials (City Council), City Commissions, Committee Members, and City employees shall be maintained on file with the City's human resources division.

ACKNOWLEDGMENT OF RECEIPT

As an elected or appointed official, commissioner, committee member or City employee of the City of Stanton, California, I certify that I have received a copy of the City Council Policy of the City of Stanton, have been offered training and assistance in understanding the City Council Policy, and am aware of the provisions of the Policy and its application to my responsibilities. Consistent with the City Council Policy, I pledge that my conduct will adhere to the requirements of the Policy.

NAME: _____

TITLE: _____

SIGNATURE: _____

DATE: _____